

Innovative Spirit

In Exploring Diverse Business Paths

大膽嘗試

探索多元商業之道



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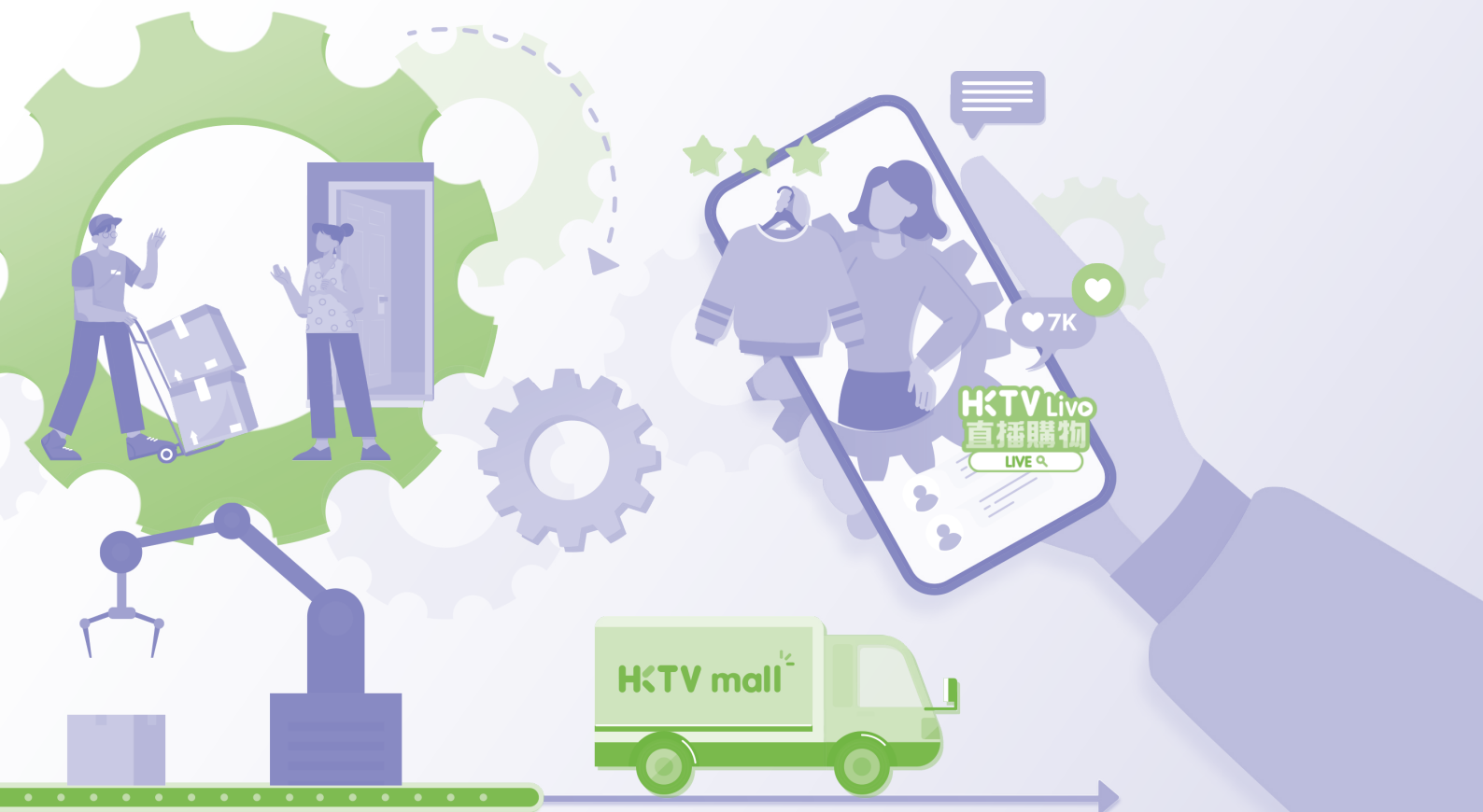
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Group Operational and Financial Highlights

In thousands of Hong Kong dollars unless specified

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 | Change in Percentage |
|---|-------------------------------------|-------------------------------------|----------------------|
| Gross Merchandise Value (“GMV”) on order intake ¹ | 8,426,143 | 8,589,825 | (1.9%) |
| GMV on completed orders ² | 8,340,686 | 8,511,995 | (2.0%) |
| Turnover | 3,856,259 | 3,839,509 | 0.4% |
| EBITDA ^{3,5} | (21,999) | 52,186 | (142.2%) |
| EBITDA margin* (in %) | (0.3%) | 0.6% | (0.9%) |
| Adjusted EBITDA ^{4,5} | 60,445 | 120,983 | (50.0%) |
| Adjusted EBITDA margin* (in %) | 0.7% | 1.4% | (0.7%) |
| Adjusted free cash flow ⁷ | 43,636 | (33,438) | (230.5%) |
| Loss attributable to shareholders of the Company | (149,553) | (66,700) | 124.2% |
| Net loss margin* (in %) | (1.8%) | (0.8%) | (1.0%) |
| Capital expenditures – Property, plant and equipment (excluded other properties leased for own use) | 73,513 | 72,504 | 1.4% |

* As a percentage of GMV on completed orders

| | As at 31 December 2025 | As at 31 December 2024 | Change in percentage |
|---|------------------------|------------------------|----------------------|
| Cash position ⁶ | 346,465 | 541,705 | (36.0%) |
| Other financial assets | 141,783 | 170,826 | (17.0%) |
| Total equity attributable to equity shareholders of the Company | 1,436,671 | 1,871,619 | (23.2%) |
| Number of shares in issue (in thousands) | 791,474 | 788,546 | 0.3% |
| Net asset per share (HK\$) | 1.82 | 2.37 | (23.5%) |

¹ 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.

² 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 certain discounts offered by Personalised Pricing Program, and use of promotional coupon, which is considered as advertising and marketing expenses under management reporting purpose.

³ EBITDA means profit/(loss) 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.

⁴ Adjusted EBITDA means EBITDA adjusted by major non-cash items, excluded non-recurring items including government subsidies, impairment loss on intangible assets and property, plant and equipment and one-off specific donations.

⁵ EBITDA and adjusted EBITDA are not the measures of performance under HKFRS Accounting Standards. These measures do not represent, and should not be used as substitutes for, net profit or cash flows from operations as determined in accordance with HKFRS Accounting Standards. These measures are not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definitions of these measures may not be comparable to other similarly titled measures used by other companies.

⁶ Cash position means cash and cash equivalents and time deposits.

⁷ 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 HKFRS Accounting Standards. 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 HKFRS Accounting Standards. 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.

Group Operational and Financial Highlights

RECONCILIATION OF ADJUSTED EBITDA AND ADJUSTED FREE CASH FLOW

| | For the year ended 31 December 2025 HK\$'000 | For the year ended 31 December 2024 HK\$'000 |
|---|--|--|
| Loss for the year | (149,553) | (66,700) |
| Income tax expenses/(credit) | 242 | (4,607) |
| Investment returns ⁸ | (19,116) | (31,395) |
| Depreciation – on property, plant and equipment (excluded depreciation on other properties leased for own use) | 114,200 | 127,501 |
| Amortisation on intangible assets | 32,228 | 27,387 |
| EBITDA | (21,999) | 52,186 |
| Major non-cash items: | | |
| – Valuation losses on investment properties | 39,700 | 21,150 |
| – Net exchange (gain)/loss | (1,743) | 7,065 |
| – Reversal of expected credit losses on debt securities measured at FVOCI | (937) | (39) |
| – Unrealised fair value (gain)/loss on units in investment funds measured at FVPL | (7,088) | 2,937 |
| – Reversal of equity-settled share-based payment expenses (after capitalisation) | – | (2,736) |
| – Unwinding the discounting effect of rental deposits | (880) | (868) |
| Government subsidies | (1,280) | (813) |
| One-off specific donations | 10,157 | – |
| Impairment loss on intangible assets and property, plant and equipment | 44,515 | 42,101 |
| Adjusted EBITDA | 60,445 | 120,983 |
| Represented by: | | |
| Hong Kong Ecommerce business | 309,298 | 329,220 |
| Wet Market Express | (107,933) | (77,345) |
| Fully Automated Retail Store and System | (61,223) | (54,344) |
| Everuts | (27,216) | (33,361) |
| Life Science Projects | (15,806) | (15,480) |
| General technology development | (10,016) | (5,941) |
| Head office and corporate | (26,659) | (21,766) |
| Adjusted EBITDA | 60,445 | 120,983 |
| Investment returns received | 21,007 | 32,687 |
| Tax paid | (89) | (25) |
| Changes in working capital | 73,426 | (56,956) |
| Payment for the purchase of property, plant and equipment | (60,799) | (77,976) |
| Payment for the addition to intangible assets | (54,993) | (58,221) |
| Depreciation of properties leased for own use | 140,390 | 151,209 |
| Capital element of lease rentals paid | (135,751) | (145,139) |
| Adjusted free cash flow | 43,636 | (33,438) |

⁸ Investment returns include bank interest income, dividend, investment income and interest income from other financial assets.

Major Milestones and Events

1992

MAY

City Telecom (H.K.) Limited ("City Telecom") was incorporated in Hong Kong

1997

JANUARY

Launch of IDD300 Calling Service

AUGUST

City Telecom was listed on the Stock Exchange of Hong Kong Limited

1998

NOVEMBER

The first company to receive the licenses of ISR voice service in Hong Kong

1999

JANUARY

Launch of IDD 1666 Direct Calling Service

NOVEMBER

ADR listing on the Nasdaq National Market of USA

2000

FEBRUARY

Hong Kong Broadband Network Limited ("HKBN"), a subsidiary of City Telecom obtained the local wireless FTNS license

MARCH

Launch of Broadband Internet services by HKBN

2001

MAY

CTI International awarded the Satellite-based Fixed Carrier license

2002

APRIL

HKBN upgraded to become a wireline-based FTNS license

JUNE

Launch of HKBN IDDO030 service

2003

AUGUST

HKBN officially launched IP-TV service

2004

NOVEMBER

HKBN announced the launch of "bb100", Hong Kong's first 100Mbps residential broadband service

Major Milestones and Events

2005

APRIL

HKBN launched "bb1000" Fibre-To-The-Home 1Gbps residential broadband service

OCTOBER

HKBN launched 2b Broadband Phone Service, providing VoIP service to local and overseas users via software version broadband phone

2006

SEPTEMBER

City Telecom enhanced Work-Life Balance with the launch of eight Talent beneficial measures

2007

MARCH

HKBN enhanced Digital TV Platform and launched new application "bbBOX"

2008

JANUARY

HKBN launched free WiFi service at public housing estates

FEBRUARY

HKBN awarded contract for the provision of payphone service at the Hong Kong International Airport

2009

NOVEMBER

HKBN launched "AWESOME SPEED. FOR EVERYONE" 100Mbps broadband at HK\$99/month (US\$13)

DECEMBER

HKBN shattered the one-millionth mark for Fixed Telecommunications Network Services subscriptions

2010

MARCH

City Telecom celebrated 10 Years on NASDAQ

MARCH

HKBN launched bb100 + WiFi services at Hong Kong International Airport

APRIL

HKBN launched 1 Gbps broadband for HK\$199/month (US\$26)

DECEMBER

HKBN launched HD online music portal – MusicOne

2011

MAY

Surpassed 10,000 symmetric 1Gbps subscribers

JUNE

Awesome HK\$9.9/month (US\$1.30) HomeTel Switch-Over Offer for incumbent's customers

Major Milestones and Events

2011

JUNE

Incredible 16bps Triple-Play (16bps Broadband, HomeTel, bbTV) for HK\$158/month (US\$20/month)

AUGUST

City Telecom announced the establishment of Worldclass Multimedia Centre, doorway to multimedia creativity

2012

FEBRUARY

Groundbreaking of City Telecom's Multimedia Production and Distribution Centre

MAY

City Telecom sold HKBN and all telecom businesses to CVC Capital Partners, a global private equity firm

SEPTEMBER

City Telecom celebrated 20th Anniversary: Together We Create TV Miracles

DECEMBER

City Telecom launched "TV Network Naming Ceremony and Programme Preview" event

2013

JANUARY

City Telecom renamed as Hong Kong Television Network Limited (HKTV)

DECEMBER

HKTV announced new developments to its multimedia business. Upon the completion of acquiring mobile TV service licence and spectrum, Over-The-Top (OTT) Internet content platform as well as mobile TV service will be launched

2014

OCTOBER

HKTV entered into content licensing agreement for broadcast and distribution rights with ASTRO, bringing HKTV's dramas to audience in Southeast Asia region

2014

NOVEMBER

With "Always Something New" as corporate vision, HKTV announced its grand launch of OTT content platform. The public can watch HKTV's self-produced dramas, variety & infotainment programs via Internet-connected devices

DECEMBER

Trial run for online shopping mall

2015

FEBRUARY

Grand launch of online shopping mall "HKTVmall". Starting with the slogan "We Sell Whatever You Can Imagine", HKTVmall worked with more than 333 stores from Hong Kong, Japan & Korea, targeting to be a large scale online shopping mall in Hong Kong

Major Milestones and Events

2015

AUGUST

HKTVMall's mega MTR advertising campaign dominated more than 50 MTR stations

2016

JULY

Expanded our warehouse and logistics centre to Tsing Yi for an additional 144,000 square feet

OCTOBER

Launched "Win \$4 Million to Buy a Home!" Lucky Draw and opened the 1st O2O Concept Store in North Point

AUGUST

Launched first of its kind Online Electronic Product Warehouse Sale, offering super discounted products as well as gifts

2017

JANUARY

Opened the 2nd O2O Concept Store in South Horizons

OCTOBER

Grandly opened 10th O2O Concept Store at Shatin CityOne

2018

JANUARY

"THE BASE – Ecommerce Incubation Programme" officially launched

MARCH

Automated robotic picking & warehousing system at Tsing Yi logistics centre in full operation

APRIL

The first Open API partnership with Citibank to launch Citi Pay with Points on HKTVMall

2018

JUNE

Partners with PayMe to launch seamless, secure mobile payments on HKTVMall app

DECEMBER

Opened 4,000 square feet concept store at Hong Kong-Zhuhai-Macao Bridge Passenger Clearance building

2019

MARCH

Automated robotic picking & warehousing system at the logistics centre of Tseung Kwan O headquarters commenced operation

JULY

Opening of new logistics centre in Tuen Mun

Major Milestones and Events

2019

OCTOBER

Empowered by the one-month "Thankful Festival", sales performance was pushed to a record high with GMV reaching HK\$275.5 million and average 19,500 daily orders for October 2019

2020

FEBRUARY

Crossbelt sorter system at the logistics centre in Tuen Mun commenced operation

MARCH

Established mask factory and started production of surgical masks

JULY

Partners with Citibank to launch the first HKTVMall co-brand credit card

2020

NOVEMBER

Setting up "Shoalter Technology" to extend our end-to-end Ecommerce Solution business, to share our unique knowledge, experiences and technical skills, with the first office in Taiwan to support research & development in software and mechanical systems

DECEMBER

HKTVMall ranked the first in Top Trending Shopping Sites and second in Top Trending Keywords of Google Hong Kong Year In Search 2020

2021

JANUARY

First Online Flower Market to support local florists by offering a special commission rate, as well as breaking traditional limitation for retail to have live streaming on both HKTVMall Live Shopping Channel and social media page for promotion

2021

FEBRUARY

Expanding delivery network to South Lantau and other remote areas to expand to new customer segments

APRIL

Launch of second hand market place "EcoMart", encouraging sustainable shopping and enhancing customer bonding

JULY

HKTVMall ranked the 2nd in YouGov Recommend Rankings 2021 Hong Kong

Major Milestones and Events

2021

JULY

HKTV renamed as Hong Kong Technology Venture Company Limited

AUGUST

Launch of a new integrated education platform “HKTV Ecommerce Academy” to provide comprehensive and diversified training courses with the participation from different Ecommerce and digital marketing experts, aiming to enrich the successful skills on running online shopping for retailers

AUGUST

Shoalter Automation Limited, an indirect wholly-owned subsidiary of HKTV filed its first Hong Kong standard patent application in respect of its Fully Automated Retail Store and System invention, which is the first of its kind in the world

2022

FEBRUARY

HKTVmall ranked the 1st in YouGov Best Buzz Rankings 2021, reelected as the most popular brand in Hong Kong

JULY

The first “HKTV Open Day” was held, providing over 130 job vacancies with the on-the-spot interview with a record of over 430 visitors joining the event

AUGUST

Launch of a virtual community “ShareHub” as the first step of social Ecommerce. Merchants and customers to create and share life contents together, giving shopping a fresh look by incorporating components like attention, sharing, interaction, and discussion

2022

SEPTEMBER

HKTVmall ranked No.2 in YouGov Recommend Rankings 2022 Hong Kong

SEPTEMBER

HKTV celebrated its 30th anniversary and held various celebration events to share the joy with Talents

OCTOBER

Launched “Wet Market Express”, providing express delivery for food options in wet markets. Our own delivery fleet offers delivery as quick as 3 hours, making online shopping experience on HKTVmall more comprehensive

NOVEMBER

Launch of a new self-run official store “UK Store by HKTVmall”, importing products from the United Kingdom to Hong Kong by our own buyers, to provide product options with “British Taste, British Rate”

Major Milestones and Events

2022

DECEMBER

Expands the markets outside Hong Kong actively by launching "Ship to Macau"

2023

APRIL

The first physical "UK Store by HKTVMall" was opened on Caine Road, Central, allowing customers to experience "British Taste, British Rate"

MAY

HKTVMall launched "Ship to UK", further extended its delivery service to the United Kingdom

2023

JULY

Launched an all-in-one independent eStore solution – "ThePlace", aiming to assist merchants in starting their online business easily and flexibly with sufficient traffic support

JULY

The 144,000 square feet Third Party Logistics centre in Tsing Yi started its operation and launched Third Party Logistics Service, providing merchants with one-stop order and fulfilment management

AUGUST

The first pilot store of the Fully Automated Retail Store and System started in Manchester, the United Kingdom under the brand of "in:Five"

2023

AUGUST

"Wet Market Express" service covered over 90% of HKTVMall's prevailing customer base, which is well ahead of the original target of covering 75% of prevailing customer base as mentioned in 2022 Annual Results

SEPTEMBER

HKTVMall extended its last mile delivery service to the third locations outside Hong Kong and launched "Ship to Australia"

NOVEMBER

HKTVMall launched "Ship to Canada", marking the fourth delivery location outside Hong Kong

Major Milestones and Events

2023

NOVEMBER

The second physical “UK Store by HKTVMall” was set up in Queensway Plaza

NOVEMBER

HKTVMall launched a megascale promotion campaign – “Mom-certified!” and distributed HK\$3,000 discounted cash vouchers to HKTVMall accounts held by citizens across Hong Kong. Joining hands with 50 real “mom” customers, creative advertisements covered 58 MTR stations, spreading a total of 3,120 billboards

2024

JANUARY

HKTVM signed a Memorandum of Understanding (MoU) with Vocational Training Council (VTC), committing to work together to nurture future elites in the Ecommerce sector, which marks the Group’s first MoU with a local tertiary institution

2024

JANUARY

HKTVMall further shortened the delivery time. Over 50,000 groceries can be delivered to customers in as quick as 8 hours

MARCH

HKTVMall steps into a new milestone to be eco-friendly – the first electric delivery truck commenced service with zero tailpipe emission and 30% faster in cooling speed

APRIL

HKTVMall partnered with Companhia de Telecomunicações de Macau (CTM) to set up HKTVMall directory entrance in CTM Buddy app and launch a Macau customer-exclusive platform – CTM x HKTVMall, where Macau customers can use CTM Bonus Points to check out and enjoy exclusive discounts

2024

SEPTEMBER

HKTVMall launched a new store model – CASHBACK, which does not require merchants to set up an HKTVMall store. HKTVMall drives traffic to merchants’ online stores or service platforms, and customers will gain Mall Dollar rebate upon successful orders

SEPTEMBER

HKTVMplus, a new paid membership program, was launched. It provides customers with a “Plus+ Price”, which is marked lower than the retail price from other chained supermarkets or personal care retailers when they purchase selected best-sellers products

DECEMBER

“Wet Market Express” opened store pick-up service, allowing customers to opt to pick their Wet Market Express orders up at selected O2O stores

Major Milestones and Events

2025

MARCH

HKTVMall celebrated its 10th anniversary and launched "10th Anniversary" promotion campaign, offering a series of discounts and coupons to customers to share the anniversary joy

APRIL

Actively driving the development of HKTVMall's direct sales, broadcasting uninterrupted live show programs daily from 8:30 am to 12 am midnight, adding live shows in wet markets and O2O stores to enrich the content

APRIL

HKTVMall partners with Hong Kong Post to establish HKTVMall pick-up points at 117 post offices across Hong Kong, further expanding its pick-up network

2025

MAY

Celebrated HKTVMall's 10th anniversary at HKTVM Annual Dinner and invited over 320 merchants and partners to join and share the anniversary joy

JUNE

HKTVMall launched the "Shipped from Mainland" section, providing customers with Mainland product options at the "Same Price as Mainland". Mainland merchants only have to deliver their products to HKTVMall's new fulfilment centre in Guangdong. HKTVMall will then handle the last-mile delivery in Hong Kong

JUNE

Introducing HKTVMall mini program on WeChat app to promote products to the new demographic groups of Mainland talents, drifters and travellers with a specially designed user interface and exclusive offers

2025

JUNE

"Wet Market Express" launched "Cross-District Delivery". Customers can order from over 300 selected market vendors across Hong Kong's 10 major wet markets, including the Yau Ma Tei Wholesale Fruit Market, choosing from more than 25,000 fresh ingredients and fruit options regardless of district

SEPTEMBER

CASHBACK Mall Dollar rebate program joined the Hong Kong Holiday & Travel Expo for the first time, encouraging consumers to book hotels or other travel services on travel platforms via CASHBACK, with limited upgraded offers

OCTOBER

Launching special offers and extensive offline promotional campaigns to promote "Wet Market Express" & "CASHBACK" with creative ads covering 2,600 ad billboards across 36 MTR stations

Major Milestones and Events

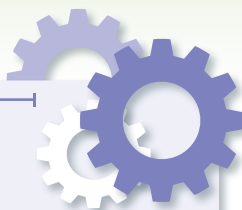
2025

NOVEMBER

HKTVMall launched a new self-operated online store "GreenLab", offering discounts of up to 70% off on products that are close to or past their "Best Before" date but are still safe to consume or use and items with minor flaws

DECEMBER

HKTVMall partners with Circle K to launch pick-up service at 318 selected Circle K stores. Some of the Circle K pick-up points offer 24-hour pick-up service



Innovative Services to Build Unique Advantages



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極速送

★★★★★

70000

HKTv mall

專屬價

★★★★★

CAOHBAOK

Chairmen's Statement



In 2025, the Hong Kong retail market continued to face structural pressure arising from slow economic growth, frequent outbound travel by residents, intensifying cross-border shopping trends, and aggressive promotional campaigns by major Mainland competitors, leading to noticeable shifts in consumer behavior. The Group's business performance in 2025 was inevitably affected by the abovementioned evolving consumption trends and consumer behavioral changes. Nevertheless, we firmly believe that challenges are always accompanied by opportunities. This situation bears resemblance to the long-distance telecommunications market 33 years ago. When the government introduced multiple new competitors, the entire market underwent rapid transformation, restructuring, and significant expansion. A similar dynamic is now unfolding in the retail sector and Hong Kong consumers' habits will further evolve, accelerating the shift from physical stores to online shopping and injecting fresh momentum into the retail industry as a whole.

The Group's total Gross Merchandise Value ("GMV") on order intake for 2025 reached HK\$8,426.1 million, maintaining a stable level. As the Group's core business, HKTVMall delivered a solid performance, achieving an adjusted EBITDA of HK\$309.3 million. Monthly active unique devices remained stable at approximately 1.6 million units. Our customer base is primarily concentrated among the middle-class segment, exhibiting exceptionally high loyalty. This provides a solid foundation for HKTVMall's consistent and stable traffic, while further confirming that the structural shift from offline to online shopping is irreversible.

The Group has always adhered to the core principle that "long-term survival" outweighs short-term profitability. Amid an increasingly complex operating environment in Hong Kong, the timing pressure arising from seamless market integration between Mainland and Hong Kong has become our primary concern regarding future prospects. Imagine a scenario where both "people flow" and "logistics flow" can move freely between Mainland and Hong Kong without customs clearance or border checks – the entire supply chain for goods and food could be transported directly from Mainland to Hong Kong. How would HKTVMall and local retailers respond in such circumstances?

Many investors and stakeholders are curious as to why we do not fear competition from major Mainland Ecommerce platforms such as JD.com and Taobao. The advantages of these platforms primarily stem from their vast merchant networks and extensive product selections. Yet we are capable of replicating these strengths – HKTVMall has successfully recruited a large number of Mainland merchants, offering nearly 3,000,000 product choices in a wide selection of product variant. Moreover, Taobao has been operating in Hong Kong for over a decade, and we have not observed any direct impact on HKTVMall's business. Some have also pointed to the active development of online shopping by local chain supermarkets and personal care retailers in recent years. We believe these traditional supermarkets offer limited product variety and lack automated picking and warehousing systems, resulting in losses on a per-order basis. By shifting their own customers from offline to online channels, they have not increased sales volume but have significantly raised operating costs, rendering the model unprofitable. This also explains why they had not aggressively pursued online operations for many years.

To address the pressures from seamless Mainland-Hong Kong market integration, we must adopt an attitude of "survive, innovate, and change" in seeking pathways forward and striving for endurance. Drawing on 20 years of competitive experience in the telecommunications industry, we will boldly implement a cost-unconstrained strategy of "Competing on greater product choices, lower prices and faster logistics". Currently, the Group's total GMV on order intake reached HK\$8,426.1 million with substantial portion derived from customers of traditional supermarkets. If we capture an additional 5% to 10% of market share, we believe these competitors – with 200 to 300 physical chain stores and high fixed costs – will face even more severe challenges.

Chairmen's Statement

INNOVATIVE SERVICES TO BUILD UNIQUE ADVANTAGES

1. **3 Hr Mart:** Over the past 3 years, the Group has invested substantial resources in developing “Wet Market Express”, covering Hong Kong’s 10 major wet markets. These markets include Yau Ma Tei Wholesale Fruit Market, with over 300 stalls and more than 25,000 fresh ingredient choices. Following the launch of cross-district delivery, customers located anywhere in Hong Kong can enjoy same-day cross-district delivery service which has been highly welcomed by middle-class consumers. The service’s uniqueness and logistical complexity create a competitive barrier that Mainland and local rivals will find difficult to replicate in the short term.

In March 2026, we have extended 3-hour delivery to supermarket products with the launch of the new “3 Hr Mart” service, covering close to 70,000 product choices from over 500 product categories. This includes fresh market ingredients, supermarket groceries, daily necessities, health and beauty products, maternity and baby items, pet supplies, and more – ensuring customers can meet most daily needs without leaving home.

2. **Personalised Pricing Program:** Our new Personalised Pricing Program determines the price of each product based on individual customers’ consumption patterns, meaning pricing can vary per item and per customer. Leveraging on big data and AI analytics, it precisely matches customer needs to deliver the most attractive “Exclusive Price”, thereby enhancing competitiveness.
3. **CASHBACK:** The Group has significantly increased investment in CASHBACK in recent years. Our customers are primarily middle-class individuals who travel frequently abroad. By using CASHBACK to book through major travel platforms (such as Trip.com, Booking.com, Klook, etc.) and shop on merchants’ official online stores, they can earn Mall Dollar rebates, with spending power ultimately flowing back to HKTVmall. At the same time, this flexible collaboration model enables HKTVmall to partner with more international and overseas brands, helping to broaden our customer base.

TALENT STRATEGY

In response to the structural changes in Hong Kong’s population and consumption habits, we will leverage on our Ecommerce experience, big data analytics and AI applications to gain deeper insights into the preferences and shopping patterns of the “new Hong Kong people”. Currently, approximately 5% of our office Talent comes from the Mainland. We will continue to strengthen recruitment efforts, targeting an increase of Mainland Talent to 15% by the end of 2027. We believe that Mainland colleagues bring valuable knowledge in areas such as consumer behavior, warehouse operations and Ecommerce platform software systems, that worth learning from. We also plan to promote outstanding Mainland colleagues to management roles, strengthening team capabilities and preparing for future competition.

LIFE SCIENCE PROJECT

The Group places the utmost importance on Life Science Project, and the management team will continue to allocate resources to it. The project has now been underway for 4 years and our research team is staffed by more than 20 professional members, including university professors, doctors and professional medical teams. The team is dedicated to developing and refining equipment designed to maintain the viability of detached body organs, such as limbs and heads. The team has conducted 38 experiments in which the animals’ limbs or heads were separated from their bodies. Based on neuromuscular responses to electrical stimulation, the detached limb remained viable for approximately 46 hours and based on electroencephalographic (EEG) recordings via surface-electrode and/or deep-electrode measurement, the detached heads remained viable for approximately 7 hours, that the research team believes this is the first case in the world.

Should the technologies we are developing prove successful, they could have applications in organ transplantation and potentially in extending human lifespan. However, at present, we are unable to accurately predict the project’s success rate or financial returns, nor can we reliably forecast its long-term development.

Chairmen's Statement

FULLY AUTOMATED RETAIL STORES AND SYSTEMS IN THE UK

The Fully Automated Retail Stores and Systems continue to face significant technical challenges. We have introduced additional professional Talent and are progressively optimizing system design and processes. The Group will not abandon this project, as we firmly believe this emerging technology holds immense market potential.

CONCLUSION

The Group's ability to advance steadily amid challenging conditions stems not only from our adherence over more than 30 years to our corporate culture and core values, but also from our bold innovative spirit in exploring diverse business paths while "adapting to the prevailing trends". Adapting to trends requires genuine action – from the inside out and from top to bottom-making comprehensive changes. Regardless of acceptance, the overall market environment, consumer behavior, and the trend of Mainland-Hong Kong integration are already irreversible. Only by proactively adapting can we continue to grow and discover new opportunities. The Group will continue to prioritize innovation, committing to developing initiatives in other areas such as Life Science Project, and persisting in pursuits that are beneficial to society and even to human history.

Mak Wing Sum, Alvin
Chairman

Wong Wai Kay, Ricky
Vice Chairman

Hong Kong, 30 March 2026

Profile of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. CHEUNG Chi Kin, Paul

aged 68, is the co-founder of the Group. Mr. Cheung served as the Chairman of the Group from 1 January 2020 to 31 August 2025. Prior to that, Mr. Cheung was the Vice Chairman and Chief Executive Officer of the Group. He is a member of the Executive Committee and Investment Committee of the Company as well as a director of certain subsidiaries of the Group. Mr. Cheung is primarily responsible for overall strategic planning and direction of the Group. Mr. Cheung has extensive experience of over 30 years in the telecommunications and computer industries as well as corporate management. He had worked in several companies engaged in application software development and computer consultancy prior to co-founding the Group. Mr. Cheung graduated with a Diploma of Advanced Programming and System Concepts Design from Herzing Institute, Canada. Mr. Cheung is a first cousin of Mr. Wong Wai Kay, Ricky, the Vice Chairman, Group Chief Executive Officer and an Executive Director of the Group.

Mr. WONG Wai Kay, Ricky

Vice Chairman & Group Chief Executive Officer

aged 64, is the co-founder of the Group and has been the Vice Chairman of the Company since 1 January 2020. He was the Chief Executive Officer of the Company from 1 January 2020 to 31 October 2020, and has been re-designated as the Group Chief Executive Officer since 1 November 2020. Mr. Wong had been the Chairman of the Group until 31 December 2019. He is the Chairman of the Investment Committee and a member of the Executive Committee of the Company as well as a director of certain subsidiaries of the Group. Mr. Wong is primarily responsible for the overall strategic planning and management of the Group and the business direction of the Hong Kong and international business operations of the Group. Mr. Wong possesses extensive and successful experience in liberalisation of the telecommunications market, popularising advanced technology and applications, as well as corporate management and leadership.

In 1992, Mr. Wong co-founded the Group and was the first to provide alternative international telecommunications services in Hong Kong, leading to the subsequent market liberalisation and in 1999, Mr. Wong was engaged in the establishment of territory-wide fibre optics broadband network. Since 2014, Mr. Wong leads the Group to develop eCommerce business, building “HKTVmall” as the largest online shopping mall in Hong Kong, to provide one-stop shop services including online shopping, marketing & digital advertising, big data analysis, smart logistics & fulfilment as well as physical O2O shops. Mr. Wong is also leading the Group to become a technology enabler. Apart from launching online shop solutions and third party logistics services to assist local retailers running their online retailing successfully in Hong Kong, Mr. Wong also commits to explore business for the self-invented “Fully Automated Retail Store and System”. Mr. Wong has been researching life science and technology in recent years, collaborating with Hong Kong and overseas universities and medical professional teams to explore various methods of preserving human organs.

Mr. Wong holds a Bachelor’s Degree in Science and a Master of Business Administration Degree (Executive MBA Programme) from The Chinese University of Hong Kong. Currently, Mr. Wong is a member of the Board of Trustees of United College, The Chinese University of Hong Kong. Mr. Wong is a first cousin of Mr. Cheung Chi Kin, Paul, an Executive Director of the Company.

Profile of Directors and Senior Management

Ms. WONG Nga Lai, Alice

Group Chief Financial Officer & Company Secretary

aged 51, was appointed as the Executive Director, Chief Financial Officer and Company Secretary of the Company in May 2012, and is a member of the Executive Committee, Environmental, Social and Governance Committee, Investment Committee and Nomination Committee of the Company as well as a director of certain subsidiaries of the Group. She has been re-designated from Chief Financial Officer to Group Chief Financial Officer of the Company with effect from 1 November 2020. She has extensive experience in financial management, corporate finance and global investor relations, in particular on the telecommunications, multimedia and eCommerce industries. She leads the finance, investor engagement, talent acquisition and management, legal and company secretarial, and administration functions of the Group. Prior to that, Ms. Wong was the Financial Controller of the Group.

Before joining the Group, Ms. Wong had worked for PricewaterhouseCoopers in Hong Kong primarily focusing on the technology, information communications and entertainment sectors. Ms. Wong holds a Bachelor of Commerce degree from the University of Queensland, a Master of Business Administration degree from the Hong Kong University of Science and Technology and a Postgraduate Diploma in Corporate Governance. She is a qualified member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a fellow member of Association of Chartered Certified Accountants (ACCA). She is a member of the audit committee for Vocational Training Council effective from 1 April 2024. She has been a member of the ACCA Hong Kong Committee from September 2021 to September 2025 and a member of the Accountancy Training Board for Vocational Training Council from April 2019 to March 2025.

Mr. LAU Chi Kong

Chief Executive Officer (International Business)

aged 44, was appointed as an Executive Director of the Company on 1 December 2017. Mr. Lau had been the Chief Operating Officer until 31 October 2020, and has been re-designated as the Chief Executive Officer (International Business) of the Company with effect from 1 November 2020. He is a member of the Executive Committee and Environmental, Social and Governance Committee of the Company as well as a director of certain subsidiaries of the Group. Mr. Lau is primarily responsible for the business direction and development of the international business operations of the Group including eCommerce solution business by Shoalter Technology Limited, the technology arm of the Group. Mr. Lau joined the Group in 2004 as a management trainee. Prior to his current role, Mr. Lau held numerous positions and has extensive experience in operations and finance. Mr. Lau holds a Bachelor of Science degree in Actuarial Science from The University of Hong Kong and a Master of Business Administration Degree (Executive MBA Programme) from The Chinese University of Hong Kong.

Ms. ZHOU Huijing

Chief Executive Officer (Hong Kong)

aged 44, was appointed as an Executive Director of the Company on 1 December 2017. Ms. Zhou had been the Managing Director of Shopping and eCommerce until 31 October 2020, and has been re-designated as the Chief Executive Officer (Hong Kong) of the Company with effect from 1 November 2020. She is a member of the Executive Committee and Environmental, Social and Governance Committee of the Company as well as a director of certain subsidiaries of the Group. Ms. Zhou is primarily responsible for day-to-day management of the Hong Kong business operations including sales and marketing, O2O shop management, customer services, automated fulfilment and logistics functions and development of the Group's digital ecosystem, namely HKTVmall. Ms. Zhou joined the Group in 2003 as a management trainee. Prior to her current role, she held numerous positions and has extensive experience in marketing, business development, customer services, content distribution and partnership and production administration. Ms. Zhou holds a Master of Business Administration degree from The Hong Kong University of Science and Technology and a Bachelor of Social Science degree from The Chinese University of Hong Kong. Ms. Zhou has been a member of the Merchandise Trading and E-commerce Training Board for Vocational Training Council since 1 April 2023.

Profile of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. MAK Wing Sum, Alvin

Chairman

aged 73, was appointed as an Independent Non-executive Director of the Company in September 2013. Mr. Mak has been appointed as the Chairman of the Company with effect from 1 September 2025. Mr. Mak has also been appointed as the chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee, Investment Committee and Environmental, Social and Governance Committee of the Company. He is a member of the Canadian Institute of Chartered Accountants as well as being a member of the Hong Kong Institute of Certified Public Accountants. Mr. Mak is currently an independent non-executive director of Crystal International Group Limited, Lai Fung Holdings Limited, Luk Fook Holdings (International) Limited and K Cash Corporation Limited, all listed on the Stock Exchange. Mr. Mak had been an independent non-executive director of Goldpac Group Limited (a company listed on the Stock Exchange) until 21 May 2024 as well as I.T Limited (a company listed on the Stock Exchange until it delisted on 30 April 2021) until 2 December 2019. Mr. Mak is a member of Hong Kong Housing Society and is a member of its Finance Committee.

After working in Citibank for over 26 years, Mr. Mak retired in May 2012. He last served as the Head of Markets and Banking for Citibank Hong Kong, being the country business manager for its corporate and investment banking business. In Citibank, he had held various senior positions including the Head of Global Banking, where he was responsible for managing all the coverage bankers. Prior to that, he also managed Citibank's Hong Kong corporate finance business, regional asset management business and was the Chief Financial Officer of North Asia. Before joining Citibank in 1985, Mr. Mak was an audit group manager at Coopers & Lybrand (now known as PricewaterhouseCoopers). He worked for Coopers & Lybrand for eight years, five of which was in Toronto, Canada. He graduated from the University of Toronto with a Bachelor of Commerce degree in 1976.

Mr. PEH Jefferson Tun Lu

aged 66, has been an Independent Non-executive Director of the Company since September 2004. He has also been appointed as the chairman of the Audit Committee and Nomination Committee, and a member of the Remuneration Committee, Investment Committee and Environmental, Social and Governance Committee of the Company. Mr. Peh is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. Mr. Peh holds a Master's Degree in Business from the University of Technology, Sydney. He has extensive experience in finance, accounting and management from listed and private companies in Hong Kong and Australia.

Profile of Directors and Senior Management

Mr. ANN Yu Chiu, Andy

aged 47, was appointed as an Independent Non-executive Director of the Company on 1 January 2024. Mr. Ann has also been appointed as the chairman of the Environmental, Social and Governance Committee and a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Mr. Ann is a distinguished entrepreneur and technology innovator, renowned for his significant contributions to the digital and innovation sectors in Hong Kong and beyond. As the founder and CEO of NDN Group (HK) Limited since January 2002, Mr. Ann has been at the forefront of advancements in mobile advertisement networks, social networking, digital out-of-home advertising, big data analytics, blockchain, and AI technologies.

His entrepreneurial journey began in 2003 with the founding of Y5 Hot Media Solutions Limited, which revolutionized Hong Kong's communication and media infrastructure through innovative Wifi and Digital Media Network solutions. Following this, he established HOTMOB Limited in 2007, a company specializing in mobile marketing and data services, further solidifying his role as a leader in digital innovation. Mr. Ann's foresight and ability to harness technology for commercial success continued with the co-founding of Social Media Broadcasts (SMB) Limited in 2010, where he developed Klarity, a product later acquired by Meltwater News HK Limited. He also founded Darizi Limited, a prestigious wedding and lifestyle media brand in Hong Kong and China, and co-founded GoImpact Capital Partners Limited, a pioneering ESG learning platform in Southeast Asia. In the Insurtech space, Mr. Ann has made significant strides as the co-founder of YAS Digital Limited, offering innovative on-demand and embedded insurance solutions. His investment firm, NDN2 Limited, has further diversified his portfolio with investments in numerous promising startups.

Beyond his business endeavors, Mr. Ann is deeply committed to nurturing the next generation of entrepreneurs and giving back to the community. He actively mentors young entrepreneurs through various platforms, including the Founders Institute and CoCoon. He is also a respected guest lecturer at several prestigious universities in Hong Kong and a founding member of TEDxWanChai, focusing on inspirational talks in NGOs, social enterprise, and philanthropy. Mr. Ann's efforts and achievements have earned him numerous accolades, including the Young Entrepreneur award from DHL and SCMP in 2008 and the Entrepreneur Organisation EO Piaget award in 2013. His influence and contributions were further recognized when he was featured in the Gafencu Power 300 list in 2022. Educationally, Mr. Ann is an alumnus of the University of British Columbia, Canada, where he obtained his degree in Bachelor of Arts (Psychology & Economics) in May 2001. He furthered his education with an executive master's in Business Administration from the Chinese University of Hong Kong in December 2009. Mr. Ann's blend of entrepreneurial spirit, technological expertise, and commitment to social betterment continues to shape the landscape of digital innovation and community development, making him a pivotal figure in the technology sector.

Mr. YEUNG Chu Kwong

aged 65, was appointed as an Independent Non-executive Director of the Company on 1 January 2026. Mr. Yeung has also been appointed as a member of the Audit Committee, Nomination Committee, Remuneration Committee and Environmental, Social and Governance Committee of the Company. Mr. Yeung is an independent non-executive director, the chairman of the nomination committee, a member of each of the audit committee and the remuneration committee of Hung Fook Tong Group Holdings Limited (stock code: 1446). Mr. Yeung was the executive director, a member of the environmental, social and governance committee and nomination committee, the executive vice-chairman, and group chief executive officer of HKBN Ltd.. Prior to joining HKBN Ltd. in 2005, Mr. Yeung was the director of customers division at SmarTone Mobile Communications Limited. In 2010, Mr. Yeung was recognised as Champion of Human Resources by The Hong Kong HRM Awards.

Mr. Yeung obtained a Bachelor of Arts Degree from Hong Kong Baptist University in December 1992, a Master of Business Administration Degree from the University of Strathclyde, U.K. in November 1995 and a Master of Science Degree in Electronic Commerce and Internet Computing from the University of Hong Kong in November 2001.

Competing On

Greater Product Choices,
Lower Prices & Faster Logistics



Management's Discussion and Analysis

BUSINESS REVIEW

The local economy continued to show signs of gradual recovery during 2025, although consumer sentiment remained uneven, with discretionary spending recovering at a slower pace than expected. According to government statistics, Hong Kong's total retail sales value recorded a modest year-on-year increase of 2.4% in 2025 compared with 2024⁹. However, certain retail segments continued to face headwinds, with supermarkets and department stores recording year-on-year declines of 0.6% and 0.2%, respectively.

Structural challenges in consumer behaviour continued to weigh on the pace of local retail recovery, including a 12.3% year-on-year increase in outbound travel by Hong Kong residents, evolving cross border consumption patterns, and intensified competition from global online shopping platforms. As a result, the Group's business performance in 2025 was affected by prevailing consumption momentum and behavioural shifts, albeit at a mild level. The Group's total GMV on Order Intake recorded a slight decrease of 1.9% to HK\$8.43 billion in 2025 (2024: HK\$8.59 billion).

Despite these challenges, the Group's business demonstrated resilience, underpinned by the continued execution of its long-standing strategic and innovative initiatives, which supported business diversification, balanced risk exposure, and reinforced the Group's competitiveness in the Hong Kong retail market. Within the Group's total GMV on Order Intake, HKTVMall reported a decrease by 3.5% reaching HK\$7.98 billion in 2025 (2024: HK\$8.27 billion). On the other hand, Wet Market Express, being an untapped online fresh produce segment, continued to deliver a remarkable growth of 47.1% on GMV on Order Intake reaching HK\$394.4 million in 2025 (2024: HK\$268.2 million).

Beyond GMV performance, the Group maintained stable user traffic and continued to grow its customer base, reflecting the sustained structural shift from offline to online consumption and providing a solid foundation for monetisation of new business initiatives for both Hong Kong Ecommerce and New Venture and Technology segments.

Hong Kong Ecommerce Business

Hong Kong Ecommerce business represents HKTVMall including Third-Party Logistics ("3PL") service and ThePlace.

Economic and demographic shifts in Hong Kong's retail landscape continued to impact the performance of the Group's Ecommerce business during the year. The Group remained proactive in managing these risks with a view to long-term sustainability. During the year, the Group continued to focus on strengthening its core business, including broadening product offerings, expanding customer order fulfilment options, and developing new Ecommerce initiatives.

At the same time, the Group exercised disciplined cost management, with the objective of improving long term profitability while maintaining service quality and supporting ongoing innovation.

Stabilised Operating Performance

During the period under review, management made significant efforts to mitigate the impact of the challenging operating environment on the performance of Hong Kong Ecommerce business while continuing to lay the groundwork for future business growth:

1. Although Hong Kong Ecommerce business's GMV on Order Intake had a moderate decrease by 3.6% to HK\$7,975.4 million (2024: HK\$8,270.3 million), the Ecommerce initiatives built over past years have continued to monetise to grow the gross contribution to HK\$2,076.2 million (2024: HK\$2,057.4 million);
2. Monthly active unique device maintained at approximately 1.6 million;

⁹ Based on the All Retail Outlet – Value of Retail Sales excluding Fuels, Motor vehicles and parts, and Optical Shops for the year 2025 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 published by the Census and Statistics Department, The Government of Hong Kong Special Administrative Region (https://www.censtatd.gov.hk/en/web_table.html?id=620-67002).

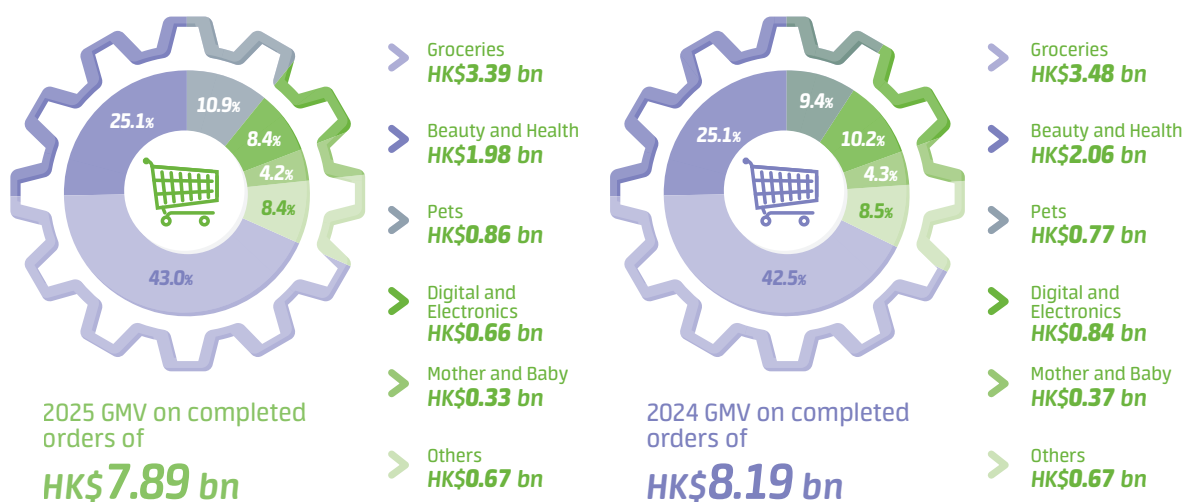
Management's Discussion and Analysis

- Number of unique customers who made purchases at Hong Kong Ecommerce platform had further expanded to 1,539,000 (2024: 1,519,000);
- Quarterly average purchase frequency per customer remained stable at 4.7x in the fourth quarter of 2025 ("4Q2025") (for the fourth quarter of 2024 ("4Q2024"): 4.6x); and
- Quarterly average main categories purchased per customer remained stable at 2.8 main categories in 4Q2025 (4Q2024: 2.9 main categories).

Groceries continued as Core Traffic Catalyst contributing to Stable GMV Performance

On order completion basis, the Hong Kong Ecommerce business generated a GMV of HK\$7,892.1 million in 2025 (2024: HK\$8,192.6 million). Groceries product category remained the largest contributor at 43.0% (2024: 42.5%) to GMV on completed orders, highlighting its strong recurring purchase nature and role as a key traffic driver. The performance of major product categories is illustrated in the graph below:

Product categories distribution (based on GMV on completed orders)



- The Pets product category recorded continued year-on-year growth in GMV on completed orders, increasing by 12.1% to HK\$863.0 million (2024: HK\$770.0 million).
- The Mother and Baby product category also outperformed Houseware and Household becoming the top 5th product category attributing to 4.2% (2024: 4.3%) of GMV on completed orders in 2025.
- In contrast, GMV on completed orders for the Digital and Electronics category decreased by 20.6% to HK\$664 million (2024: HK\$836 million), reflecting weaker consumer sentiment towards durable goods amid the gradual recovery of the local economy.

Gross Margin Improvement with Stable 1P and 3P mix

Hong Kong Ecommerce business continued to adopt hybrid business model composed of Direct Merchandise Sales ("1P Business") and Merchant Concessionaire Sales ("3P Business"), which contributes to stable grocery supply for recurring traffic and broader product variety through an expanding merchant base locally and globally. In 2025, the proportion between 1P Business and 3P Business remained the same as 2024 at 28.7% and 71.3% of total GMV on completed orders respectively.

Management's Discussion and Analysis

The Group's gross contribution performance is summarized below:

GROSS PROFIT MARGIN AND BLENDED COMMISSION RATE

In thousands of Hong Kong dollars unless specified except for ratios

| On completed orders and on adjusted basis ² | For the year ended 31 December 2025 HK\$'000 | For the year ended 31 December 2024 HK\$'000 (restated) ¹³ |
|--|---|---|
| Direct merchandise sales | | |
| GMV on completed orders ^{2,10} | 2,266,113 | 2,350,793 |
| Cost of inventories | (1,715,167) | (1,752,796) |
| Gross profit | 550,946 | 597,997 |
| Gross profit margin | 24.3% | 25.4% |
| Income from concessionaire sales and service income | | |
| GMV on completed orders ² | 5,625,945 | 5,841,817 |
| Merchant payments ¹¹ | (4,301,487) | (4,552,005) |
| Income from concessionaire sales and service income ¹¹ | 1,324,458 | 1,289,812 |
| Blended commission rate | 23.5% | 22.1% |
| Multimedia advertising income | 171,048 | 156,493 |
| Other service income | 29,724 | 13,115 |
| Gross contribution from Hong Kong Ecommerce business segment | 2,076,176 | 2,057,417 |
| Income from New Ventures and Technology business segment ¹² | 87,846 | 63,180 |
| Gross contribution from Ecommerce and New Ventures and Technology business segments | 2,164,022 | 2,120,597 |

¹⁰ For direct merchandise sales, the GMV on completed orders is before the deduction of HKTVMall dollars of HK\$3,387,000 (2024: HK\$8,850,000), use of promotional coupon of HK\$35,812,000 (2024: HK\$36,311,000) and the deduction of discounts from Personalised Pricing Program of HK\$7,974,000 (2024: nil).

¹¹ For income from concessionaire sales and service income, it is before the addition of net HKTVMall dollars of HK\$1,359,000 (2024: HK\$7,304,000) and included merchant annual fee amortisation and service income which is directly attributed to 3P business.

¹² 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\$3,345,000 (2024: HK\$305,000).

¹³ The 2024 "Merchant payments" figure is restated to reflect the reclassification of certain income that is not (i) directly derived from GMV transactions nor (ii) directly and solely attributable to 3P business, to "Other service income" for comparable purposes.

Management's Discussion and Analysis

During the year, management continued to enhance the gross contribution of the Hong Kong Ecommerce business by expanding the merchant base and sourcing products beyond Hong Kong, introducing new product or service categories, driving growth in multimedia advertising income, and increasing other service income through various customer engagement initiatives.

These efforts have contributed to a more profitable revenue mix and enhanced monetization efficiency in long term. In 2025, the gross contribution from the Hong Kong Ecommerce business segment increased to HK\$2,076.2 million (2024: HK\$2,057.4 million) because of the following:

1. Deliberated decrease in 1P Business gross profit margin to 24.3% (2024: 25.4%)

HKTVMall launched HKTVplus, a paid membership program introduced in September 2024 to offer members enhanced value and exclusive shopping benefits. For a subscription fee of HK\$99 every three months, members gain access to deeply discounted prices on a wide range of popular products – including food, beverages, and personal care items, and further extended to coverage merchant product items – which expanded substantially from the initial 500 items at launch to approximately 6,000 items at the end of December 2025.

Despite the impact of deeply discounted products on 1P Business's gross profit margin, HKTVplus introduced a new stream of recurring membership revenue while reinforcing customer loyalty and engagement with HKTVMall. By offering exclusive discounts and added value to members, it lays the groundwork for long term business resilience and potential expansion into other product categories.

2. Growing 3P Business with improving blended commission rate at 23.5% (2024: 22.1%)

3P Business is composed of commissions, other service income directly and solely attributable to merchant partnership and concessionaire sales at HKTVMall and ThePlace, and service income from 3PL service.

The multiple business models, warehouse fulfilment options and last mile delivery options built over past years have largely enhanced the merchant base and product choices, as well as the order delivery lead time. Particularly, benefit from the 8-hour express delivery option, the adoption of 3PL service was growing to enhance the contribution to the 3P business.

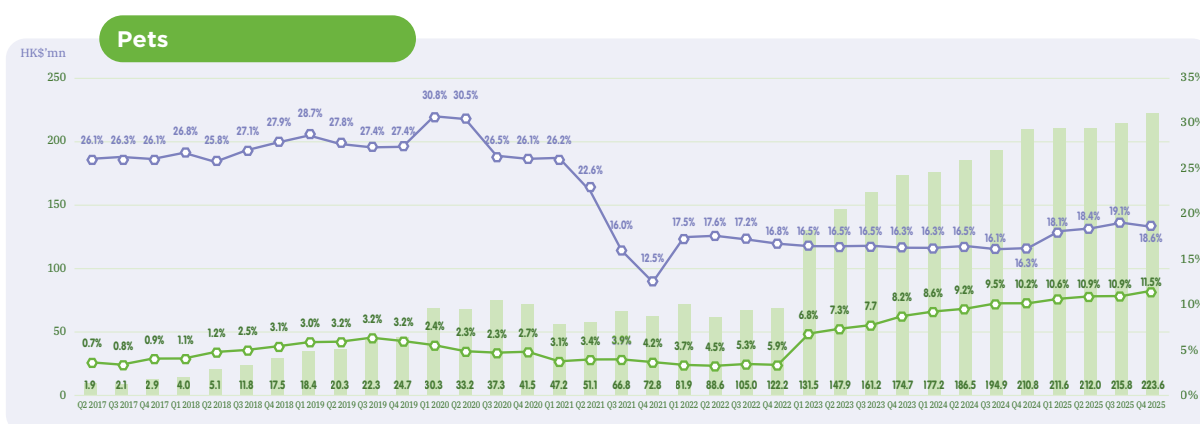
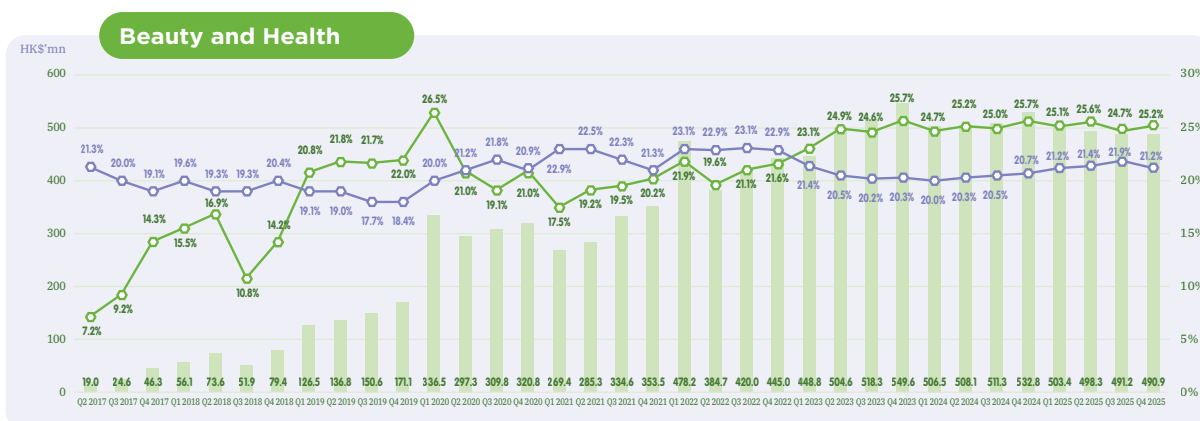
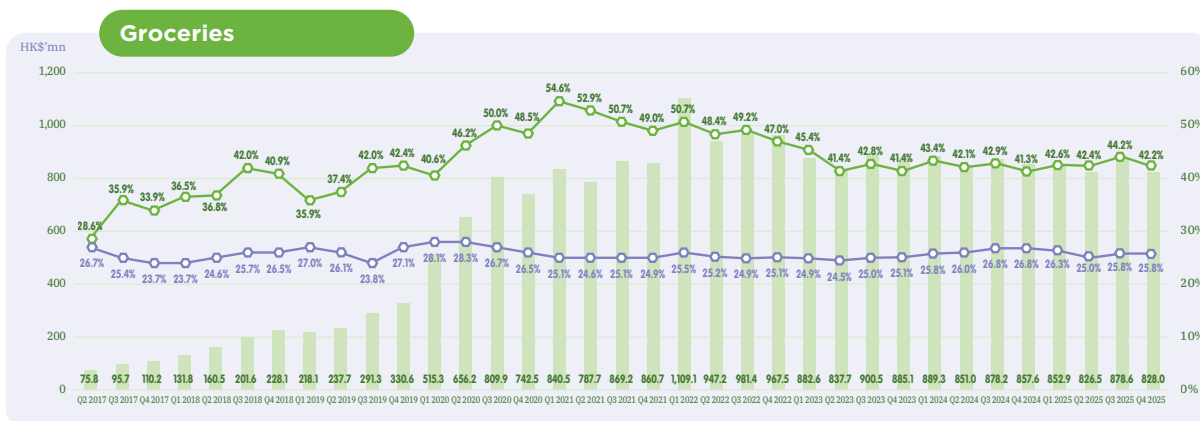
Together with 1P Business, as of December 2025, the Hong Kong Ecommerce business offered approximately 2,100,000 product items to consumers (December 2024: approximately 2,200,000 product items). These products were offered by approximately 6,400 merchants and suppliers in 2025 (2024: approximately 6,400 merchants and suppliers) to support the growth of the Hong Kong Ecommerce business.

3. Sustained multimedia advertising income of HK\$171.0 million (2024: HK\$156.5 million)

Despite the challenging operating environment in Hong Kong, multimedia advertising income recorded year-on-year growth of 9.3% in 2025, reflecting the continued strength of the stable digital user base of approximately 1.6 million monthly active unique devices, together with the support from the expansion of advertising formats and inventory.

Management's Discussion and Analysis

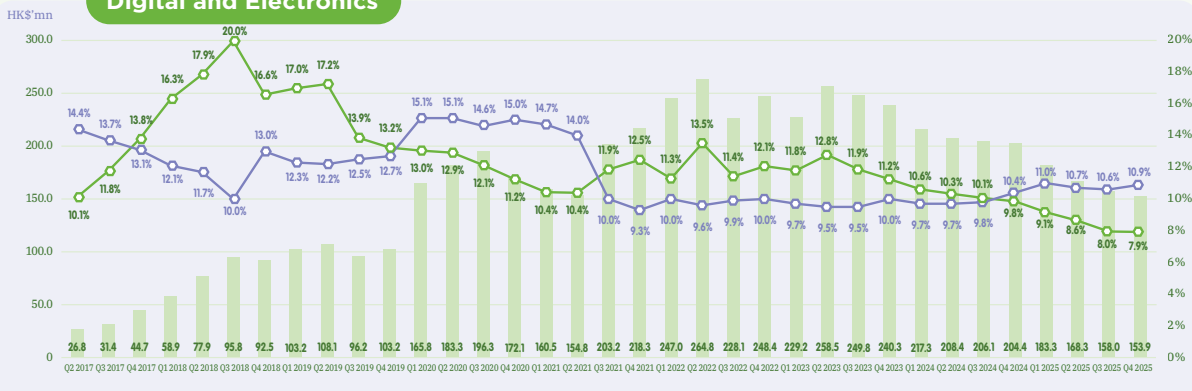
On product category basis, the trends in the gross profit margin and blended commission rate for major product categories are summarised as below:



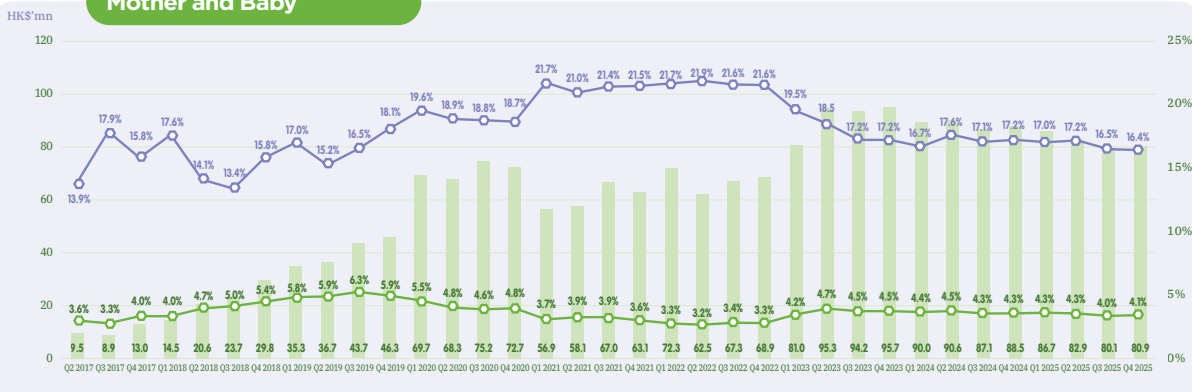
- Quarterly GMV on completed orders (HK\$ million)
- Quarterly proportion of GMV on completed orders
- Quarterly gross profit margin and blended commission rate

Management's Discussion and Analysis

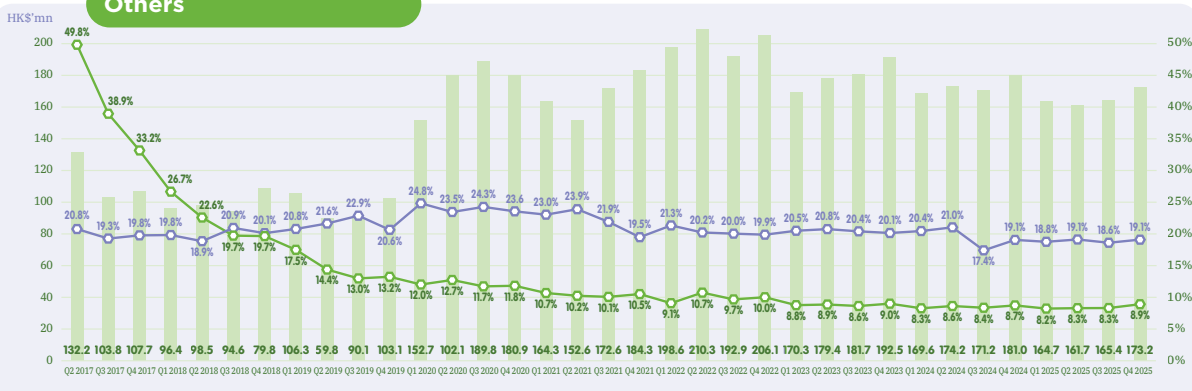
Digital and Electronics



Mother and Baby



Others

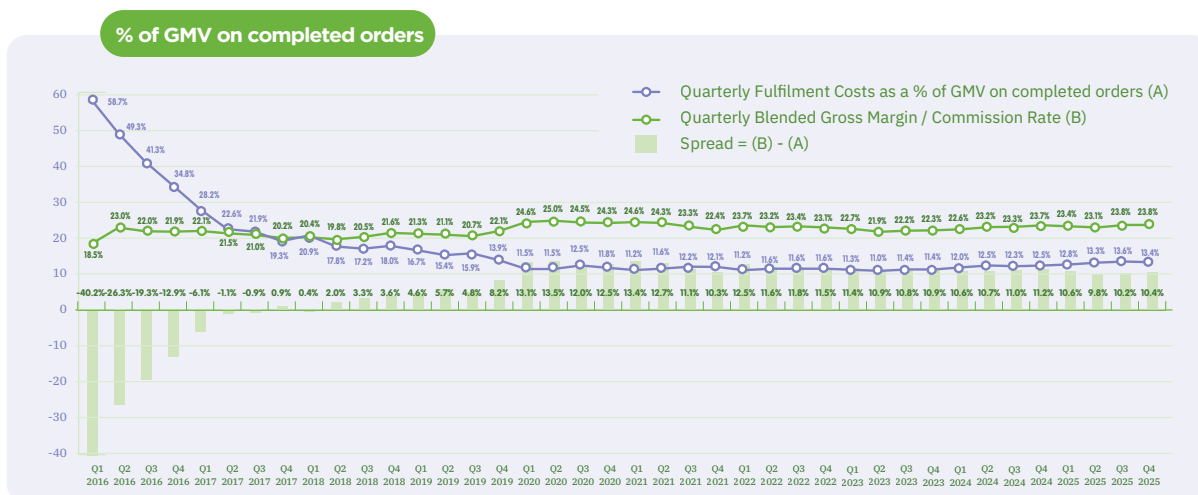


- Quarterly GMV on completed orders (HK\$ million)
- Quarterly proportion of GMV on completed orders
- Quarterly gross profit margin and blended commission rate

Management's Discussion and Analysis

Planned and Disciplined Fulfilment Cost Efficiency

The fulfilment costs as a % of GMV on completed orders for the Hong Kong Ecommerce business (including HKTVMall and 3PL service operating costs) has increased slightly in 2025 mainly due to the increase in demand for 8-hour Express Delivery by consumers.



Remark:

- Quarterly Fulfilment Costs as a % of GMV on completed orders included the interest on lease liabilities of HK\$16.2 million, HK\$19.2 million, HK\$14.3 million, HK\$10.1 million, HK\$7.4 million, HK\$5.9 million and HK\$4.8 million for year 2025, 2024, 2023, 2022, 2021, 2020 and 2019 respectively under HKFRS 16 in relation to fulfilment centre, which is grouped under finance costs in the consolidated income statement.
- Quarterly Blended Gross Margin/Commission Rate for 3Q2021 and 4Q2021 have absorbed the merchant incentive rebate for 2021 which yield to a lower rate.
- Quarterly Fulfilment Costs as a % of GMV on completed orders for 4Q2022 onwards includes 3PL service fulfilment costs incurred.
- Blended Gross Margin/Commission Rate is calculated before deduction of HKTVMall dollars and discounts offered by Personalised Pricing Program, and use of promotional coupon, which is considered as advertising and marketing expenses under management reporting purpose, and net of merchant annual fee, delivery and other income.
- Quarterly Fulfilment Costs as a % of GMV on completed orders for 1Q2024 and 2Q2024, Quarterly Blended Gross Margin/Commission Rate for 2Q2024 are restated to consistently reflect the elimination of allocated common expenses.

Management's Discussion and Analysis

Customer Engagement Initiatives

As part of the Group's ongoing commitment to innovation and customer centricity, various customer engagement initiatives have been introduced and enhanced over the past decade, with a continued emphasis on enhancing user experience and strengthening customer relationships.

During 2025, the Group continued to develop and promote customer engagement initiatives aimed at improving user interaction and shopping experience, which in turn supported more stable and sustainable revenue over time.

HKTVLive

Live commerce continued to play an increasingly important role in the Group's digital retail operations during the year. HKTVLive has developed into a scalable engagement and monetisation channel that complements traditional Ecommerce functions by supporting product discovery, real-time interaction and conversion across multiple product categories. Major developments during the year included the following:

1. **Daily regular and demand driven live shows** – Management further integrated live shows into day-to-day platform operations through structured programming across selected business segments, including Fashion & Beauty, Personal Care & Health, O2O Shops and Wet Market Express, while allowing merchants and retailers to host live sessions independently;
2. **Beyond geographic limitation** – Live shows were conducted not only in Hong Kong, but also extended to Chinese Mainland and overseas markets, including Japan, Korea, Taiwan and the United Kingdom, featuring products sourced at origin;
3. **Beyond transactional use** – HKTVLive continued to broaden its content mix to include lifestyle- and interest-based themes, reinforcing its role as an engagement touchpoint within the HKTVmall App; and
4. **Beyond HKTVmall product offerings** – the Group engaged Key Opinion Leaders from various online and social media platforms to further enhance content diversity and product presentation.

The above initiatives strengthened customer engagement, supported merchant and supplier participation, and enhanced promotional effectiveness across and beyond the HKTVmall platform.

Reflecting growing customer acceptance and effectiveness in expanding reach and supporting incremental revenue generation, approximately 12,000 hours of live shows were conducted during 2025 (excluding re-runs), representing an increase of approximately 51.5% compared with 2024, while GMV on order intake generated through live shows increased by more than 400%.

O2O Shop Strategy

In 2025, the Group continued to optimise the role of its O2O shop network to enhance both operational efficiency and revenue generation. Building on the established role of O2O shops as a key sales, fulfilment and customer touchpoint, management implemented targeted initiatives to better monetise online to offline traffic, optimise the physical network footprint, and strengthen last mile fulfilment capabilities. These initiatives have successfully increased the operational efficiency during the year, which included the following:

1. **Introduced new monetisation format** through the launch of daily live shows on the HKTVmall App to promote O2O shop products, extending revenue opportunities beyond the constraints of physical shop locations and operating hours.
2. **Expanded customer order pick up options** by broadening the order pick-up network through partnerships with Hongkong Post and Circle K, added 118 and 318 pick-up points respectively across Hong Kong. Together with our self-operated HKTVmall O2O shops and other service partners, the order pick-up network covers 530 pick up locations which has largely enhanced the convenience to customers.
3. **Optimised the physical shop footprint** through relocation, consolidation and closure of underperforming sites, with certain locations repurposed to support fulfilment and order pick up.

Management's Discussion and Analysis

CASHBACK

To further monetise HKTVMall's substantial user base of approximately 1.6 million active unique devices and capture opportunities arising from the rebound in outbound travel, the Group accelerated enhancements to its CASHBACK program during the year. CASHBACK is an affiliate-based initiative designed to generate incremental revenue through partnerships with external merchants.

Through CASHBACK, users earn Mall Dollar rewards when shopping with HKTVMall's curated network of online partners across key categories, including travel, hotels, attraction tickets, fashion, beauty, skincare and consumer electronics. Transactions are completed on official partner websites, both local and overseas, with rebates tracked through the platform. This model extends HKTVMall's digital footprint beyond its core platform and enables additional monetisation through traffic diversion and affiliate commissions.

To drive adoption, the Group and its partners conducted targeted promotional campaigns during the year, particularly for travel-related products and services, offering enhanced Mall Dollar rebates for bookings made via CASHBACK. In October 2025, a large-scale promotional campaign was launched featuring Ms. Carol Cheng and Mr. Dayo Wong, with advertising deployed across approximately 1,300 billboards at 36 MTR stations in Hong Kong, alongside television commercials and social media promotion.

CASHBACK gained increasing traction among customers during the year and has emerged as an additional and effective channel for monetising the Group's user base while enhancing customer engagement.

Shipped from Mainland

During the year, the Group developed the "Shipped from Mainland" offering as a monetisation initiative to capture incremental demand for Mainland sourced products and retain customer spending within the HKTVMall platform. The initiative involves direct sourcing from Chinese Mainland and the expansion of the Mainland merchant base, resulting in broader product availability of nearly 3,000,000 product choices in a wide selection of product variant, with pricing aligned with major Mainland Ecommerce platforms, and clearer cross border fulfilment arrangements. These measures supported more effective conversion of cross border shopping demand into GMV for the Group.

GreenLab

As part of the Group's efforts to promote responsible consumption and reduce product wastage, while at the same time enriching customer choices and creating new monetisation opportunities, the Group officially started a new online store "GreenLab" at HKTVMall in November 2025.

The initiative offers selected near expiry or past "Best Before" date products that remain safe for consumption or use, as well as products with minor packaging imperfections, at discounted prices. By converting surplus, near expiry and minor defect inventory into saleable products, GreenLab supported waste reduction, attracted value conscious customers, and provided an additional channel for customer engagement and incremental revenue generation.

Personalised Pricing Program

The Group introduced a Personalised Pricing Program during the year that dynamically determined product pricing based on individual customers' consumption patterns, resulting in differentiated pricing at both item and customer levels. By leveraging big data and AI driven analytics, the program enables more precise targeting of promotional incentives, improving the relevance of offers to customers while optimising promotional efficiency. This approach enhances price competitiveness and supports more effective deployment of promotional resources.

Management's Discussion and Analysis

New Venture and Technology Business

During the year, the Group maintained a disciplined approach to monitoring project progress and critically assessing the viability and strategic direction of each venture project.

- For projects demonstrating a positive outlook and encouraging progress, the Group continued to allocate resources and advance their development towards future milestones.
- For projects which, following a comprehensive assessment of performance, future funding requirements, evolving market conditions, the local business and regulatory environment, and the Group's overall resource allocation priorities, were considered not appropriate to continue at the current stage, the Group suspended, slowed down, or ceased the related operations.

Below are the development of major New Venture projects in 2025:

Wet Market Express: Scaling Freshness and Reach Across Hong Kong

Wet Market Express complements HKTVmall's ambient, chilled, and frozen product offerings by delivering fresh produce directly from nine major wet markets across Hong Kong Island, Kowloon, and the New Territories, as well as the Yau Ma Tei Wholesale Fruit Market. Leveraging this extensive network, the service offers same day delivery within a three hour time window, providing consumers with enhanced convenience and reliability for fresh produce and wet market products.

In 2025, Wet Market Express continued to record strong growth, with GMV on order intake increasing by 47.1% year on year to HK\$394.4 million (2024: HK\$268.2 million). As the business had not yet reached its critical mass, it recorded an adjusted EBITDA of HK\$(107.9) million (2024: HK\$(77.3) million).

To drive broader customer adoption and address geographic constraints in expanding access to fresh produce beyond local districts, the Group launched the following initiatives during the year, which delivered encouraging results:

1. Daily live shows

Daily live shows under the Wet Market Express segment continued to gain traction, supported by a diverse merchant mix, detailed product demonstrations, interactive engagement with viewers and the convenience of remote purchasing.

In light of the commercial potential of this format, the Group expanded the program to three scheduled live shows daily at 8:30 a.m., 12:00 noon and 6:00 p.m., each featuring a rotating selection of merchants and fresh produce. In addition, a dedicated live show at 6:00 p.m. was introduced for fresh flowers delivered directly from Yunnan. The digital format was well received by customers, strengthened merchant participation and supported incremental GMV growth by converting viewer engagement into real time purchases.

2. Cross-district purchasing and delivery

- In June 2025, Wet Market Express enhanced its delivery service from "same-district only" to "cross-district purchases and delivery". Customers can shop from over 300 selected stalls offering more than 25,000 fresh food items, irrespective of delivery location, with same-day delivery available subject to designated cut-off times. This enhancement significantly broadened product choices, with better pricing and convenience for households beyond their immediate neighbourhoods.
- In October 2025, a large-scale promotional campaign was launched to promote cross district purchases and delivery, highlighting broader product choices, improved pricing and door to door delivery across districts. The campaign was supported by advertising across approximately 1,300 billboards at 36 MTR stations in Hong Kong, together with television commercials and social media promotion.

Wet Market Express remains focused on customer acquisition and service adoption, with the objective of capturing a larger share of the online wet market segment and supporting sustainable long term growth.

Management's Discussion and Analysis

Life Science Projects

Since 2021, the Group has been investing in an exploratory life science research project focusing on developing new scientific knowledge, technical skills and capabilities in relation to technologies that enable long term preservation of human organs.

Progress to Date

The research involves multidisciplinary collaboration across medical, scientific and engineering fields, as well as development of specialised surgery procedures and equipment. The research work is conducted by two professional research teams located in two countries. Currently, there are over 20 doctors, professors and research professionals involved.

The initial experimental phase commencing in late 2022 with 38 experiments being conducted so far. Since then, the research teams have achieved early-stage experimental milestones, demonstrating the feasibility of maintaining isolated biological systems for limited durations under controlled research conditions and without support from other vital organs. The details are as below:

| Objective | Key Achievements | Milestone Achieved | Duration |
|---|--|--------------------|---|
| Long-term preservation of animal organs (including head and limbs) while maintaining their functional viability when isolated from the main body. | <ol style="list-style-type: none"> Successfully maintained a detached organ as an independent organ system with sustained viability, as evidenced by strong and continuous (a) electroencephalographic ("EEG") recordings via surface-electrode and/or deep-electrode measurement, demonstrating consistent responses to different stimulations, or (b) neuromuscular responses to electrical stimulation, as applicable. To the best of the knowledge of the research teams, multi-hour EEG persistence has not been previously reported in a fully anatomically isolated head supported prospectively by extracorporeal circulation. | | Remained viable for approximately 7 hours and 46 hours for animal head and limb respectively. |

The experiments so far represent a significant scientific milestone in the field of biological preservation and broadens the experimental scope of neuroscience and neurocritical care. Nevertheless, these results remain exploratory. Extensive repeated experimentations and comprehensive validation will be required before any definitive conclusions can be drawn.

The Board emphasises that the project is still at an early stage of research and development. The results obtained to date do not constitute commercial products nor clinically applicable solutions, and there is no assurance that such outcomes will be achieved in the future. Further studies, validations, ethical reviews and regulatory considerations will be required before the achievement of next meaningful milestones, and before any potential application or commercialisation may be considered.

Investment Plan

Since 2021, the Group has invested over HK\$44.5 million in this project. Subject to ongoing progress, research outcomes and the Group's overall financial position, the Group intends to continue investing not less than HK\$50.0 million per annum in the coming years to support further research and development activities, including the establishment of an overseas laboratory targeted to commence operation in the next 12–18 months which will facilitate ongoing experimental and validation process and for long term research.

Management's Discussion and Analysis

Future Development

The Group will continue to advance this exploratory life science research in a prudent and responsible manner. While the project is still at an early stage with no assurance of future application and financial return, the Board believes that further progress may contribute to broader scientific understanding in life science research.

The Group may consider introducing additional strategic or academic partners into the project and enabling the publication of academic papers arising from the Group's research at an appropriate stage.

Self-Invented Fully Automated Retail Store and System

The development of Fully Automated Retail Store and System in the UK has encountered technical difficulties that were beyond our expectations. As mentioned in the 2024 annual report, we have scaled back the pace of store deployment in the UK and focused our resources to continue to work on resolving the issues to enable the fully automated retail store and system to meet our operational standards and customer needs. Further, leveraging the insights from the UK operations, the research and development team continued to modify and enhance the system design, with a more advanced version currently under development.

Everuts: Cease Operations

As part of the Group's ongoing review of its business portfolio, management reassessed the sustainability and scalability of Everuts's reversed Ecommerce model in the prevailing operating environment. While the platform is designed around proactive consumer engagement and personalised shopping experiences, market conditions in 2025 continued to constrain its ability to achieve the required operating leverage. Having regard to the longer term business prospects and resource allocation priorities, management decided in December 2025 to stop accepting new customer orders on the Everuts platform and to orderly wind down the operations upon completion of all outstanding customer orders.

Principal Risks and Uncertainties

The Group's financial condition, results of operations, and business prospects may be affected by a number of principal risks and uncertainties directly or indirectly pertaining to the Group's business. There may be other risks and uncertainties in addition to those shown below which are not presently known to the Group or currently deemed immaterial but may adversely affect us in future.

1. Risks relating to our business and operations

Performance of the Group's core businesses will be affected by various factors, including but not limited to the macro and local economic conditions, performance of the consumer market in Hong Kong and other major operating countries, the attractiveness and effectiveness of our product offerings, pricing and promotional strategies to generate new and recurring purchases through our online shopping platform, effectiveness of the operational cost and quality control, our judgement on future customer demand and preferences, technological stability and advancement, which could not be fully mitigated even with careful and prudent investment strategy and business plan. Our business plans and strategies are formulated based on a number of assumptions, including successful cooperation with our business partners, and are expected to place substantial demands on our managerial, operational, financial and other resources. The failure to achieve any of the assumptions and to achieve at an efficient manner could increase our costs of operation and investment. Besides, we may incur substantial expenditure to develop the business before we can generate significant revenue and profit from our core businesses. As a result, our business may not be able to become profitable in the future.

Moreover, we launched our online shopping business in February 2015, the limited operating history made it difficult to evaluate our business, financial performance and prospects and may not be indicative of our future performance.

Management's Discussion and Analysis

Operational risk is the risk of loss resulting from default on the Group's suppliers, service providers and ineffective, inadequate or failure of internal processes, people and systems or from external factors which may cause various level of adverse impact on the results of operations. As our online shopping business is operating online through our website or app and customer payments are made through our website by collaborating with third-party online payment processing service providers, proper functioning of our technology platform and the third party's payment platforms are essential to our business. Any failure to maintain the satisfactory performance of these website and systems could materially and adversely affect our online shopping business and reputation.

Moreover, as the customer order completion for the online shopping business is highly reliant on the successful product delivery to our customers, any interruption in our fulfilment operation and system, including the warehousing and delivery services, the operating of the robotic system, O2O shops and our third-party order pick up partners for an extended period, or if we cannot run the logistics and warehousing function in an effective and efficient model which are still human-capital intensive, our online shopping business could be materially and adversely affected.

We may incur liability or become subject to penalties for counterfeit or unauthorised products sold on our website, or for products sold on our website or content posted on our website that infringe on third-party intellectual property rights, or for the sale of products and services on our website that do not comply with the applicable laws and regulations, or for other misconduct. Although we have adopted measures to verify, on a best effort basis, the legality, authenticity and authorisation of products and services sold on our website and to avoid potential risks in the course of sourcing and selling products and services, we may not always be successful.

In addition, the Group continues to explore and develop new venture and technology-related initiatives, many of which are at an early or development stage and are subject to a higher degree of uncertainty compared with the Group's core businesses. Such initiatives may involve unproven business models, extensive research and development activities and evolving market conditions, and typically require upfront investments in technology, talent and operating capabilities. Research and development activities may not progress as planned or deliver outcomes as expected. There is no assurance that these initiatives will achieve commercial viability or meet the Group's financial return expectations.

The execution and commercialisation of such initiatives are dependent on various factors, including development progress, technological reliability, market acceptance, availability of skilled personnel and the performance of external partners or service providers. Delays, cost overruns or failure of counterparties to perform as expected may adversely affect outcomes. As a result, the Group may incur losses over an extended period, and certain investments may be subject to impairment.

2. Risks relating to the legal and regulatory environment and compliance

Our business is subject to the laws and regulations of Hong Kong and other major operating jurisdictions including Macau, Taiwan, Canada, Australia and the United Kingdom, in the areas of e-commerce and online marketplace liabilities, sale of goods and services, trade descriptions, intellectual property, product safety, food safety, data privacy, insurance, dutiable commodities, product responsibility, competition, listing and others. While we manage compliance attentively and responsibly, any failure to comply with laws and regulations may result in legal proceedings, regulatory actions and/or criminal liability and sanctions.

The Group's new venture and technology-related activities may also expose the Group to additional legal, regulatory and compliance risks. These may include laws and regulations relating to technology deployment, data privacy and cybersecurity, intellectual property rights, product and service standards, consumer protection and other sector-specific requirements across different jurisdictions.

In any event, dealing with complaints, investigations, or legal proceedings, regardless of their outcome, could be costly and time-consuming and could divert management attention. More importantly, the long-term sustainability of our business is largely dependent on a steady and balanced regulatory environment. Unanticipated changes in laws, regulations, policies or regulatory practices by the relevant authorities may require us to change our business strategies and practices, and consequently, could materially adversely affect our business.

3. Financial risk management policies and practices

The financial risk management policies and practices of the Group are shown in note 24 to the financial statements.

Management's Discussion and Analysis

FINANCIAL REVIEW

During the year under review, the Group recorded a 2.1% decline in GMV on completed orders, reaching HK\$8,340.7 million (2024: HK\$8,512.0 million).

The Group's turnover increased by 0.4% to HK\$3,856.3 million in 2025 (2024: HK\$3,839.5 million) which is composed of:

1. HK\$2,247.6 million from direct merchandise sales (2024: HK\$2,309.0 million);
2. HK\$1,437.7 million from concessionaire sales and other service income (2024: HK\$1,374.1 million); and
3. HK\$171.0 million from multimedia advertising income (2024: HK\$156.5 million).

With the 2.7% decrease in direct merchandise sales, the cost of inventories decreased by 0.9% to HK\$1,741.4 million (2024: HK\$1,757.1 million), which drove a decrease in gross profit margin (before the deduction of HKTVMall dollars, use of promotional coupon and Personalised Pricing Program discount) to 24.3% (2024: 25.4%).

Income from concessionaire sales and other service income includes commissions and other service income received from 3P Business at HKTVMall, Wet Market Express, Everuts and ThePlace, and service income received from 3PL services. The blended commission rate increased to 23.5% in 2025 (2024: restated 22.1%) as a result of increase in 3PL service income and merchant annual fee.

In 2025, other operating expenses increased by HK\$100.4 million to HK\$2,272.2 million (2024: HK\$2,171.8 million). For running the Hong Kong Ecommerce business, the key operating expenses includes fulfilment costs, marketing, promotional and O2O shop marketing expenses, O2O shop operating expenses, and Ecommerce operation and supporting costs, which as a percentage of GMV on completed orders, increased to 23.1% in 2025 (2024: 21.7%).

Management's Discussion and Analysis

The breakdown is as below which is on cost basis before considering any inter-segment mark-up:

| | 2025 | | 2024 | |
|--|-----------------------------------|----------------|-----------------------------------|--------------|
| | As a % of GMV on completed orders | HK\$ million | As a % of GMV on completed orders | HK\$ million |
| Fulfilment costs (note 1) | 13.3% | 1,048.2 | 12.3% | 1,007.9 |
| Marketing, promotional and O2O shop marketing expenses | 2.7% | 213.3 | 2.2% | 182.6 |
| O2O shop operating expenses (note 2) | 1.4% | 114.4 | 1.9% | 157.1 |
| Ecommerce operation and supporting costs | 5.7% | 449.4 | 5.3% | 433.5 |
| Hong Kong Ecommerce business segment key operating expenses | 23.1% | 1,825.3 | 21.7% | 1,781.1 |
| New Ventures and Technology business segment key operating expenses (note 3) | | 308.8 | | 248.6 |
| Other unallocated operating expenses (note 4) | | 50.6 | | 44.7 |
| Total key operating expenses | | 2,184.7 | | 2,074.4 |
| Major non-cash items (note 5) | | 203.1 | | 204.2 |
| Less: Elimination of allocated common expenses | | (46.3) | | (45.5) |
| Less: Marketing, promotional and O2O shop marketing expenses deducted in turnover | | (49.2) | | (38.2) |
| Less: Interest on lease liabilities included in finance costs | | (20.1) | | (23.1) |
| Total other operating expenses | | 2,272.2 | | 2,171.8 |

Notes:

1. Including depreciation – other properties leased for own use of HK\$86.7 million (2024: HK\$82.3 million) and interest on lease liabilities of HK\$16.2 million (2024: HK\$19.2 million).
2. Including depreciation – other properties leased for own use of HK\$42.0 million (2024: HK\$59.9 million) and interest on lease liabilities of HK\$2.8 million (2024: HK\$2.8 million).
3. Including depreciation – other properties leased for own use of HK\$11.6 million (2024: HK\$9.0 million) and interest on lease liabilities of HK\$1.2 million (2024: HK\$1.1 million).
4. Including depreciation – other properties leased for own use of HK\$0.1million (2024: nil).
5. Excluding depreciation – other properties leased for own use of HK\$140.4 million (2024: HK\$151.2 million).

Management's Discussion and Analysis

On Hong Kong Ecommerce business segment key operating expenses:

1. Fulfilment costs incurred for fulfilment and logistics activities, including the operation of 3PL service and shop pick-up costs allocation. The overall fulfilment costs, as a percentage to GMV on completed orders, increased to 13.3% of GMV on completed orders in 2025 (2024: 12.3%), due to the increasing demand for 8-hour Express Delivery, while also achieving efficiency gains from the expanded 3PL operation in 2025.

Total fulfillment costs increased by HK\$40.3 million in 2025, principally driven by rise in overall Talent costs and outsourced manpower expenses.

2. Marketing, promotional and O2O shop marketing expenses include promotional coupons, HKTVMall Mall Dollar grant, discounts offered under Personalised Pricing Program, digital and offline marketing, television commercials, promotional leaflet, O2O shop marketing costs, etc., and all related functions' Talent costs.

Total expenses as a percentage to GMV on completed orders was 2.7% in 2025 (2024: 2.2%), after including the HKTVMall Mall Dollars granted, discounts offered under Personalised Pricing Program and promotional coupons used amounting to HK\$45.8 million (2024: HK\$38.2 million) which was deducted from the turnover.

The increase was principally driven a large-scale promotional campaign launched for CASHBACK in October 2025 with advertising deployed across approximately 1,300 billboards at 36 MTR stations in Hong Kong, alongside television commercials and social media promotion, the discounts offered under the Personalised Pricing Program launched in 2025, and an increase in mall dollars granted for CASHBACK.

3. O2O shop operating expenses include shop operating expenses and relevant Talent costs incurred, decreased from 1.9% of GMV on completed orders in 2024 to 1.4% in 2025. The decrease in operating expenses was mainly due to rental efficiencies gained from proactive O2O store consolidation and relocation.

In December 2025, there are 74 stores with no mega store (December 2024: 74 (including 2 mega stores)).

4. Ecommerce operation and supporting costs include payment processing charges, merchant relations and acquisition, customer service, allocated non-capitalised technical costs incurred for Ecommerce business, and other supporting functions for HKTVMall, ThePlace and 3PL. The Ecommerce operation and supporting costs slightly increased from 5.3% in 2024 to 5.7% in 2025 of GMV on completed orders.

The increase was also attributable to a one off donation of HK\$10.0 million made in connection with the Tai Po Wang Fuk Court incident, reflecting the Group's commitment to fulfilling its social responsibilities.

On New Ventures and Technology business segment, the key operating expenses increased by HK\$60.2 million, mainly due to incremental operating expenses and allocated non-capitalised technical costs incurred for Wet Market Express due to enlarging business operations to cope with growth in GMV on completed orders by 47.0%, year on year.

Other unallocated operating expenses mainly represented the expenses of head office and corporate expenses not allocated to Hong Kong Ecommerce business or New Ventures and Technology business.

Major non-cash items mainly include depreciation on property, plant and equipment (excluding depreciation on other properties leased for own use), amortisation of intangible assets, impairment loss on intangible assets and property, plant and equipment.

A valuation loss on the Group's investment properties of HK\$39.7 million (2024: HK\$21.2 million) was recognised in 2025 based on the valuation carried out by an independent firm of surveyors at year end.

Management's Discussion and Analysis

Other income, net, of HK\$69.3 million was earned in 2025 (2024: HK\$63.4 million), which mainly composed of investment returns generated from other financial assets and bank deposits, unrealised fair value gain on units in investment funds measured at FVPL (after net off with reversal of expected credit losses on debt securities measured at FVOCI), rental income from investment properties, and net exchange gain.

Finance costs are mainly composed of interest on lease liabilities of HK\$20.1 million (2024: HK\$23.1 million).

Income tax expenses of HK\$0.2 million was recognised in 2025 (2024: credit of HK\$4.6 million) included a deferred taxation credit of HK\$0.5 million (2024: HK\$5.0 million).

Overall, the Group generated a loss for the year of HK\$149.6 million for 2025 (2024: HK\$66.7 million) and an adjusted EBITDA of HK\$60.4 million (2024: HK\$121.0 million).

If excluding the adjusted EBITDA for New Ventures and Technology business segments, unallocated head office and corporate net income/ (expense), and the inter-segment margin, the adjusted EBITDA for Hong Kong Ecommerce business segment is HK\$309.3 million in 2025 (2024: HK\$329.2 million).

On New Ventures and Technology business segment, it incurred an adjusted EBITDA of HK\$(222.2) million in 2025 (2024: HK\$(186.5) million) mainly for the below New Ventures Projects:

1. Wet Market Express of HK\$(107.9) million (2024: HK\$(77.3) million);
2. Fully Automated Retail Store and System of HK\$(61.2) million (2024: HK\$(54.3) million);
3. Everuts of HK\$(27.2) million (2024: HK\$(33.4) million); and
4. Life Science Project of HK\$(15.8) million (2024: HK\$(15.5) million).

Management's Discussion and Analysis

Liquidity and Capital Resources

As at 31 December 2025, the Group had total cash position representing cash at bank and cash equivalents and time deposits of HK\$346.5 million (31 December 2024: HK\$541.7 million) and no outstanding borrowings. The decrease in total cash position was mainly due to the capital and interest element of lease rentals of HK\$155.8 million, payment made for purchases of property, plant and equipment of HK\$60.8 million, special dividend payment of HK\$299.8 million, payment for the addition to intangible assets of HK\$55.0 million, partially net off by the cash inflow generated from operating activities of HK\$297.9 million, net realisation of investment in financial assets of the investment portfolio of HK\$51.3 million, proceeds received from disposal of property, plant and equipment of HK\$1.1 million, net proceeds of HK\$4.2 million from issuance of new shares for exercised share options during the year and interest and investment income received of HK\$21.0 million.

On investment in other financial assets, the Group invested, at fair value, HK\$141.8 million as at 31 December 2025 (as at 31 December 2024: HK\$170.8 million). As at 31 December 2025, there was a net surplus of HK\$9.7 million being recorded in fair value reserve (non-recycling and recycling) (31 December 2024: deficit of HK\$4.1 million). During the year, the total fair value change on other financial assets (after netting of expected credit losses recognised) amounted to surplus of HK\$22.3 million (2024: HK\$11.3 million), in which surplus of HK\$7.1 million (2024: deficit of HK\$2.9 million), surplus of HK\$5.2 million (2024: HK\$6.1 million) and surplus of HK\$9.1 million (2024: HK\$8.1 million) were recorded in profit or loss, fair value reserve (recycling) and fair value reserve (non-recycling) respectively.

Consistent with the overall treasury objectives and policy, the Group undertakes treasury management activities with respect to its surplus cash assets. The criteria for selection of investments include the relative risk profile involved, the liquidity of an investment, the after tax equivalent yield of an investment and, investments that are not speculative in nature. In line with its liquidity objectives, the Group invests mostly in liquid instruments, products or equities, such as investment grade products, constituent stocks of defined world indices or state owned or controlled companies, and time deposits. Investment in fixed income products and time deposits are structured in different maturity profile to cope with ongoing business development and expansion need. Moreover, as and when additional cash is expected to be required to fund the business, the investments can be realised as appropriate.

As at 31 December 2025, the Group had utilised facilities of HK\$29.0 million (31 December 2024: HK\$27.6 million), leaving HK\$663.2 million (31 December 2024: HK\$1,010.6 million) uncommitted banking facilities, subject to the collateral value (if applicable), available for future utilisation.

Our total cash and cash equivalents consisted of cash at bank and in hand and time deposits within three months of maturity, if any. As at 31 December 2025 and 31 December 2024, the Group had not pledged any bank deposits as securities for the bank facilities granted by a bank for foreign exchange and interest rate hedging arrangement.

The Group was in a net cash position as of 31 December 2025 and 31 December 2024 and hence no gearing ratio was presented. The Directors are of the opinion that, after taking into consideration the internal available financial resources and the current banking facilities, the Group has sufficient funds to finance its operations and to meet the financial obligations as and when they fall due.

During 2025, the Group invested HK\$73.5 million on capital expenditure as compared to HK\$72.5 million in 2024. For the upcoming capital expenditure requirements, we will remain cautious and subject to the future business development of the Group and it is expected to be funded by internal resources within the Group and the available banking facilities. Overall, the Group's financial position remains sound for continued business expansion.

Management's Discussion and Analysis

Fund raising activity

For the purpose of strengthening the Group's financial position and the medium term funding of its expansion and growth plan, on 11 February 2020, the Company entered into a placing agreement ("Placing Agreement") with Top Group International Limited (the "Vendor") and UBS AG Hong Kong Branch (the "placing agent") and a subscription agreement ("Subscription Agreement") with the Vendor, pursuant to which the placing agent agreed to place, on a fully underwritten basis, 90,000,000 existing ordinary shares of the Company to not less than six independent placees at HK\$5.15 per share (the "Placing"), and the Vendor agreed to subscribe for 90,000,000 new ordinary shares of the Company (the "Subscription Shares") at HK\$5.15 per share (the "Subscription"). The gross proceeds amounted to approximately HK\$463.5 million and the net proceeds from the Subscription amounted to approximately HK\$453.2 million. The net placing price is approximately HK\$5.04 per share. The Subscription Shares represent approximately 10.96% of the issued share capital of the Company as at the date of the Placing Agreement and the Subscription Agreement and approximately 9.88% of the issued share capital of the Company as enlarged by the Subscription. The Subscription Shares have a market value of approximately HK\$540.9 million based on the closing price of the shares as at 11 February 2020.

The Company intends to use the net proceeds from the Subscription for (1) expansion of the Ecommerce and related business of the Group; and (2) as general working capital, which is consistent with the intentions disclosed in the Company's announcements dated 12 February 2020 and 24 February 2020. Details of the use of net proceeds are as follows:

| Intended use of net proceeds | Amount intended to be utilised | Amount utilised as at 31 December 2024 | Amount utilised as at 31 December 2025 | Expected timeline of utilisation |
|--|--------------------------------|--|--|----------------------------------|
| | HK\$ million | HK\$ million | HK\$ million | |
| Expansion of the Ecommerce and related business of the Group: | | | | |
| (i) Expansion of e-fulfilment centre at Tseung Kwan O Headquarters | 200 | 200.0 | 200.0 | By the end of 2023 |
| (ii) Adding the 6th fulfilment centre | 40 | 40.0 | 40.0 | By the end of 2022 |
| (iii) Adding around 200 to 250 delivery trucks | around 90 to 110 | 58.4 | 72.5 | By the end of 2027 |
| (iv) Upgrading computer hardware and software | 50 | 50.0 | 50.0 | By the end of 2021 |
| General working capital of the Group | around 53.2 to 73.2 | 73.2 | 73.2 | By the end of 2021 |
| Total | 453.2 | 421.6 | 435.7 | |

Charge on Group Assets

As of 31 December 2025, the Group's banking facilities of HK\$692.2 million were secured by the Group's other financial assets of HK\$84.2 million and cash of HK\$135.8 million held by various banks.

Exchange Rates

Substantially all of the Group's monetary assets and liabilities are primarily denominated in Hong Kong dollars and United States dollars. Given the exchange rate of the Hong Kong dollar to the United States dollar has remained close to the current pegged rate of HKD7.80=USD1.00 since 1983, management does not expect significant foreign exchange gains or losses between these two currencies.

Contingent Liabilities

As of 31 December 2025 and 31 December 2024, the Group had no material contingent liabilities or off-balance-sheet obligations.

Talent Remuneration

Including the Directors, as at 31 December 2025, the Company had 2,295 permanent full-time Talents versus 2,216 as of 31 December 2024. The Company provides remuneration package consisting of basic salary, bonus and other benefits. Bonus payments are discretionary and dependent on both the Company's and individual performances. The Company also provides comprehensive medical and life insurance coverage, competitive retirement benefits schemes, staff training programs and operates share schemes.

Management's Discussion and Analysis

PROSPECTS

Looking ahead, the Group will continue to pursue long term sustainability through disciplined experimentation and strategic adaptability. By refining existing business models, selectively developing complementary verticals and evaluating opportunities in new markets, the Group seeks to enhance its resilience, improve capital efficiency and position itself to capture emerging growth opportunities amid an increasingly complex and dynamic operating environment. In response to a persistently challenging operating environment, the Group continues to manage the business with discipline and agility.

Hong Kong Ecommerce Business

The Hong Kong Ecommerce business, comprising HKTVmall together with the 3PL Service and ThePlace, continues to serve as the Group's core operating platform. The segment provides a stable earnings base and generates recurring adjusted EBITDA, supporting the Group's continued investment in and development of its New Venture initiatives.

In response to evolving consumer expectations and intensifying competition in the Hong Kong retail landscape to be brought by the pressure arising from potential seamless market integration between Chinese Mainland and Hong Kong, the Group will roll out a series of initiatives in 2026 to further strengthen competitiveness of our Hong Kong Ecommerce business, with a focus on fulfilment enhancement, assortment completeness, price competitiveness and shopping efficiency.

“3 Hr Mart Service”

Leveraging Wet Market Express's established three hour delivery network and HKTVmall's automated fulfilment capabilities, the Group enhanced its express delivery offering in March 2026 by upgrading the “8 hour Express Delivery” service to “3 hour Express Delivery” for approximately 70,000 product items on HKTVmall, with the launch of the new “3 Hr Mart” service. The expanded offering covers a broad range of daily use categories, including groceries, beauty and health products, mother and baby products, and pet supplies, enabling customers to fulfil most daily needs through a single online platform without leaving home. This initiative represents a further step in monetising the Group's established logistics and fulfilment capabilities.

Strengthening Assortment Breadth and Category Coverage

To stabilise HKTVmall's position as a primary online shopping destination, the Group plans to expand its 1P product offerings to more closely align with the assortments available at key offline retailers. By broadening product variety across essential categories, HKTVmall aims to reduce customers' reliance on offline purchases and improve its ability to serve as a more comprehensive replacement shopping channel for daily needs.

Enhancing Price Competitiveness through Active Price Monitoring

The Group will introduce more systematic and regular monitoring of pricing at key offline retailers, with the objective of maintaining price parity or competitiveness across comparable products, particularly for 3P merchandise offered by merchants. These efforts are intended to strengthen HKTVmall's value proposition, improve customer price perception and support more effective promotional deployment.

Optimising Search and Merchandising Effectiveness

To improve customer shopping efficiency, HKTVmall will further refine its search and ranking mechanisms. Enhanced search rules will prioritise competitively priced products and merchants demonstrating strong pricing discipline. This is expected to improve product discovery, conversion efficiency and overall customer experience.

Reinforcing Price Leadership through Brand Led Promotion

Complementing these operational initiatives, the Group is planning a new wave of above the line marketing campaigns in 2026 to reinforce consumer recognition of HKTVmall's price competitiveness under the “HKTVmall Everyday Low, Always” positioning. The campaign aims to strengthen brand association with value and affordability, supporting both customer acquisition and retention.

Together, these initiatives are designed to enhance HKTVmall's competitiveness in terms of fulfilment, assortment, pricing and shopping experience, while improving the effectiveness and efficiency of promotional and merchandising strategies in a highly competitive market environment.

Management's Discussion and Analysis

New Venture and Technology Business

New Ventures and Technology business mainly includes Wet Market Express, Fully Automated Retail Store and System, and Life Science project.

The New Venture and Technology segment continues to play an important role in supporting the Group's long term sustainability. While the Group remains committed to investing in innovation and the development of new initiatives, management adopts a disciplined and selective approach in deploying resources. Project progress is closely monitored, with regular and critical assessment of the viability, scalability and strategic relevance of each launched venture. Where appropriate, strategies and resource allocation will be adjusted in response to market developments and project performance, with the objective of maintaining flexibility while ensuring a focused and effective innovation pipeline.

Corporate Governance Report

The Board is committed to good corporate governance and recognises that good corporate governance builds trust and confidence among its shareholders, protect the stakeholders’ interests and enhance long-term shareholder value.

This Corporate Governance Report describes the Company’s governance practices for the financial year ended 31 December 2025 (“FY2025”) and covers significant events up to the publication of the FY2025 annual report.

CORPORATE GOVERNANCE CODE AND COMPLIANCE

The Company has adopted the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“CG Code”) as its corporate governance code of practices.

The Board applies the principles under the CG Codes as the framework within which the Board forms their decisions and builds their businesses, which assist the Board to better understand, evaluate and manage risks and opportunities.

Throughout FY2025, the Company complied with all the applicable CG Code provisions.

THE COMPANY’S CULTURE

The Company is committed to build and upkeep a positive and strong culture that is built on its purpose, values and strategies which allows its Talents to thrive, meet their full potential, and that enables the Company to deliver long-term sustainable growth and success.

The Board is satisfied that the Company’s purpose, values and strategy as established by the Board and the Company’s culture are aligned. Such culture instills and continually reinforces across the Group values of acting lawfully, ethically and responsibly.

Also, in discharging their directors’ duty to the Company, all directors act with integrity, lead by example and promote the desired culture.

| Purpose | Values | Strategy | Culture |
|---|---|---|---|
| <ul style="list-style-type: none"> • Experience what it’s like to compete, win, and to crush your competitors; • Experience the joy of advancing and applying technology to benefit the public; and • Fulfill the desire of “self-actualization” and to become everything that one is capable of becoming. | <ul style="list-style-type: none"> • Continuously striving for the best in life <ul style="list-style-type: none"> – We continuously look for innovative changes/improvements in our lives and in our company, including products, services and work processes, and ourselves; even though change can be painful most of the time. – We encourage everyone to try. We regularly change whatever can be changed after a certain period, even though we may not foresee any benefits. – We discover and elevate each individual’s ability to make the most of their lives. | <ul style="list-style-type: none"> • Technology-centric <ul style="list-style-type: none"> – Irrespective of industries, we are being technology-centric, bringing changes with the use of technology. – Re-defining the industry with advanced technology, research, and development of systems. | <ul style="list-style-type: none"> • Direct and Action Oriented <ul style="list-style-type: none"> – Direct, frank, and transparent communication with our colleagues. When a conclusion is made, the whole company tackles the task as a single organism (But this alone does not represent “team work”). We encourage direct communication between all levels of the Company. Removing those who intend to hinder progress, and squashing office politics. |

Corporate Governance Report

THE COMPANY'S CULTURE (continued)

| Purpose | Values | Strategy | Culture |
|---------|---|--|--|
| | <ul style="list-style-type: none"> • Always something new <ul style="list-style-type: none"> – We are leading the development of the industry. We constantly look for new challenges and do not follow anyone's footsteps. We establish the norm. We define the standard. We set today's standard industry practices. – We prefer to do what's difficult or impossible, rather than something likely to happen with ease. – We commit ourselves to big and audacious challenges. We appreciate, support, and reward risk-taking decisions. – As a pioneer, we may be accused of moving too fast, and not being accepted by the masses, especially at the beginning. • Make everything possible <ul style="list-style-type: none"> – We lead with action, demonstrating to the next generation the ideas of "Never giving up", "Attitude training", "Willpower", and "Being a hero". – We will be one of the well-known technology adventurers in this city. Our track record includes international calling services & territory-wide fibre broadband networks. Currently, our products and services range from an online shopping mall, multimedia information, eCommerce fulfilment, automated logistics services, big data analysis, and impressive online customer experiences. We continuously make human lives more abundant with technology, and we're even exploring cross-industry healthcare and medical technology projects. | <ul style="list-style-type: none"> • Being the first mover to set the industry standard & model <ul style="list-style-type: none"> – We tend to choose the difficult path, with a focus on long term development and invest in infrastructure facilities. – The infrastructure of the telecom industry is the optical fibre network, while the infrastructure in the world of eCommerce is the extensive distribution network consisting of system platforms, big data analysis, automated fulfilment centres, logistics fleets, and physical stores. – Forming a barrier with infrastructures making it challenging for new entrants to compete with us. | <ul style="list-style-type: none"> • Integrity <p>The first thought before making a decision, resulting in prompt delivery of our promises.</p> • A Strong Team <p>We only work with smart, capable, competent, and demanding people. We need a group of staff with similar capabilities to build "Team Work".</p> |

Corporate Governance Report

THE BOARD

Responsibilities

The Board steers and oversees the management of the Company including:

- establishing the strategic direction of the Company;
- setting the long-term objectives of the Company;
- monitoring the performance of the management;
- protecting and maximising the interests of the Company and its shareholders (“Shareholders”) as a whole; and
- reviewing, considering and approving the annual budget, management results and performance update against annual budget, together with business reports from the management.

The Board has delegated an executive committee comprising all Executive Directors, with authority and responsibility for day-to-day operations and administration of the Company. All Executive Directors are responsible for implementing business strategies and managing business of the Group in accordance with all applicable rules and regulations, including, but not limited to, the Listing Rules. The Board believes that the balance between Executive and Non-executive Directors (including the Independent Non-executive Directors) is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the Shareholders and the Company.

The Company has established mechanisms to ensure independent views and inputs are available to the Board, and reviews the implementation and effectiveness of these mechanisms annually. These mechanisms include:

- involving all Independent Non-executive Directors in Board decision and encourage them to express views freely;
- requiring minimum time contribution to the Company from all Independent Non-executive Directors; and
- enabling the Board to obtain independent views and advice, where necessary, from external professional advisors.

All Directors have full and timely access to all relevant information as well as advice and services of the Company Secretary, with a view to ensuring that the Board procedures and all applicable law, rules and regulations, are followed. Upon making request to the Board, all Directors may obtain independent professional advice at the Company’s expense for carrying out their functions.

The Company has arranged appropriate directors’ and officers’ liability insurance cover in respect of legal action against the Directors.

Corporate Governance Report

THE BOARD (continued)

Board Composition

The Board currently comprises 9 Directors with 5 Executive Directors and 4 Independent Non-executive Directors. The composition of the Board during FY2025 and up to the date of this report is as follows:

Executive Directors

Mr. Cheung Chi Kin, Paul (*Resigned as Chairman of the Board effective from 1 September 2025 and remains as an Executive Director*)

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

Ms. Wong Nga Lai, Alice (*Group Chief Financial Officer*)

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

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

Independent Non-executive Directors

Mr. Mak Wing Sum, Alvin (*Chairman of the Board effective from 1 September 2025*)

Mr. Peh Jefferson Tun Lu

Mr. Ann Yu Chiu, Andy

Mr. Lee Hon Ying, John (*resigned as Independent Non-executive Director due to personal health issues effective from 1 January 2026*)

Mr. Yeung Chu Kwong (*appointment effective from 1 January 2026*)

Mr. Yeung Chu Kwong had obtained the legal advice referred to in Listing Rule 3.09D on 5 December 2025, and he has confirmed he understood his obligations as an Independent Non-executive Director.

The Company has maintained on the websites of the Stock Exchange and the Company (www.hkvtv.com.hk) an updated list of its Directors identifying their roles and functions and whether they are Independent Non-executive Directors. Independent Non-executive Directors are also identified as such in all corporate communications that disclose the names of the Directors.

Except Mr. Cheung Chi Kin, Paul is a first cousin of Mr. Wong Wai Kay, Ricky, there are no financial, business, family, other material and relevant relationships among members of the Board as at the date of this report.

The biographical information of the Directors is set out in the section of “Profile of Directors and Senior Management” on pages 18 to 21 of this annual report.

Appointment, Re-election and Removal of Directors

The Company abides by the formal procedures as set out in the Company’s nomination policy for the appointment of new directors. Candidates are first considered by the Nomination Committee with reference to criteria including professional knowledge and skillsets, industrial experience, ethics, integrity and diversity based on Board Diversity Policy before submission to the Board for decision. All new Directors are subject to re-election by the Shareholders at the general meetings in their first year of appointment.

In accordance with the Company’s Articles of Association (“Articles”), the Board may from time to time appoint a Director to either fill a casual vacancy or as an addition to the existing Board. Any such new Director shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the following annual general meeting of the Company (in the case of an addition to the existing Board), and shall then be eligible for re-election.

Every Director, including Independent Non-executive Directors, is subject to retirement by rotation and re-election at least once every 3 years. One-third of the Directors must retire from office at each annual general meeting and their re-election is subject to the approval of the Shareholders.

In accordance with Articles 96 and 99 of the Articles, Ms. Wong Nga Lai, Alice and Mr. Lau Chi Kong will retire from office by rotation, and Mr. Yeung Chu Kwong, who was newly appointed, will hold office until the forthcoming annual general meeting of the Company (“2026 AGM”). All of them, being eligible, have offered themselves for re-election at the 2026 AGM.

Corporate Governance Report

THE BOARD (continued)

Practices and Conduct of Meetings

Notices of regular Board meetings are given to all Directors at least 14 days before the meetings. For other Board and committees meetings, reasonable advance notice is generally given. All Directors are given an opportunity to include matters in the agenda for regular Board meetings.

Board papers together with all appropriate, complete and reliable information are generally sent to all Directors at least 3 days before each regular Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions.

Post meetings, draft minutes are circulated to all Directors (or in case of committee meetings, to all committee members) for review and comment in a timely manner. A copy of final minutes are sent to all Directors (or in case of committee meetings, to all committee members) for their records.

The minutes or resolutions of the Board and the committees, which are kept by the Company Secretary, are open for inspection by Directors.

Number of Meetings and Directors' Attendance

| Name of Directors | Number of Board meetings attended/held in FY2025 |
|---|--|
| Executive Directors | |
| Mr. Cheung Chi Kin, Paul | 3/4 |
| Mr. Wong Wai Kay, Ricky | 4/4 |
| Ms. Wong Nga Lai, Alice | 4/4 |
| Mr. Lau Chi Kong | 3/4 |
| Ms. Zhou Huijing | 4/4 |
| Independent Non-executive Directors | |
| Mr. Mak Wing Sum, Alvin | 4/4 |
| Mr. Peh Jefferson Tun Lu | 4/4 |
| Mr. Ann Yu Chiu, Andy | 4/4 |
| Mr. Lee Hon Ying, John (<i>resignation effective from 1 January 2026</i>) | 3/4 |
| Mr. Yeung Chu Kwong (<i>appointment effective from 1 January 2026</i>) | N/A |

The Chairman held a meeting only with the Independent Non-executive Directors without the presence of other Board members during the year under review.

Corporate Governance Report





THE BOARD (continued)

Training and Support for Directors

The Company arranges and, where necessary, funds Directors' continuous professional development.

During the year under review, all Directors have participated in continuous professional development as required under the Listing Rules. Details of the training undertaken by each Director in FY2025 are set out below:

| Name of Directors | Topics | | | | | Total no. of training hours |
|--|-----------------------------|--|------------------------------|---------------------------------------|-------------------------------|-----------------------------|
| | I | II | III | IV | V | |
| | Board and directors' duties | Listing Rules and Hong Kong law compliance | Corporate governance and ESG | Risk management and internal controls | Industry and business updates | |
| Executive Directors | | | | | | |
| Mr. Cheung Chi Kin, Paul | 2.5 | 1 | 1 | 1 | 1 3.5 | 10 |
| Mr. Wong Wai Kay, Ricky | 2.5 | 1 | 1 | 1 | 3 1.5 | 10 |
| Ms. Wong Nga Lai, Alice | 2.75 | 1 | 3.5 | 3.5 1 | 21.25 8.5 7.5 | 49 |
| Mr. Lau Chi Kong | 1 | 1 1.5 | 1 3 | 1 1 | 1 1 | 11.5 |
| Ms. Zhou Huijing | 2.5 | 1 | 1 | 1 | 3 1.5 | 10 |
| Independent Nonexecutive Directors | | | | | | |
| Mr. Mak Wing Sum, Alvin | 1 8 | 1 2 | 3.5 | 3 | 31 | 49.5 |
| Mr. Peh Jefferson Tun Lu | 1 | 1 1 | 6 | 1 | 3.5 | 13.5 |
| Mr. Ann Yu Chiu, Andy | 2.5 | 1 | 1 | 1 | 37 28 | 70.5 |
| Mr. Lee Hon Ying, John | 2.5 | 1 | 1 | 1 | 3.5 1 | 10 |
| Mr. Yeung Chu Kwong (appointment effective from 1 January 2026) | N/A | N/A | N/A | N/A | N/A | N/A |

 Internal training (e.g. company seminars, internal briefings)
  External training (e.g. seminars, workshops, professional courses)
  Self-study (e.g. reading, online modules)
  Any other form of training (e.g. attending industry event as speaker/panelist)

Each newly appointed Director is provided with necessary induction on appointment to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statues, laws, rules and regulations.

To support the directors in discharging their duties, regular updates on the Company's performance, position and prospects are provided to the Board.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVES

| Name | Role | Primary responsibilities |
|-------------------------|--|---|
| Mr. Mak Wing Sum, Alvin | Chairman | Provide leadership to the Board, oversee the Group's overall strategic direction, and ensure effective corporate governance and board performance |
| Mr. Wong Wai Kay, Ricky | Vice Chairman and Group Chief Executive Officer | Overall strategic planning and management of the Group |
| Mr. Lau Chi Kong | Chief Executive Officer (International Business) | Business direction and management of the Group's international business |
| Ms. Zhou Huijing | Chief Executive Officer (Hong Kong) | Business direction and management of the Group's Hong Kong business |

The positions of the Chairman and the Chief Executive Officers are currently held by separate individuals for the purpose of ensuring an effective segregation of duties and a balance of power and authority.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The term of office of the Independent Non-executive Directors has been fixed for a specific term of one year..

Pursuant to Rule 3.13 of the Listing Rules, each of the Independent Non-executive Directors has made a written confirmation of independence and the Company considers all Independent Non-executive Directors are independent.

BOARD COMMITTEES

The Board has set up the Audit Committee, Nomination Committee, Remuneration Committee and Environmental, Social and Governance ("ESG") Committee (collectively "Board Committees") to oversee various aspects of the Company's affairs. The Audit Committee and Remuneration Committee are comprised entirely of Independent Non-executive Directors, whereas the Nomination Committee and ESG Committee comprises both Independent Non-executive Directors and Executive Directors.

The Board Committees members are empowered to seek independent professional advice at the Company's expenses in appropriate circumstances.

Audit Committee

The Board established its Audit Committee ("AC") in March 1999 with specific written terms of reference setting out the committee's authority and duties.

The main roles and functions of the AC are set out in the Audit Committee Charter which is made available on the websites of the Stock Exchange and the Company (www.hktv.com.hk).

Corporate Governance Report

BOARD COMMITTEES (continued)

Audit Committee (continued)

Principal responsibilities of the AC

- overseeing the accounting and financial reporting processes of the Group including the audits of the Group's financial statements on behalf of the Board;
- the appointment of the external auditor and approval of its fees; and
- reviewing and discussing the internal audit activities of the Company including the internal audit plans, internal audit reports, and related examinations and results prepared by the Internal Audit Department.

The AC is provided with sufficient resources to discharge its duties.

| Composition of AC* | Number of AC meetings attended/held in FY2025** |
|---|---|
| Independent Non-executive Directors | |
| Mr. Lee Hon Ying, John (<i>resigned as Chairman of the AC effective from 1 January 2026</i>) | 3/4 |
| Mr. Peh Jefferson Tun Lu (<i>appointed as Chairman of the AC effective from 1 January 2026</i>) | 4/4 |
| Mr. Mak Wing Sum, Alvin | 4/4 |
| Mr. Ann Yu Chiu, Andy | 4/4 |
| Mr. Yeung Chu Kwong (<i>appointment effective from 1 January 2026</i>) | N/A |

* Two of the members possesses professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

** Executive Directors, Head of the Internal Audit Department and the external auditor of the Company were invited to join the discussions at the relevant meetings. The AC Chairman and other committee members also met in separate private sessions with the external auditor 2 times during the year under review.

Summary of works performed by the AC in FY2025

- reviewed the Company's consolidated financial statements for the year ended 31 December 2024 and for the six months ended 30 June 2025;
- reviewed the internal audit progress and the framework and policy of risk management;
- reviewed the external auditor's report on the audit of the Company's consolidated financial statements for the year ended 31 December 2024 and the review of the Company's interim financial report for the six months ended 30 June 2025; and
- pre-approved the audit and non-audit services provided by the Company's external auditor.

Corporate Governance Report

BOARD COMMITTEES (continued)

Nomination Committee

The Board established its Nomination Committee (“NC”) in February 2012 with specific written terms of reference setting out the committee’s authority and duties.

The role and authorities of the NC, including those set out in code provision B.3.1 of the CG Code, were set out in its terms of reference which is made available on the websites of the Stock Exchange and the Company (www.hktv.com.hk).

Principal responsibilities of the NC

- review the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to implement the Company’s corporate strategy;
- identify qualified individuals to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorship;
- assess the independence of Independent Non-executive Directors; and
- make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and chief executive.

The NC is provided with sufficient resources to discharge its duties.

| Composition of the NC | Number of NC meetings attended/held in FY2025 |
|--|---|
| Independent Non-executive Directors | |
| Mr. Peh Jefferson Tun Lu (<i>Chairman of the NC</i>) | 1/1 |
| Mr. Lee Hon Ying, John (<i>resigned effective from 1 January 2026</i>) | 1/1 |
| Mr. Mak Wing Sum, Alvin | 1/1 |
| Mr. Ann Yu Chiu, Andy | 1/1 |
| Mr. Yeung Chu Kwong (<i>appointment effective from 1 January 2026</i>) | N/A |
| Executive Director | |
| Ms. Wong Nga Lai, Alice (<i>appointment effective from 16 June 2025</i>) | N/A |

Summary of works performed by the NC in FY2025

- considered and endorsed the nomination of an additional Independent Non-executive Director for the Board’s approval;
- reviewed the structure, size and composition of the Board and made recommendations to the Board;
- reviewed the independence of Independent Non-executive Directors;
- made recommendations to the Board on the appointment or re-appointment of Directors by rotation at the forthcoming annual general meeting for the Company; and
- ensured that the Board has a balance of expertise, skills and experience appropriate to meet the requirements of the business of the Company.

Corporate Governance Report

BOARD COMMITTEES (continued)

Remuneration Committee

The Board established its Remuneration Committee (“RC”) in August 2001 with specific written terms of reference setting out the committee’s authority and duties.

The terms of reference of RC are made available on the websites of the Stock Exchange and the Company (www.hkvtv.com.hk).

Principal responsibilities of the RC

- establish a formal, fair and transparent procedures for developing policy and structure of all remuneration of directors and senior management;
- review and consider the Company’s policy for remuneration of directors and senior management;
- determine the remuneration packages, bonuses and other compensation payable to executive directors and senior management; and
- recommend the remuneration packages of Independent Non-executive Directors.

The RC is provided with sufficient resources to discharge its duties.

| Composition of the RC | Number of RC meetings attended/held in FY2025 |
|--|---|
| Independent Non-executive Directors | |
| Mr. Lee Hon Ying, John (<i>resigned as Chairman of the RC effective from 1 January 2026</i>) | 1/1 |
| Mr. Mak Wing Sum, Alvin (<i>appointed as Chairman of the RC effective from 1 January 2026</i>) | 1/1 |
| Mr. Peh Jefferson Tun Lu | 1/1 |
| Mr. Ann Yu Chiu, Andy | 1/1 |
| Mr. Yeung Chu Kwong (<i>appointment effective from 1 January 2026</i>) | N/A |

The Company ensures that its directors’ remuneration policy could provide an appropriate level of remuneration to attract and retain experienced professionals of high calibre to oversee the Group’s business, growth and returns to investors.

The remuneration of Directors is reviewed at least annually and determined with reference to the skills, experience, knowledge, job responsibilities and level of involvement in the Group’s affairs, corporate performance, performance of each individual Director as well as prevailing market conditions.

The remuneration of Directors and senior management’s emoluments for FY2025 is set out in note 10 to the financial statements.

Summary of works performed by the RC in FY2025

- recommend the remuneration packages of Independent Non-executive Directors;
- reviewed and approved the discretionary performance bonus for the Executive Directors; and
- reviewed and approved the remuneration packages of the Executive Directors.

Corporate Governance Report

BOARD COMMITTEES (continued)

ESG Committee

The Board established its ESG Committee (“ESGC”) in March 2025 with specific written terms of reference setting out the committee’s authority and duties.

The role and authorities of the ESGC were set out in its terms of reference which is made available on the websites of the Stock Exchange and the Company (www.hkvtv.com.hk).

Principal responsibilities of the ESGC

- formulate and recommend Group’s ESG vision, mission and policy to the Board;
- align ESG initiatives with business objectives;
- monitor compliance with ESG legal requirements;
- assess and monitor environmental impacts of the Group’s operations and address climate-related risks and opportunities; and
- oversee accurate ESG data collection, analysis and verification processes to ensure transparency.

The ESGC is provided with sufficient resources to discharge its duties.

Composition of the ESGC

Independent Non-executive Directors

Mr. Ann Yu Chiu, Andy (*Chairman of the ESGC*)

Mr. Lee Hon Ying, John (*resigned effective from 1 January 2026*)

Mr. Mak Wing Sum, Alvin

Mr. Peh Jefferson Tun Lu

Mr. Yeung Chu Kwong (*appointment effective from 1 January 2026*)

Executive Directors

Ms. Wong Nga Lai, Alice

Mr. Lau Chi Kong

Ms. Zhou Huijing

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for the corporate governance requirements under the CG Code:

- a. Develop and review the Company's policies and practices on corporate governance;
- b. Review and monitor the training and continuous professional development of Directors and senior management;
- c. Review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- d. Develop, review and monitor the code of conduct and compliance manual applicable to Talents and Directors; and
- e. Review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

COMPANY SECRETARY

The Company Secretary, Ms. Wong Nga Lai, Alice is a Talent, an Executive Director and Group Chief Financial Officer of the Company, who has day-to-day knowledge of the Company's affairs. Ms. Wong's biographical information is set out in the section of "Profile of Directors and Senior Management" on pages 18 to 21 of this annual report.

During FY2025, Ms. Wong has undertaken not less than 15 hours of relevant professional training.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules ("Model Code") as the code of conduct for securities transactions by Directors.

Having made specific enquiry with the Directors, all of them confirmed that they had complied with the required standard set out in the Model Code at all applicable times during FY2025 and up to the date of this report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility, with the support from the Finance Department of the Company, for preparing the financial statements of the Group for FY2025. The Board shall ensure that the financial statements of the Group are prepared as to give a true and fair view and on a going concern basis in accordance with the statutory requirements and applicable financial reporting standards.

The statement by the auditor of the Company and the Group regarding its reporting responsibilities and opinion on the financial statements of the Company and the Group for FY2025 is set out in the "Independent Auditor's Report" on pages 106 to 110 of this annual report.

Corporate Governance Report

AUDITOR'S REMUNERATION

KPMG has been re-appointed as the external auditor of the Company by the Shareholders at the annual general meeting held by the Company on 20 May 2025 ("2025 AGM").

For FY2025, KPMG and other KPMG member firms provided the following audit and non- assurance services of the Group:

| Type of Services | FY2025 HK\$'000 |
|--|--------------------|
| Audit and audit related services | |
| – Audit | 3,132 |
| – Interim review | 263 |
| Non-assurance services | |
| – Tax compliance | 300 |
| – Agreed upon procedures on annual results announcement | 50 |
| – Agreed-upon procedures on the statements of indebtedness for the composite document regarding mandatory cash offer | 168 |
| Total | 3,913 |

ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

The Company has established whistleblowing policy and system for Talents and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee regarding possible improprieties in any matter related to the Company. The Company also have established policy and system in place that require, promote and support compliance with applicable anti-corruption laws and regulations. For further details, please refer to "Environmental, Social and Governance Report" section of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility to effect a sound and effective risk management and internal control system to safeguard the Group's interests and assets, maintain proper accounting records and to ensure that transactions are executed in accordance with established policies and procedures as well as appropriate authorisation.

Company policies and procedures are designed to manage rather than eliminate risk of failure to achieve business objectives and to provide a reasonable, but not absolute, assurance against material misstatement, loss or fraud.

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Risk management process involves operation management's input to the risk identification, evaluation and management of significant risks. Operation management makes decisions regarding which risks are acceptable and how to address those that are not. The Group periodically reviewed Company policies and procedures, code of business conduct, corruption and conflicts of interest policy and whistleblower policy. These policies are in place to facilitate Talents of the Group to understand the acceptable and non-acceptable behaviors, as well as the escalation procedures on any suspected misconduct/malpractice within the Group, so as to protect, enhance and improve the ethical and integrity value of the Group. Furthermore, departmental operating procedures/internal control memorandum for key workflows are established by operation management. Control procedures are set up to mitigate risks.

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system and ensuring that the Group established and maintained appropriate and effective systems. Management also assists the Board in the implementation of the Group's policies, procedures and controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Group has established an Audit Committee under the Board, which has the functions of monitoring compliance with laws by the Group's senior management and in its daily operations, and of carrying out investigations for suspected breaches of law. The Company convened meetings with the Audit Committee periodically to discuss financial, operational and compliance controls and risk management functions. Moreover, the Audit Committee assists the Board in leading the management and overseeing their design, implementing and monitoring of the risk management and internal control systems.

The Internal Audit Department is responsible for assessing and monitoring the internal controls of the Group. The Internal Audit Department directly reports to the Chairman of the Group and the Audit Committee on findings related to material controls, including financial, operational and compliance risks and the respective risk mitigation activities.

Internal Audit Reports are prepared by the Internal Audit Department and presented to the Group's management and operational teams for attention and appropriate actions. Remediation actions have been developed collaboratively by the Group's management and operational teams to rectify the control weaknesses identified.

The Board has conducted its annual review of the effectiveness of the Group's risk management and internal control systems. The Board considered that, for FY2025, the risk management and internal control system and procedures of the Group were reasonably effective and adequate, as no material deficiencies had been identified. There was also no significant change during the reporting year in the Company's assessment of risks (including ESG risks) and the risk management and internal control systems.

Corporate Governance Report

INSIDE INFORMATION POLICY

The Board has adopted an Inside Information Policy setting out the guidelines to the Directors and all Talents of the Group aiming to promptly identify, assess and appropriately handle inside information in accordance with the applicable laws and regulations.

DIVERSITY

Board Diversity

The Board adopted a board diversity policy (“Board Diversity Policy”) in August 2013. In June 2025, the Board conducted a comprehensive review of the policy and approved enhancements to further strengthen board diversity, effectiveness and overall governance standards to ensure balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, knowledge, length of service and skills at Board level.

Sustainable Board diversity is taken into account in the director nomination and selection process. The Company seeks to identify suitable candidates from a broad range of backgrounds, including external sources where appropriate, as part of its ongoing succession planning.

For Board gender diversity, the Company has set a measurable objective to have different gender with the minority gender no less than 2 on the Board. In FY2025, the Company continually achieved this objective by having 7 male Directors and 2 female Directors in the Board.

During the year under review, the Nomination Committee reviewed the implementation of the Board Diversity Policy, having taken into account the Company’s corporate strategy and the skills, knowledge and experience of the Board members, the Nomination Committee considered the structure, size and composition of the Board was satisfactory.

Workforce Diversity

The Board adopted a workforce diversity policy (“Workforce Diversity Policy”) in June 2025. Given the importance of diversity and inclusion to the Group’s sustainable growth and as part of the corporate responsibility, the Company is committed to creating an inclusive working environment, promoting gender equality and empowerment, and providing equal opportunities in recruitment, training, development, compensation, and career progression. For details of our hiring practices, please refer to the “Environmental, Social and Governance Report” section of this annual report.

| Workforce gender ratio in FY2025 | Male | Female |
|----------------------------------|-------|--------|
| Senior Management | 50.0% | 50.0% |
| Non-senior management | 61.3% | 38.7% |

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to safeguarding Shareholders' interests and believes that effective communication with Shareholders and other stakeholders is essential for enhancing investor relations and investor understanding of the business performance and strategies of the Group.

The Board adopts a Shareholders Communication Policy which aims to ensure that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company. The various communication channels with Shareholders are set out in "Stakeholder Communication" section under "Environmental, Social and Governance Report" section of this annual report. Under the year of review, the Board confirmed the implementation and effectiveness of the Shareholders Communication Policy.

Company's Website

The Company endeavours to disclose all material information about the Group to all interested parties on a timely basis. All such publications together with additional information of the Group are timely updated on the Company's website at www.hktv.com.hk.

General Meetings held in FY2025

The 2025 AGM was attended by the following Directors including the Chairman of the Board, Chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, as well as Group Chief Executive Officer, Chief Executive Officer (International Business), Chief Executive Officer (Hong Kong), Group Chief Financial Officer and Company Secretary, and representatives of KPMG as the external auditor of the Company, to answer questions raised by shareholders.

| Name of Directors | General meetings attended/held in FY2025 |
|---|--|
| Executive Directors | |
| Mr. Cheung Chi Kin, Paul | 1/1 |
| Mr. Wong Wai Kay, Ricky | 1/1 |
| Ms. Wong Nga Lai, Alice | 1/1 |
| Mr. Lau Chi Kong | 1/1 |
| Ms. Zhou Huijing | 1/1 |
| Independent-Non-executive Directors | |
| Mr. Lee Hon Ying, John (<i>resignation effective from 1 January 2026</i>) | 1/1 |
| Mr. Peh Jefferson Tun Lu | 1/1 |
| Mr. Mak Wing Sum, Alvin | 1/1 |
| Mr. Ann Yu Chiu, Andy | 1/1 |
| Mr. Yeung Chu Kwong (<i>appointment effective from 1 January 2026</i>) | N/A |

Corporate Governance Report

SHAREHOLDERS' ENGAGEMENT

Convening of general meeting on requisition by shareholders

Pursuant to Sections 566 of Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholder who holds at the date of the deposit of the requisition not less than 5% of the total voting rights of all Shareholders and carrying the right of voting at general meeting of the Company may request the Board to convene a general meeting. The request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request must be authenticated by the relevant Shareholder(s) and sent to the Company in hard copy form or in electronic form.

Procedures for putting forward proposals at general meetings by shareholders

Pursuant to Section 615 of Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholder(s) representing at least 2.5% of the total voting rights of all Shareholders who have a right to vote on the resolution at the annual general meeting; or at least 50 Shareholders who have a right to vote on the resolution at the annual general meeting may request the Company to circulate a notice of a resolution for consideration at the annual general meeting.

The request must identify the resolution to be moved at the annual general meeting and must be authenticated by the relevant Shareholder(s) and sent to the Company in hardcopy form or in electronic form not later than six weeks before the relevant annual general meeting to which the requests relate; or if later, the time at which notice is given of that meeting.

Direct shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board by sending a post to the Company's registered office address and attention it to the Board (via Company Secretary). Shareholders may also make enquiries with the Board at the general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

During FY2025, there was no significant change in the constitutional documents of the Company.

Corporate Governance Report

DIVIDEND POLICY AND DIVIDENDS

The Board has adopted a dividend policy with the objective of providing reasonable returns on investment to shareholders while maintaining the Company's sustainable growth by retaining sufficient capital and reserves.

Under the current dividend payout guidance, the Company expects to distribute dividends in the range of 30%–60% of adjusted EBITDA. Where any significant investment opportunity arises, the Board will review the appropriateness of this guidance.

The proposal of payment and determination of amount of any dividend is made at the discretion of the Board, taking into account factors including:

- The Company's prevailing and expected results of operations and profitability;
- The Company's liquidity position;
- The Company's capital investment plans (including investment opportunities and development plans); and
- Prevailing and expected market conditions.

The Board does not recommend the payment of final dividend for FY2025 (FY2024: nil) and the reasons for not declaring a dividend and the Board's considerations are disclosed on page 94 of the "Report of the Directors" section of this annual report.

Environmental, Social and Governance Report

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) VISION

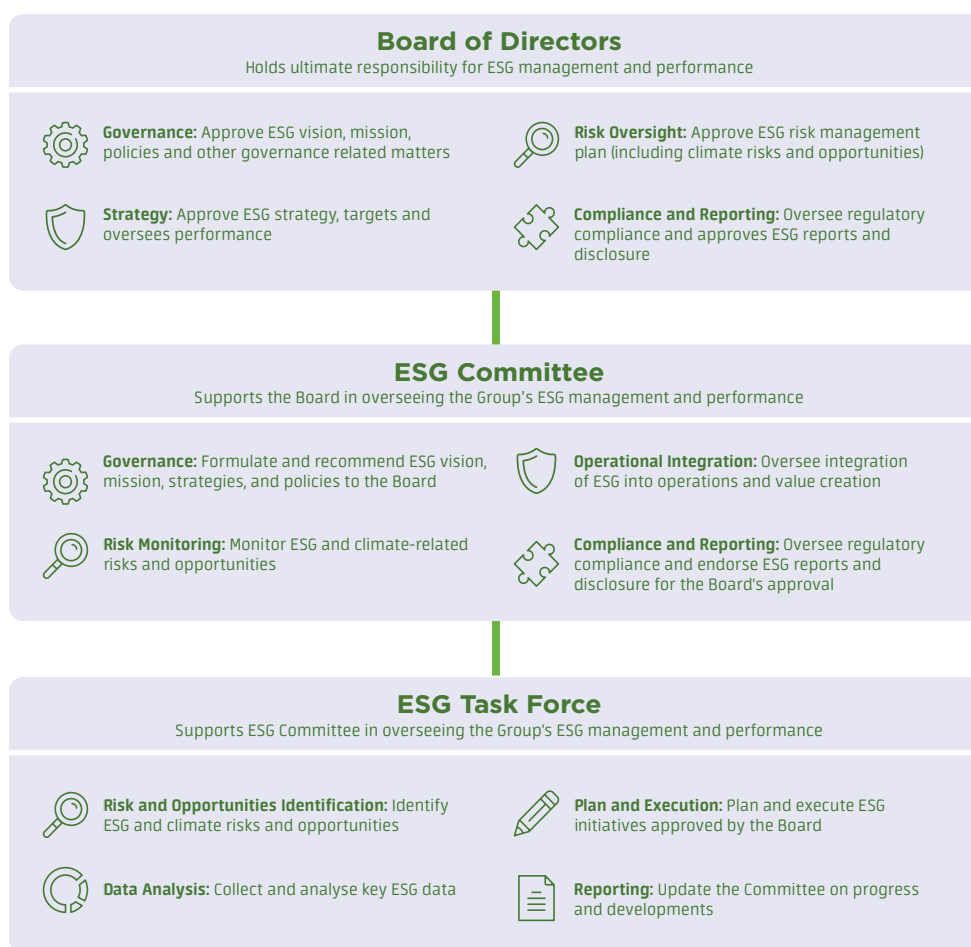
Fight for a better and sustainable future.

OUR ESG MISSION

To advance sustainability through impactful change, ethical governance and technology to uplift communities and protect our planet.

ESG GOVERNANCE

Governance Structure



The Board has overall oversight of ESG and climate-related matters, including identification and management of climate-related risks and opportunities, and the progress of related initiatives. These matters are reviewed by the Board at least annually, with strategic direction provided where appropriate.

The Board considers whether the appropriate skills and competencies are available or will be developed to oversee strategies responding to climate-related risk and opportunities, supported by recommendations from the ESG Committee and ongoing ESG and climate-related training.

Board members receive at least one annual training to support effective oversight of ESG matters, including climate-related issues.

Environmental, Social and Governance Report

The Board's ESG Management Approach and Strategy

The Board's ESG management approach and strategy is grounded in a structured process to identify, prioritise and manage material ESG-related issues relevant to our business model. This process comprises the following key elements:

1. Identification: Conducting materiality assessments involving internal risk analysis and stakeholder engagement, to determine ESG issues most relevant to our business and its value chain.
2. Evaluation, prioritisation and strategy: Setting strategic ESG priorities; integrating these into corporate planning and risk frameworks.
3. Management and Mitigation: Embedding responsibility for managing material ESG risks into relevant functional departments and allocating resources to implement controls, programmes and policies designed to mitigate ESG-related risks and capture opportunities.

Progress Review on ESG-related Goals and Targets

The Board reviews the progress of ESG-related goals and targets by a structured progress update from the ESG Committee at least on an annual basis. Material updates are provided to the Board from time to time.

The Company has linked its target for product disposal reduction (see "Initiatives to Waste and Resources management" for more details) to the remuneration package of certain functional departments. The Board intends to set more measurable goals and targets based on recommendations from the ESG Committee from time to time and monitors progress accordingly.

Reporting Standards

This ESG report ("Report") is prepared in compliance with the ESG Reporting Code under Appendix C2 to the Listing Rules ("ESG Code").

Reporting Principles

This Report is prepared based on the four reporting principles as set out in the ESG Code, i.e. materiality, quantitative, balance and consistency.

Reporting Boundary

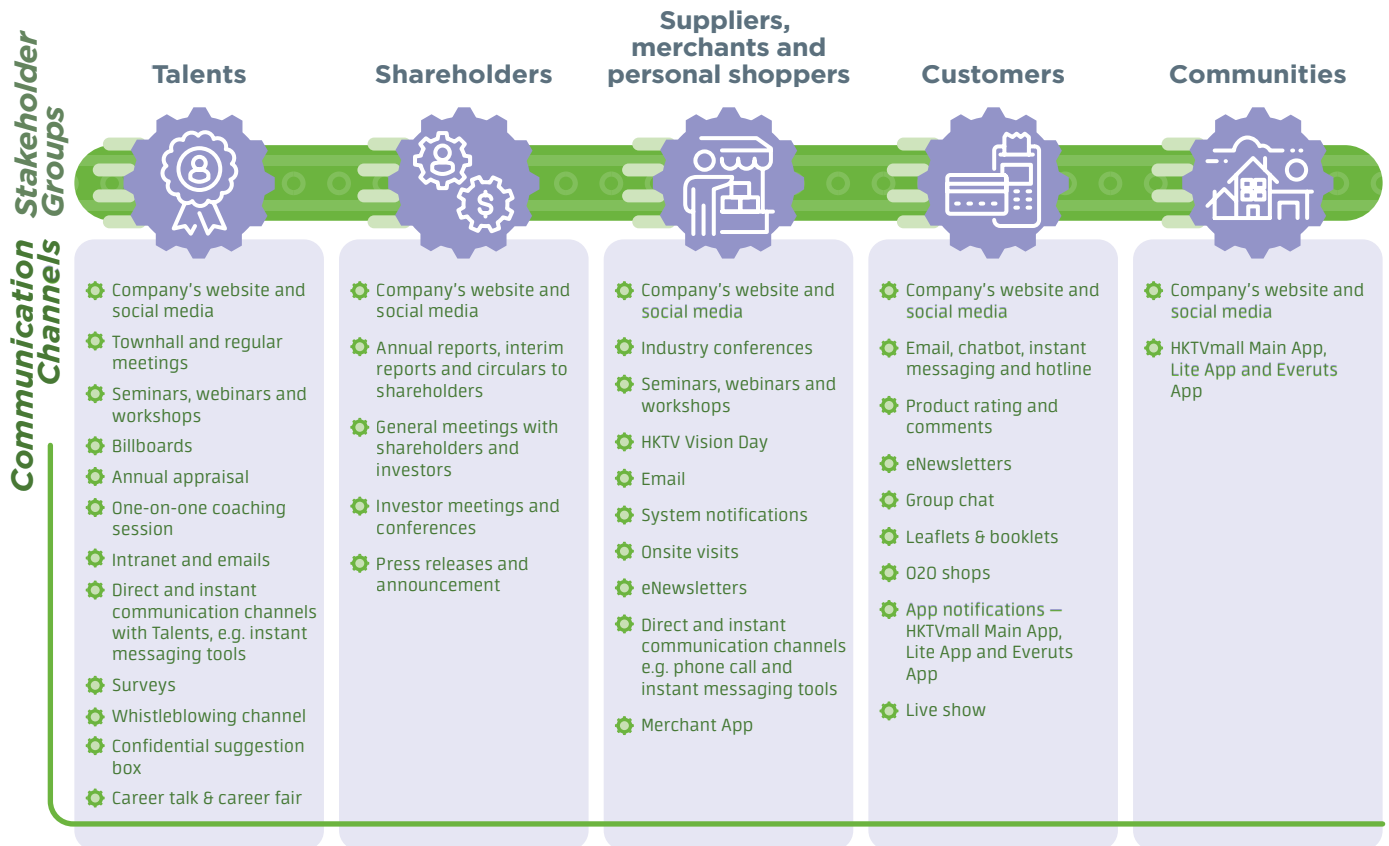
This Report covers the ESG performance of our core businesses in (a) Hong Kong Ecommerce Business and (b) New Ventures and Technology Business, with data deriving from the below locations during the period from 1 January 2025 to 31 December 2025 ("Reporting Period").

| | Office | O2O/ Automation shops | Fulfilment and Distribution centres |
|----------------|--------|-----------------------------|---|
| Hong Kong | √ | √ | √ |
| Japan | √ | Not applicable | √ |
| Macau | √ | Not applicable | Not applicable |
| Taiwan | √ | Not applicable | Not applicable |
| United Kingdom | √ | √ | √ |

Environmental, Social and Governance Report

Stakeholder Communication

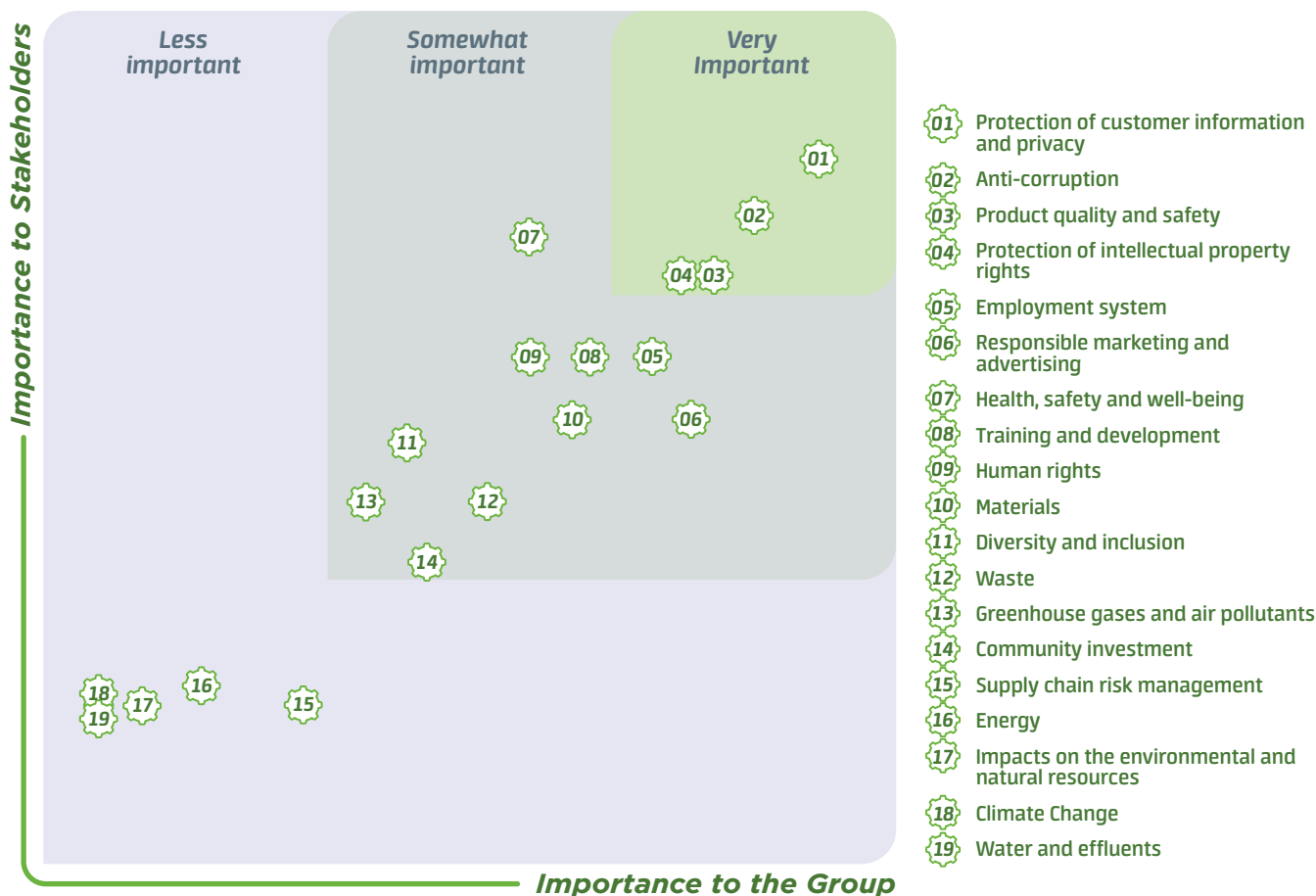
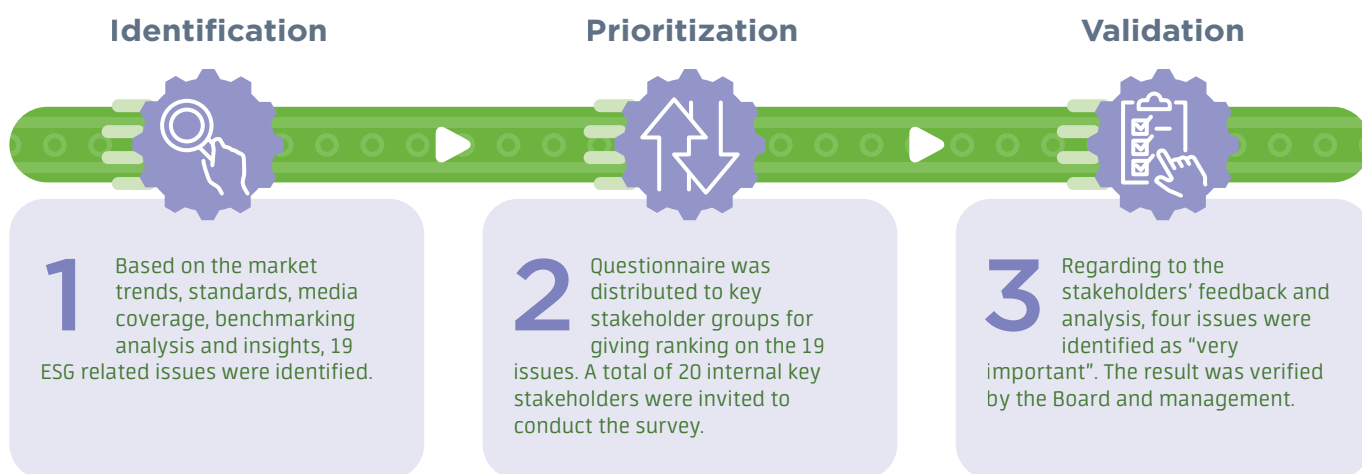
In identifying and disclosing ESG issues that reflect the Group's significant environmental and social impacts, or that may substantially influence the stakeholders' assessments and decisions, we engage stakeholders on an ongoing basis to understand their views and better align their expectations.



Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

To identify and prioritise ESG issues for implementation, the Group has undertaken the following critical steps in collaboration with an external ESG consultant in 2021.



Environmental, Social and Governance Report

ENVIRONMENTAL

Our Approach to Environmental Conservation

The Group adopts a dual approach to environmental responsibility –

1. To focus on minimizing the environmental impacts of its operations, including waste disposal, air pollution, and Greenhouse Gas (“GHG”) emissions; and
2. To collaborate with stakeholders to contribute to a more sustainable environment.

Our ESG policy includes the principles that guide us on waste minimisation and recycling, carbon reduction, pollution control, and the responsible use of energy, water, and other natural resources. The policy provides a framework for legal compliance and environmental risk management across operations, as well as practical guidance for engaging suppliers, merchants and customers in promoting sustainable practices.

In 2025, the Group further strengthened its commitment by signing the Packaging Reduction Charter launched by the Environmental Protection Department (“EPD”). This commitment includes submitting annual total packaging material usage data to the EPD, implementing measures to reduce packaging and to adopt sustainable packaging solutions, and engaging suppliers, merchants, business partners, and customers to reduce packaging waste, adopt greener alternatives, and enhance overall packaging management.

Legal Compliance

There was no enforcement nor conviction on non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to:

- air emissions;
- discharges into water and land; and
- generation of hazardous and non-hazardous waste.

Waste and Resource Management

1. Overview

In 2025, the Group strengthened waste and resource data collection and management across its logistics, fulfilment, O2O shops and wet market operations to support Hong Kong’s waste reduction and circular economy objectives. Key efforts focused on reduction, reuse, recycling and substitution initiatives at the operational level, with strong emphasis on packaging optimisation and the development of closed-loop recycling solutions. These actions underpin the Group’s progressive resource circularity targets across the order fulfilment process, which are periodically reviewed and updated by management to ensure continued relevance.

2. Waste and Resource Data

Non-hazardous Wastes

The Group periodically collects, classifies and monitors non-hazardous waste, engaging professional service providers for proper handling and disposal in compliance with relevant regulations.

General waste increased by 57.0% in 2025, mainly due to the enhanced tracking of previously uncollected data of certain waste streams, including office waste and fruit paper boxes in O2O shops, as well as the commencement of operations at the new Sheung Shui distribution center.

Environmental, Social and Governance Report

Other non-hazardous waste decreased from 352.97 tonnes in 2024 to 283.99 tonnes in 2025 (-19.54%), reflecting continued efforts in waste segregation and reduction.

| Non-hazardous wastes (in tonnes) | 2025 | 2024 | % change ¹⁴ |
|---|------------------|-----------------|------------------------|
| General waste | 12,047.09 | 7,673.86 | +56.99% |
| Other non-hazardous waste | 283.99 | 352.97 | -19.54% |
| Total non-hazardous waste | 12,331.08 | 8,026.82 | +53.62% |
| Non-hazardous waste intensity (in tonnes/\$ million GMV on completed orders) | 1.478 | 0.943 | +56.78% |

Hazardous Wastes

Total hazardous waste increased from 0.018 tonnes in 2024 to 1.041 tonnes in 2025, primarily due to the enhanced tracking for previously uncollected data of certain waste streams, including ink and toner cartridges, which accounted for 1.007 tonnes in 2025. The increase reflects improved e-waste monitoring and data coverage.

| Hazardous wastes (in tonnes) | 2025 | 2024 | % change ¹⁴ |
|---|--------------|--------------|------------------------|
| Ink and toner cartridge | 1.007 | – | – |
| Batteries | 0.0064 | 0.0004 | +1,449.28% |
| Light tubes | 0.0237 | 0.0177 | +33.90% |
| Heavy metal-containing waste | 0.004 | – | – |
| Total hazardous wastes | 1.041 | 0.018 | +5,647.60% |
| Hazardous waste intensity (in tonnes/\$ million GMV on completed orders) | 0.000125 | 0.000002 | +5,765.64% |

Packaging Materials

Total packaging materials used for order fulfilment increased from 1,064.80 tonnes in 2024 to 1,636.20 tonnes in 2025, representing a year-on-year increase of 53.66%. The increase was mainly attributable to the following:

- (i) Enhanced data collection methodologies and expanded tracking scope; and
- (ii) Significant expansion of the Wet Market Express business, which requires additional packaging for fresh produce orders.

The Group continues to reduce packaging related environmental impacts under the Packaging Reduction Charter through the adoption of sustainable alternatives, packaging size optimisation, and close collaboration with suppliers and merchants.

| Packaging materials (in tonnes) | 2025 | 2024 | % change ¹⁴ |
|--|----------|----------|------------------------|
| Total packaging materials used for finished products ¹⁵ | 1,636.20 | 1,064.80 | +53.66% |
| Packaging material intensity (in tonnes/\$ million GMV on completed orders) | 0.196 | 0.125 | +56.82% |
| Total pallets disposed | 1,799.07 | 1,650.37 | +9.01% |

¹⁴ Due to rounding, the percentage changes presented in the table may not equal the figures calculated from the data shown.

¹⁵ Includes carton box, bubble pack, paper bags, plastic bags, labels, stretch film, packaging tape, PE plastic and paper wrap.

Environmental, Social and Governance Report

Recycling Materials

In 2025, the volume of recycled paper decreased while plastic recycling increased, mainly due to the engagement of a new recycler at the logistics and fulfilment centers towards the end of 2024, which enhanced the data collection accuracy. In addition, recycling data for metal, e-waste, ink and toner cartridges, and food waste were newly captured in 2025 across operations in Hong Kong, Taiwan and the United Kingdom.

| Recycling materials (in tonnes) | 2025 | 2024 | % change ¹⁴ |
|---|--------|----------|------------------------|
| Total paper recycled ¹⁶ | 884.48 | 1,033.37 | -14.41% |
| Total plastic recycled ¹⁷ | 269.35 | 193.54 | +39.17% |
| Total metal recycled | 9.79 | – | – |
| Total e-waste recycled | 0.0341 | – | – |
| Total ink and toner cartridge recycled | 0.0005 | – | – |
| Total mixed recycling waste recycled | 8.62 | 7.74 | +11.38% |
| Total food waste and other waste recycled | 2.38 | – | – |

Advertising Materials & Paper Consumption

Advertising materials usage decreased significantly in 2025 due to a lower focus on leaflet promotions, despite large-scale marketing campaigns for Wet Market Express and CASHBACK. Although paper consumption has increased by 25.10% from 13.51 tonnes in 2024 to 16.90 tonnes in 2025 mainly due to fulfilment process enhancement and new business expansion, the Group continued to promote paperless solutions such as e-statement and digital records to control overall usage.

| Advertising materials (in tonnes) | 2025 | 2024 | % change ¹⁴ |
|--|---------|---------|------------------------|
| Total advertising materials used ¹⁸ | 23.73 | 38.48 | -38.34% |
| Advertising material intensity (in tonnes/\$ million GMV on completed orders) | 0.00285 | 0.00452 | -37.07% |

| Paper consumption (in tonnes) | 2025 | 2024 | % change ¹⁴ |
|---|---------|---------|------------------------|
| Copy paper | 16.90 | 13.51 | +25.10% |
| Paper consumption intensity (in tonnes/\$ million GMV on completed orders) | 0.00203 | 0.00159 | +27.67% |

¹⁶ Includes carton box and paper wrap used by the Company, and provided by merchants in the delivery process of ordered goods to our logistics centers.

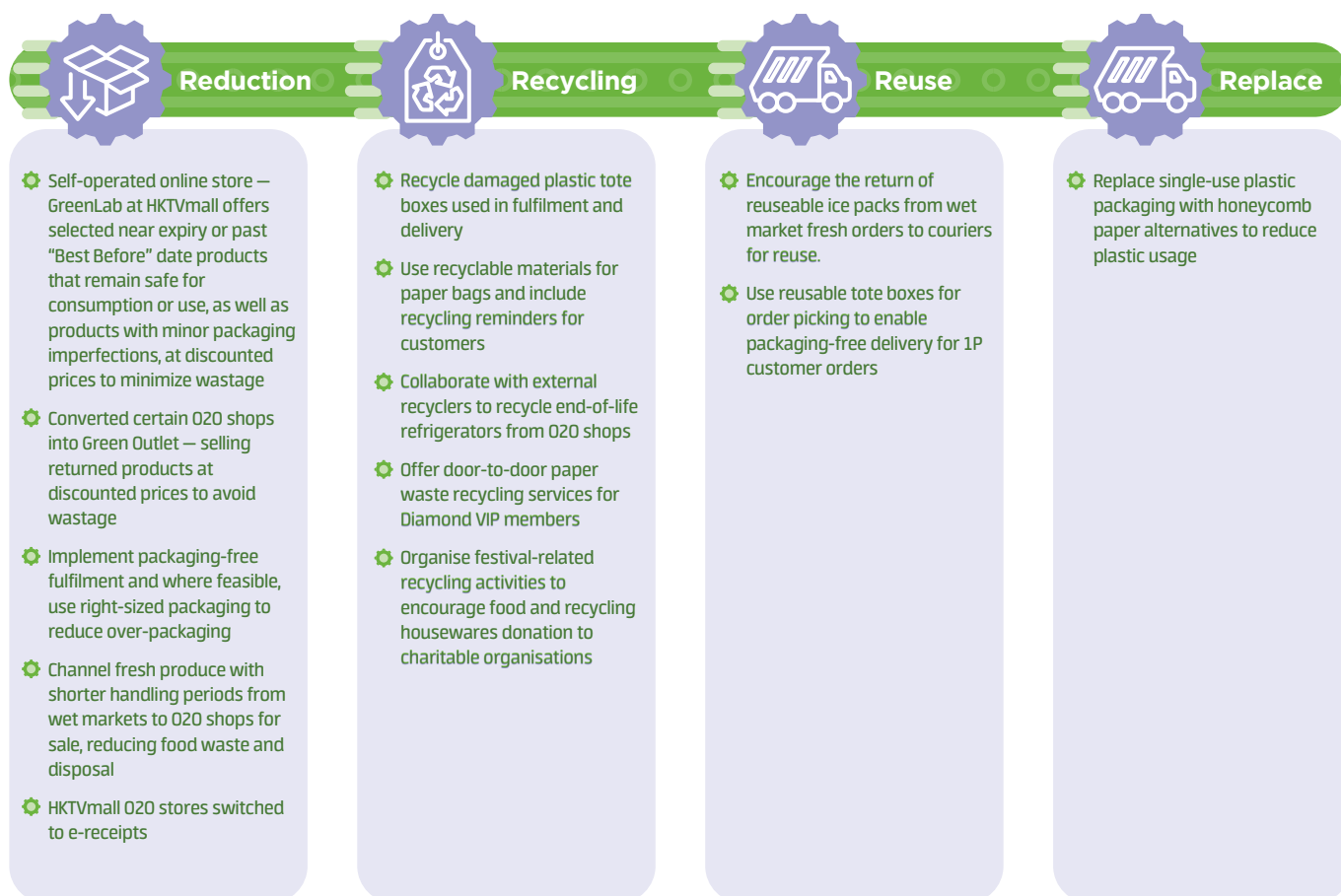
¹⁷ Includes stretch film and plastic box for packaging from the Company and merchants for recycling.

¹⁸ Includes printing paper, foam board, pull up banner, business card and leaflets for marketing and promotional purpose.

Environmental, Social and Governance Report

3. Initiatives to Waste and Resources Management

Waste and resources management is essential across the business operations particularly on logistics, fulfilment and O2O shop operations. In compliance with the Waste Disposal Ordinance and other regulations, we handle waste through the following measures:



The Group engages qualified external parties for the safe and lawful disposal of non-recyclable and hazardous waste. To enhance data accuracy, the Group also engaged external waste vendors, and improved measurement processes for non-hazardous waste, packaging, paper and advertising materials.

4. Goals in Waste and Resources Management

To support Hong Kong’s waste reduction and circular economy objectives, the Group has set the following progressive targets:

| Progressive Targets | By 2026 | By 2028 | By 2030 |
|---|---------|---------|---------|
| Return rate of reusable ice packs in Wet Market fresh orders, supported by customer education and reverse logistics | 15% | 20% | 25% |
| Recycling rate of retired delivery plastic totes, through engagement with external recyclers and process enhancements | 30% | 50% | 70% |
| Disposal rate of food inventory, as a percentage of total 1P GMV | 0.22% | 0.20% | 0.18% |

These targets are designed to reduce single-use plastics, ease landfill pressure, minimise food waste and advance resource circularity across operations.

Environmental, Social and Governance Report

Emissions Management

1. Overview

GHG emissions contribute to climate change and are the key focus for global corporations. The Group manages emissions from its operations and commits to carbon reduction in its ESG policy. Recognising unavoidable emissions from delivery fleets and operating sites, we explore sustainable solutions, such as transitioning to electric vehicles (EVs), to minimise environmental impacts and enhance energy efficiency in transportation.

2. Emissions Data

GHG Emissions

Total GHG emissions (Scope 1, 2 and 3) increased by 287.22% to 54,808.29 tonnes of CO₂ equivalent (“tCO₂e”) in 2025 from 14,154.18 tCO₂e in 2024, primarily due to the inclusion of Scope 3 emissions data for the first time in 2025 and the enhanced data collection for releases from equipment and system.

| GHG Emissions ¹⁹ (in tCO ₂ e) | 2025 | 2024 | % change ¹⁴ |
|---|------------------|-----------|------------------------|
| Total Scope 1 GHG emissions | 8,254.36 | 5,946.60 | +38.81% |
| Total Scope 2 GHG emissions ²⁰ | 7,840.00 | 8,207.57 | -4.48% |
| Total Scope 3 GHG emissions | 38,713.93 | – | N.A. |
| Total GHG emissions | 54,808.29 | 14,154.18 | +287.22% |
| GHG intensity (in tonnes of CO ₂ equivalent/\$ million GMV on completed orders) | 6.57 | 1.66 | +295.18% |

Scope 1 GHG Emissions

Scope 1 GHG emissions increased by 38.81% to 8,254.36 tCO₂e in 2025 (2024: 5,946.60 tCO₂e) with breakdown as below. The increase was mainly attributed to higher diesel consumption in logistics vehicles as represented by 13.93% increase in mobile sources combustion due to increased demand for same-day deliveries and transit arrangement by owned trucks.

Refrigerant emissions from fulfillment units which were newly captured and included under “Releases from Equipment and Systems” in 2025, accounted for 2,508.07 tCO₂e and were the principal driver of the substantial increase of Scope 1 GHG emissions for the year.

| Scope 1 GHG Emissions (in tCO ₂ e) | 2025 | 2024 | % change ¹⁴ |
|---|-----------------|----------|------------------------|
| Stationary source combustion ²¹ | 1.22 | 1.41 | -13.33% |
| Non-road equipment source ²² | 0.055 | – | – |
| Mobile sources combustion ²³ | 5,745.01 | 5,042.55 | +13.93% |
| Releases from equipment and system | 2,508.07 | 902.64 | +177.86% |
| Total Scope 1 GHG emissions | 8,254.36 | 5,946.60 | +38.81% |

¹⁹ Calculated with reference to IPCC Sixth Assessment Report, GHG Protocol – Corporate Value Chain (Scope 3) Standard, GHG Protocol – Technical Guidance for Calculating Scope 3 Emissions, HKEX – Appendix 2: Reporting guidance on Environmental KPIs, UK Government Gas Conversion Factors for Company Reporting, Carbon Neutral Hong Kong, Montreal Protocol on Substances that Deplete the Ozone Layer, HKE Sustainability Report 2024, CLP Sustainability Report 2024, Emission Factor issued by Ministry of Economy, Trade and Industry of Japan, Emission Factor issued by the Energy Administration, Ministry of Economic Affairs of Taiwan, and CEM Sustainability Report 2024.

²⁰ The Scope 2 emissions are calculated based on location-based methodology.

²¹ Includes diesel combustion by generator used by the Group.

²² Includes LPG consumption by company owned forklift.

²³ Includes fuel consumption by company owned vehicles and cruiser.

Environmental, Social and Governance Report

Scope 2 GHG Emissions

Scope 2 GHG emissions decreased 4.48% to 7,840.00 tCO₂e (2024: 8,207.57 tCO₂e), mainly from reduced purchased electricity consumption following the reduction in average number of O2O shops from 81 in 2024 to 75 in 2025, particularly due to the closure of mega stores, which was partially offset by increased electricity consumption from new fulfilment and logistic center operations and the expansion of EV charging.

| Scope 2 GHG Emissions (in tCO ₂ e) | 2025 | 2024 | % change ¹⁴ |
|---|-----------------|----------|------------------------|
| Purchased electricity | 7,835.90 | 8,206.67 | -4.52% |
| Electric vehicle ("EV") | 4.10 | 0.90 | +355.56% |
| Total Scope 2 GHG emissions | 7,840.00 | 8,207.57 | -4.48% |

Scope 3 GHG Emissions

Scope 3 GHG emissions totalled 38,713.93 tCO₂e in 2025, the first year of disclosure. The major sources were upstream transportation of 12,561.39 tCO₂e and purchased goods and services of 10,611.41 tCO₂e. The Group is committed to engaging suppliers to reduce emissions across its value chain.

| Category ²⁴ | Category Name | Year 2025 (in tCO ₂ e) |
|------------------------------------|--|-----------------------------------|
| Category 1 | Purchased goods and services | 10,611.41 |
| Category 2 | Capital Goods | 850.61 |
| Category 3 | Fuel- and energy-related activities | 4,584.01 |
| Category 4 | Upstream transportation and distribution | 12,561.39 |
| Category 5 | Waste generated in operations | 8,525.00 |
| Category 6 | Business travel | 36.85 |
| Category 7 | Employee commuting | 1,544.66 |
| Total Scope 3 GHG emissions | | 38,713.93 |

Air Pollutants

For the air pollutants, the increase in nitrogen oxides, sulphur oxides and respirable suspended particles in 2025 was mainly due to higher fuel consumption resulting from increased demand for same-day deliveries and transit arrangement by owned trucks.

| Air Pollutants ²⁵ (in kg) | 2025 | 2024 | % change ¹⁴ |
|--------------------------------------|------------------|-----------|------------------------|
| Nitrogen oxides | 34,115.73 | 29,640.69 | +15.10% |
| Sulphur oxides | 56.28 | 52.82 | +6.54% |
| Respirable suspended particles | 2,026.94 | 1,713.34 | +18.30% |

²⁴ Calculated with reference to GHG Protocol – Corporate Value Chain (Scope 3) Standard and GHG Protocol – Technical Guidance for Calculating Scope 3 Emissions.

²⁵ Travel distances were estimated with reference to Energy Consumption Indicators published by the Electrical and Mechanical Services Department (EMSD). Emission factors refer to HKEX – Appendix 2: Reporting Guidance on Environmental KPIs, EMEP/EEA Air Pollutant Emission Inventory Guidebook, International Energy Agency – Oil Information Database Documentation, Average Road Transport Emission Factors for UK fleet, and EPD – A Guide to the Air Pollution Control (Fuel for Vessels) Regulation.

Environmental, Social and Governance Report

3. Initiatives to Emissions Reduction

The Group continues to implement initiatives to reduce emissions, including progressive adoption of EVs. During 2025, 15 electric trucks with frozen compartments were added, bringing the total number of EVs in operation to 16. The Group will continue to assess opportunities to expand the use of EVs where operationally feasible.

In parallel, the Group continues to upgrade its conventional vehicles in line with the latest emissions standards. By the end of 2025, approximately 98% of vehicles in the delivery fleet complied with Euro 5 or Euro 6 standards or were zero-emission vehicles.

Other emission-reduction measures include:

- Digital route optimisation through courier App to minimise travel distances and idling time.
- Use of ozone-friendly refrigerants, including R-404A and HFC-134a, with ongoing assessment of lower global warming potential alternatives.

4. Goals in Emissions Reduction

Future efforts focus on expanding EV alternatives and replacing end-of-life vehicles. These support our commitment to low-carbon logistics and Hong Kong's carbon neutrality roadmap.

| Progressive Target | By 2026 | By 2028 | By 2030 |
|--|---------|---------|---------|
| EV adoption for the owned delivery fleet | 6% | 9% | 12% |

Energy Management

1. Overview

Energy is a critical resource for our logistics, fulfilment and O2O shop operations. Effective energy management reduces operating costs, minimises environmental impact and supports our sustainability commitment. Under the Group's ESG policy, we promote responsible energy use and encourage Talents to monitor and control consumption. Through various measures and guidelines, we aim to enhance operational efficiency, achieve carbon reduction and uphold environmental responsibility.

2. Energy data

Total Energy Consumption

Overall, total energy consumption increased by 7.00% to 42,535.71 MWh in 2025 (2024: 39,753.22 MWh).

| Energy Consumption ²⁶ (in MWh) | 2025 | 2024 | % change ¹⁴ |
|--|-----------|-----------|------------------------|
| Total direct energy consumption | 22,556.17 | 19,766.69 | +14.11% |
| Total indirect energy consumption | 19,979.54 | 19,986.53 | -0.03% |
| Total energy consumption | 42,535.71 | 39,753.22 | +7.00% |
| Energy intensity (in MWh/\$ million GMV on completed orders) | 5.10 | 4.67 | +9.20% |

²⁶ Calculated with reference to HKEX – Appendix 2: Reporting Guidance on Environmental KPIs, International Energy Agency – Oil Information Database Documentation, and UK Government Gas Conversion Factors for Company Reporting.

Environmental, Social and Governance Report

Direct Energy Consumption

Total direct energy consumption rose by 14.11% to 22,556.17 MWh in 2025 (2024: 19,766.69 MWh), primarily driven by a 14.07% increase in diesel consumption to 22,547.56 MWh (2024: 19,766.69 MWh). The increase was mainly attributable to the increased logistics vehicle utilisation due to increasing demand for same-day deliveries and transit arrangement by owned trucks. LPG and petrol consumption remained minimal.

| Direct Energy Consumption (in MWh) | 2025 | 2024 | % change ¹⁴ |
|------------------------------------|-----------|-----------|------------------------|
| Diesel | 22,547.56 | 19,766.69 | +14.07% |
| LPG | 0.24 | – | – |
| Petrol | 8.37 | – | – |
| Total direct energy consumption | 22,556.17 | 19,766.69 | +14.11% |

Indirect Energy Consumption

Purchased electricity consumption remained stable at 19,963.99 MWh in 2025 (2024: 19,984.48 MWh), while the reduction in electricity usage resulting from a lower number of O2O shops from 81 in 2024 to 75 in 2025 and fewer mega store operations was largely offset by higher electricity consumption from new fulfilment and logistic center operations as well as increased electricity usage from EVs, which rose from 2.05 MWh to 15.55 MWh during the year.

| Indirect Energy Consumption (in MWh) | 2025 | 2024 | % change ¹⁴ |
|--------------------------------------|-----------|-----------|------------------------|
| Purchased electricity | 19,963.99 | 19,984.48 | -0.10% |
| Electricity – mobile source (EV) | 15.55 | 2.05 | +659.16% |
| Total indirect energy consumption | 19,979.54 | 19,986.53 | -0.03% |

3. Initiatives to Energy Reduction

To reduce operational energy consumption and support sustainable practices, the Group has implemented a range of energy-saving initiatives, including

- Timers are installed on O2O shop front signages to automatically switch off lighting after operating hours, reducing unnecessary energy use;
- Timers are also installed in offices to automatically switch off the air conditioning after designated operating hours;
- Energy-efficient air-conditioning systems and low-energy LED lighting are installed across offices and logistics and fulfilment centers;
- Managing lift operations to improve energy efficiency;
- Grade 1 energy-rated electrical appliances is adopted under Hong Kong's Mandatory Energy Efficiency Labelling Scheme;
- Electricity-saving measures are implemented during extended holidays, such as placing printers into sleep mode;
- Paperless e-statements is promoted across all operations; and
- Delivery fleet is progressively transited to EVs to reduce fuel dependency.

These measures help lower energy utilisation and carbon emissions while enhancing operational efficiency.

Environmental, Social and Governance Report

4. Goals in Energy Reduction

The Group aims to increase renewable energy generation as part of its long-term sustainability strategy. The Group is exploring the installation of solar panels or other renewable energy generation solutions at our Tseung Kwan O headquarters, with a target total generation capacity of approximately 1,025 MWh by 2030, representing approximately 5.1% of our 2025 purchased electricity consumption. This initiative is expected to reduce reliance on conventional electricity, lower carbon emissions and support the transition to cleaner energy.

Notwithstanding increases in energy consumption driven by business growth, the Group continues to pursue energy-efficiency measures with a view to improving energy intensity over time.

Water Consumption

1. Overview

Water is a vital natural resource and plays a supporting role in our operations, including offices, logistics and fulfilment centres and O2O shops. The Group is committed to responsible water management, optimising consumption, enhancing efficiency and minimising environmental impact through ongoing monitoring and conservation initiatives.

2. Water Consumption Data

During the year, total water consumption slightly decreased from 27,789.01 m³ in 2024 to 27,704.38 m³ in 2025. This modest reduction was primarily attributable to:

- (i) lower chiller water tank consumption after installing timers in offices to automatically switch off air-conditioning after designated hours; and
- (ii) lower water consumption in O2O Shop operations following the closure of remaining 2 mega stores during 2025.

| Water Consumption (m ³) | 2025 | 2024 | % change ¹⁴ |
|--|------------------|-----------|------------------------|
| Total water consumption | 27,704.38 | 27,789.01 | -0.30% |
| Water consumption intensity (in m ³ /\$ million GMV on completed orders) | 3.32 | 3.26 | +1.74% |

3. Initiatives to Reduce Water Consumption

To reduce water consumption and improve efficiency, the Group has continued our on-going water saving measures at TKO headquarters, including:

- Deployment of sensor-activated taps in toilets to minimise unnecessary water flow;
- Use of dual-flush toilets to optimise flushing volumes; and
- Regular pipeline inspections and prompt repairs to prevent blockage and leakage.

Environmental, Social and Governance Report

Climate risk management²⁷

We integrate climate-related risks into the corporate risk management framework to ensure they are effectively identified, assessed, managed, monitored and disclosed. The Group considers both physical and transition climate-related risks as part of this process.

The ESG Committee conducts annual risk assessments, with response plans developed and implemented by relevant departments (e.g. Logistics Department for EV transition and Fulfilment Department for packaging optimisation), and reviewed on a quarterly basis. Significant risks are escalated to senior management and the Board as appropriate, supporting effective internal reporting and external disclosure.

| | |
|---------------------------------------|--|
| <p>Risk Identification</p> | <p>Identify climate-related risks relevant to our operations and value chain, informed by external sources and internal operational knowledge.</p> <p>As an example, the Group utilises external weather forecast and monitoring tools, and publicly available meteorological data to track weather conditions and climate trends in regions where the Group operates. The monitoring scope covers key operational locations, logistics routes and fulfilment facilities.</p> <p>The operational team reviews weather alerts and forecast information on an ongoing basis to identify potential climate-related risk events, including typhoons, heavy rainfall, flooding, extreme heat and other severe weather conditions.</p> |
| <p>Risk Assessment and Evaluation</p> | <p>We evaluate the likelihood and potential impact of identified risks on business continuity, service levels, cost structure and people safety.</p> <p>As an example, when potential climate-related risk events are identified, the operational team conducts assessment and analysis of the exposure of operational facilities and logistics networks, as well as potential operational disruption scenarios.</p> <p>Identified climate-related risks are assessed by the operational and management teams based on the following factors:</p> <ul style="list-style-type: none"> • nature and type of weather event • likelihood of occurrence • expected duration • potential operational and service impacts • potential safety risks to staff and contractors <p>The Group primarily applies qualitative assessment criteria, supplemented by operational thresholds such as service disruption levels, delivery delay risks and facility impact severity.</p> |

²⁷ Climate-related disclosures are prepared with reference to the HKEX Appendix C2: Environmental, Social and Governance Reporting Code and the HKEX Implementation Guidance for Climate Disclosures under the ESG reporting framework.

Environmental, Social and Governance Report

| | |
|-------------------------------------|--|
| <p>Risk Prioritisation</p> | <p>Climate-related risks are prioritised based on their materiality and potential impact on business continuity, customer service levels, Talent safety and logistics operations.</p> <p>Risks that may cause material operational disruption or safety concerns are escalated to senior management for review and action planning. Climate-related risks are evaluated alongside other operational risks within the Group's enterprise risk management framework to ensure consistent prioritisation.</p> |
| <p>Risk Monitoring and Response</p> | <p>Climate-related risks are monitored on an ongoing basis through weather tracking tools and operational reporting mechanisms.</p> <p>When elevated risk conditions are identified, the operational team performs impact assessments and implements appropriate response measures, which may include:</p> <ul style="list-style-type: none"> • adjustment of logistics and delivery schedules • modification of warehouse operation arrangements • implementation of Talent safety measures • contingency logistics planning • temporary suspension of O2O shop operations under severe weather conditions <p>Risk developments and response actions are communicated through management reporting channels where appropriate.</p> |

Climate-related Risks and opportunities

The Group recognizes that climate change presents both risks and opportunities that may affect its operations and long-term development. Climate-related risks and opportunities have been assessed with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework, with support from an external consultant.

While the Group acknowledges the importance of climate-related scenario analysis as recommended under the ESG Code, it has not conducted formal scenario analysis as at the reporting date, as it is currently at an early stage of developing the necessary data, methodologies and internal capabilities. The Group has considered its exposure to climate-related risks and opportunities, as well as its available resources, and will continue to review the applicability of scenario analysis as its climate risk management framework evolves.

According to the World Meteorological Organization (WMO), global average temperatures reached approximately 1.55°C above pre-industrial levels in 2024, highlighting the urgency of climate action. The Group has identified physical and transition risks with potential implications for operations, cost structure and business resilience over the short, medium and long term, while climate change also offers opportunities to enhance efficiency, resilience and sustainable growth.

Environmental, Social and Governance Report

Strategy:

| Type | Risk or opportunity | Impact | Our Response |
|--|--|---|---|
| Physical Risks – Acute | Extreme weather events (e.g. typhoons, flooding) | Extreme weather events may disrupt delivery schedules, damage logistic and fulfilment centers, temporarily suspend O2O shop operations and delay in-hub shipments due to merchant shipment delays, traffic congestion or logistics interruptions. All these could result in operational inefficiencies, increased costs and short-term service disruptions. | <ol style="list-style-type: none"> Utilise external real-time weather monitoring tools to provide early alerts and enable proactive planning. Establish cross-functional task forces to assess emerging risks and coordinate timely responses. Strengthen contingency planning and operational preparedness, including route adjustments, alternative logistics arrangements and flexible workforce allocation. |
| Physical Risks – Chronic | Rising temperatures | Rising temperatures increase cooling demand and operating costs for temperature-controlled vehicles and refrigeration units, while also raising the spoilage risk for perishable goods. This may result in higher operating costs, potential product quality issues and revenue loss from damaged inventory. | <ol style="list-style-type: none"> The logistics team monitors vehicle refrigeration systems twice weekly using digital temperature monitoring tools. Promptly review and perform maintenance on any irregularities detected. Conduct proactive pre-summer checks and maintenance to prevent temperature deviations and minimise spoilage risk. |
| Transition Risks – Policy and Legal Risks | Climate-related regulations and carbon reduction policies (including Extended Producer Responsibility – EPR schemes) | The expansion of Hong Kong's Producer Responsibility Schemes (e.g. plastic beverage containers, with potential future coverage of packaging materials and e-waste) may impose additional compliance costs, recycling obligations, reporting requirements and potential penalties on online platforms. This could increase operating costs, affect supply chain arrangements and expose the Group to reputational risks if compliance falls short. | <ol style="list-style-type: none"> Continuously monitor regulatory developments in Hong Kong. Adjust compliance strategies and engage proactively with merchants and suppliers to promote sustainable packaging and recycling practices. Participate in industry dialogues and implement measures under the Packaging Reduction Charter to stay ahead of evolving requirements and protect reputation. |
| Transition risks – Technology and Market Risks | Fuel price volatility and slower adoption of low-emission vehicles | Fuel price volatility and slower adoption of low-emission vehicles may increase logistics costs. Failure to meet evolving customer expectations for low-carbon delivery could also affect brand reputation and sales, potentially leading to competitive disadvantage and reduced GMV growth. | <ol style="list-style-type: none"> Expand the EV fleet to reduce reliance on fossil fuels and lower long-term operating costs. Set progressive EV adoption targets for the owned delivery fleet: 6% by 2026, 9% by 2028, and 12% by 2030. Continuously assess customer demand for sustainable delivery options and adjust logistics strategies accordingly to maintain brand reputation and support business growth. |

Environmental, Social and Governance Report

| Type | Risk or opportunity | Impact | Our Response |
|-------------|--|---|--|
| Opportunity | Shift in consumer preference toward sustainable consumption | Growing demand for sustainable consumption and low-carbon delivery options enables the Group to strengthen brand image, attract eco-conscious customers and drive business growth. This positions the Group competitively in the evolving e-commerce market and supports long-term GMV expansion. | <ol style="list-style-type: none"> 1. Offer unpackaged products for home delivery to reduce unnecessary packaging waste. 2. Launch the “Plastic Reduction Store” Promotional Incentive Programme to encourage merchants to minimise single-use plastics. 3. Improve OEM product packaging recyclability, targeting: 15% by 2026, 25% by 2028, and 50% by 2030. 4. Strengthen supervision of expiring products, targeting a progressive reduction in the disposal rate (as a % of 1P GMV): 0.22% by 2026, 0.20% by 2028, and 0.18% by 2030. |
| | Resource efficiency and cost savings through energy transition | Transition to EVs and implementation of energy-saving measures to reduce fuel and electricity consumption, leading to lower operating costs, improved profitability and enhanced operational resilience. | <ol style="list-style-type: none"> 1. Switch off office equipment after operating hours to minimise unnecessary energy use. 2. Optimise lighting and air-conditioning in O2O shops and offices. 3. Use energy-efficient systems and low-energy LED lighting across facilities. 4. Promote paperless e-statements and other digital solutions to reduce paper-related consumption. |

Capital Deployment

The Group recognises the importance of capital allocation in addressing climate-related risks and opportunities. As at the reporting date, the Group has not separately tracked or disclosed capital expenditure, financing or investments specifically attributable to climate-related risks and opportunities, as it is at an early stage of integrating climate considerations into its financial planning processes and does not have a mechanism to capture such information without undue cost or effort.

Internal Carbon Pricing

Currently, the Group is yet to apply internal carbon pricing in decision making.

Industry-based metrics

Currently, the Group has not disclosed industry-based metrics, and will consider the applicability of the industry-based metrics when necessary.

Environmental, Social and Governance Report

SOCIAL

PEOPLE-ORIENTED

Talents Management

Our employees are termed as “Talents”, who are the cornerstone of our business. During the Reporting Period, we employed approximately 3,000 Talents. We are committed to providing a people-oriented working environment and have established policies, measures and systems to foster a fair, inclusive and supportive workplace, thereby protecting and retaining our Talents.

The Group’s Equal Opportunities Policy firmly prohibits all forms of harassment or discrimination. The Group also complies with the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance, and the Race Discrimination Ordinance in Hong Kong, and with all applicable employment laws and regulations in every jurisdiction with a significant impact on the Group.

Our governance over Talent matters is supported by the Employee Handbook, which sets out policies and procedures covering compensation and benefits, performance management, Talent development, health and safety, workplace conduct, and other rights and benefits of our Talents. Talent initiatives are coordinated by the People Team and delivered through dedicated workstreams covering Talent Acquisition, Learning & Development and Talent Management, with cross-functional collaboration to ensure consistent implementation and continuous improvement. The People Team is responsible for end-to-end Talent matters, including recruitment and employer branding, onboarding and offboarding, payroll and administration, employee relations and case handling, capability development, well-being programmes, workforce planning, and ongoing engagement and retention initiatives.

We also advocate for the protection of human rights and do not tolerate child labour or forced labour in our operations. If any child or forced labour is found, we will take zero tolerance and appropriate actions in accordance with applicable laws and our established policies and procedures.

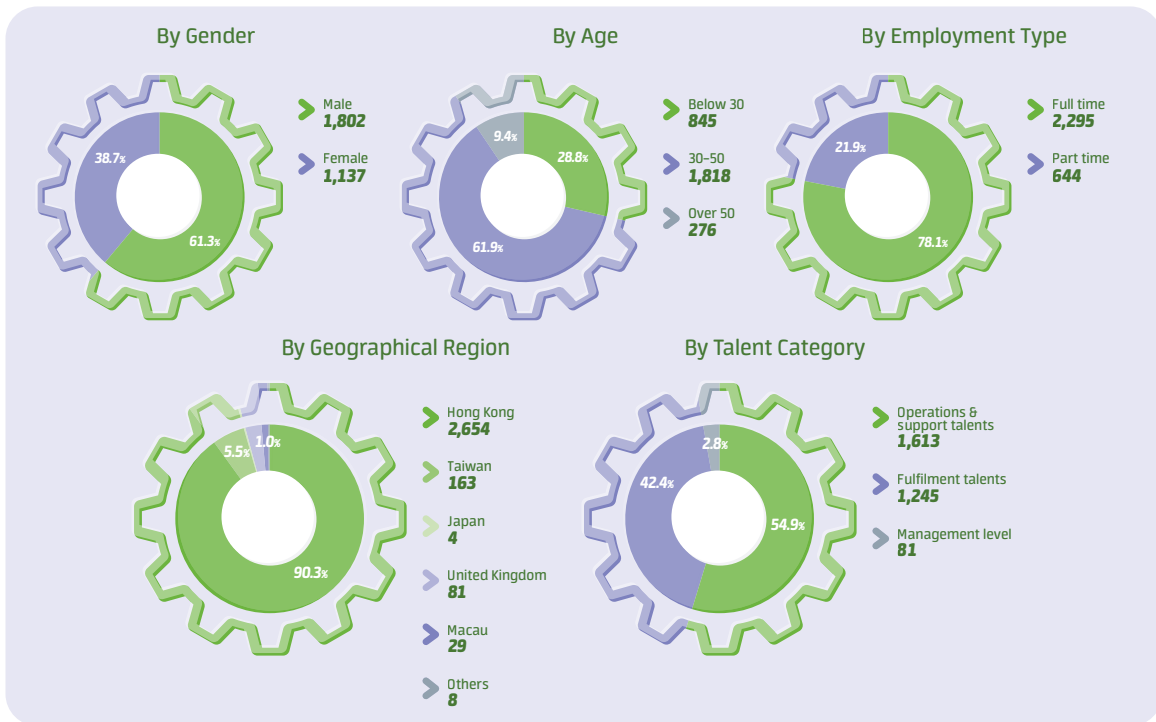
To attract and retain talent and support business development while maintaining high-quality service, we regularly review and enhance our remuneration and benefits framework. Talents are provided with a comprehensive package, including leave arrangements (e.g., annual leave, birthday leave, family care leave, marriage leave, and other special leave arrangements where applicable), a discretionary bonus, a purchase discount, and other allowances and insurance coverage. Remuneration is reviewed with reference to role responsibilities, performance and prevailing market benchmarks. With fair and equal opportunities that value individuality and uniqueness, Talents of different ages and aspirations are welcome to join us and be offered a corresponding remuneration package.

Retention and Engagement

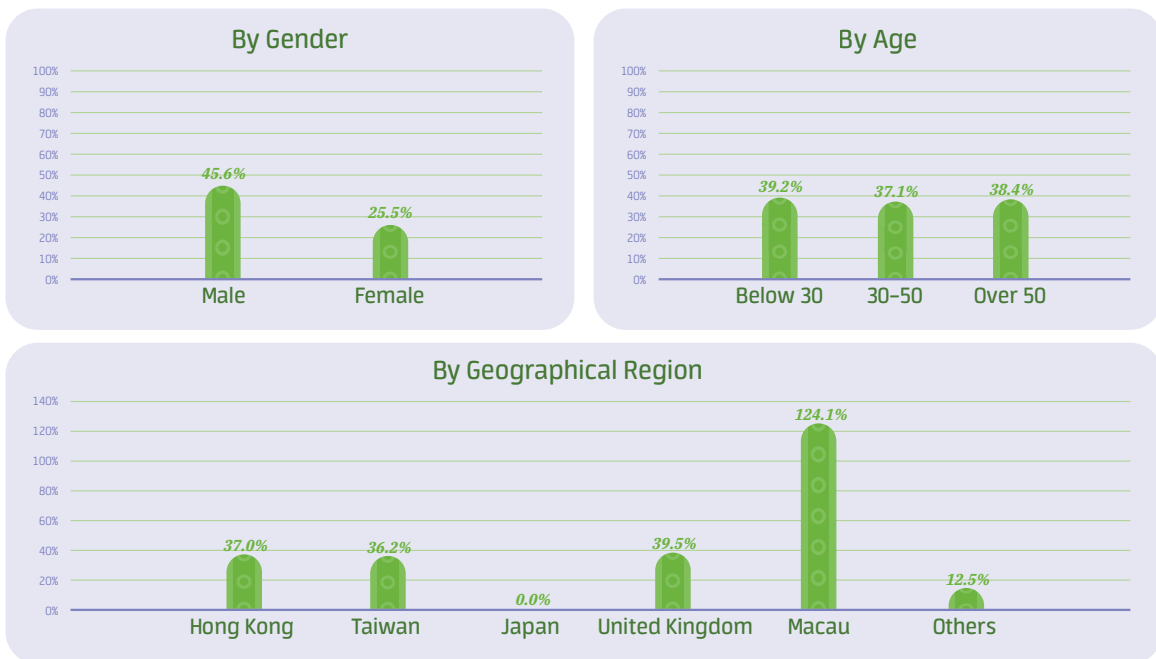
To further strengthen Talent retention, we commenced planning for a more structured retention programme in October 2025 and have continued to review and refine the programme on an ongoing basis, with a focus on enhancing frontline engagement and retention. Enhancement measures are planned to be rolled out from 2026 onwards to achieve improved workforce stability and engagement outcomes over time.

Environmental, Social and Governance Report

Number of Talents at the end of the Reporting Period: 2,939 (2024: 2,902)



Voluntary Turnover Rate within the Reporting Period: 37.8% (2024: 33.9%)²⁸



²⁸ Denominator used for turnover rate calculation is the total number of employees in each of that specific category.

Environmental, Social and Governance Report

Talents Health and Safety

The Group values the health and safety of our Talents and has formulated policies and measures to minimise the potential threats and hazards in the workplace. The Group has complied with the Occupational Safety and Health Ordinance and maintained operational guidelines for frontline Talents and regular refreshment training.

Our Code of Business Conduct and Ethics reinforces our commitment to health and safety through operating procedures and guidelines applicable to all Talents. To strengthen prevention and protection, we continue to review and enhance safety measures, supported by spot checks and regular review meetings. Our Quality Assurance function and the responsible department personnel conduct inspections and follow-up actions to support the implementation of safety measures.

Health and Safety Highlights during the Reporting Period

- Enhanced frontline safety refresher training and strengthened safety communications
- Implemented a supplementary training programme of up to two weeks for Talents who have been injured, where necessary
- Improved workplace safety measures in operational areas (e.g. anti-slip enhancement and safe handling reminders)
- Strengthened engineering controls and mechanisation to reduce manual handling and risk exposure (e.g. using mechanical equipment to support lifting tasks and improve operational safety)
- Reinforced logistics and equipment safety controls (e.g. safe delivery measures and vehicle/equipment operating controls)
- Strengthened safety monitoring and governance through regular inspections, internal review meetings and reporting
- Promoted a positive safety culture and employee well-being (e.g. safety incentives and seasonal health protection initiatives)
- Free Seasonal Influenza Vaccination



Total lost days due to work-related injuries

11,575 days
(2024: 12,551 days)

Past three years' work-related fatalities



Environmental, Social and Governance Report

Legal Compliance

There was no enforcement nor conviction on non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to:

- compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare
- providing a safe working environment and protecting employees from occupational hazards
- preventing child and forced labour

Mental Health and Well-being

Beyond physical health and safety, we also care about the mental health and well-being of Talents. To promote a holistic well-being culture within the Group, during the Reporting Period, we regularly hold different initiatives and activities for our Talents, including:

- **Wellness week:** mindfulness-focused programme coordinated with external professionals and service providers, covering music therapy, yoga, meditation, wellness sharing sessions and green market activities.
- **Sports and fitness activities:** supported by external coaches, including regular dragon boat, badminton, yoga and tennis clubs, as well as experience sessions such as running, to promote employee well-being.
- **Cross-departmental sports competitions:** organised internally on a rotational basis to promote collaboration and teamwork, including basketball, soccer, table tennis and e-sports. To further embed physical activity into daily life, a recurring programme – HKTV Goal – is organised annually, with awards presented to employees who achieve predefined targets. For example, in 2025, the top three participants from frontline operations and office functions, respectively, who recorded the highest average daily step counts quarterly were recognised. Externally, our dragon boat club also participates in various dragon boat rowing competitions held during the Dragon Boat Festival.

Talent Acquisition and Development

Our Talent Acquisition function is responsible for Talent attraction and recruitment and building employer branding, while our Learning and Development function (L&D) supports Talent capability building by enhancing Talents' skills, knowledge, and competencies to foster a culture of continuous learning, personal growth and improve job performance.

Talent Acquisition

During the Reporting Period, we adopted a multi-channel sourcing approach, leveraging major recruitment platforms and job boards alongside digital and social outreach to broaden our reach and enhance candidates' experience. In addition to utilising established job boards such as JobsDB and CTgoodjobs, we expanded recruitment touchpoints through social media channels including Facebook, Instagram, LinkedIn and Threads. We also explored additional channels, including overseas-oriented platforms, to further widen our talent pool and attract diverse candidate profiles.

To strengthen recruitment events and pipeline building, we participated in campus job fairs for the Summer Internship Program and monthly Labour Department recruitment fairs, and organised targeted recruitment events for structured programmes. These included Management Trainee and Graduate Trainee recruitment events featuring panel discussions and networking with departmental booths, which received enthusiastic responses from prospective candidates.

To raise market awareness of our new business initiatives, we organised recruitment activities, including an Open Day and a Live Host Competition at our Tseung Kwan O headquarters, to support business development and enhance the visibility of new business units.

Environmental, Social and Governance Report

We also adopted a digital-first engagement approach by actively using social media channels (including Instagram, Facebook and Threads) through livestreaming and short-form content to strengthen candidate outreach. This was complemented by O2O shops interview arrangements, enabling candidates to attend physical interview slots at multiple locations, as well as enhancing accessibility and the overall candidate experience.

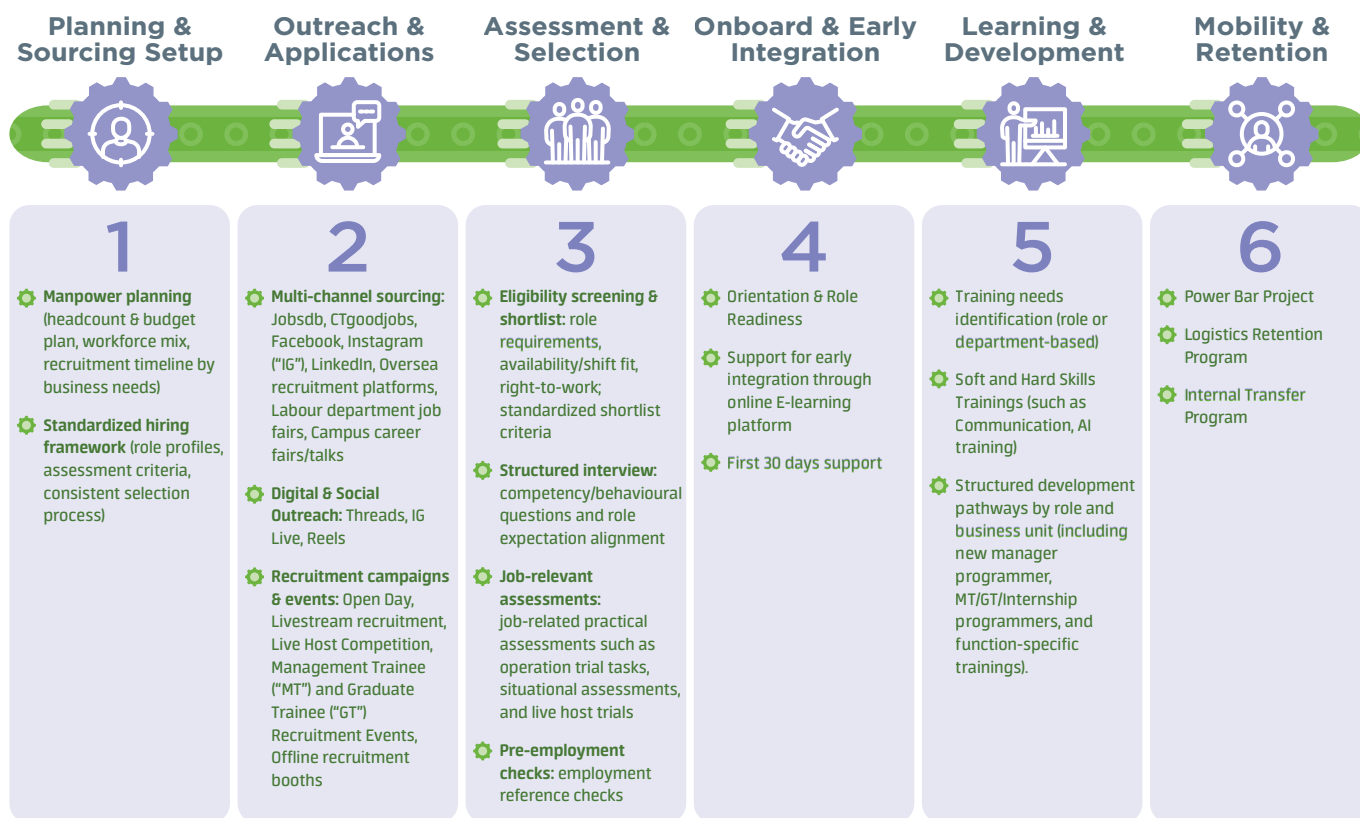
Where required, we supported manpower planning through the Hong Kong Supplementary Labour Supply application process to maintain stable operations.

In response to the Group's business needs and expansion, we emphasised talent acquisition across various levels, including frontline Talents, supervisory and managerial positions. This includes recruiting Talents for Business Development, Marketing, Live Show, Logistics and Fulfilment, O2O operations, Finance functions, Customer-facing roles and Technology-related functions.

Internal mobility and engagement: "Power Bar Project"

We continued the cross-team Power Bar Project, led by the People Team, which encourages Talents to explore internal opportunities and broaden their experience through exposure to different functions. Successful applicants may be seconded to a designated department for a period of time. If the placement is mutually beneficial and supported by positive performance feedback, an internal transfer may be completed. This initiative supports retention by enabling Talents to develop within the Group and pursue new career pathways internally.

People Team workstreams



Environmental, Social and Governance Report



Management Trainee Program

- Management Trainees are selected and assessed through a rigorous and structured process to ensure their suitability for the role. Depending on programme intake design, these processes may include: application screening, short video submission, aptitude and reasoning assessments, interviews (e.g. online, panel interviews), case study presentation and outward-bound assessments. These assessments are designed to evaluate candidates' resilience, problem-solving abilities, teamwork and overall potential.
- Throughout the programme, regular performance reviews are conducted to support continuous development needs and facilitate the trainees' integration into the Group's culture. The objective is to develop trainees to align with the Group's values and possess a strong cross-functional understanding of the businesses.
- Our **24-month** Management Trainee Program aims to cultivate a pool of talented individuals with the capability to develop into future leaders. The program offers Management Trainees the opportunity to gain cross-departmental exposure, acquiring hands-on experience across a wide range of functions, including Logistics and Fulfilment, Finance, Internal Audit, Business Development, Marketing, Product Management, Merchant Acquisition, Merchant Relations, Wet Market operations and new business units, where applicable.
- In addition, Management Trainees participate in structured learning sessions covering areas such as leadership development, communication, and presentation skills. They may also be assigned stretch assignments and project-based work throughout the programme to test their capabilities, encourage innovation, and accelerate professional growth.



Graduate Trainee Program

- The Graduate Trainee Program aims to groom in-house expertise on different functions and strengthen departmental capabilities across the Group. Graduate Trainees receive structured training mainly within designated departments through a combination of on-the-job training, classroom-based learning and action learning assignments to build solid foundations in functional competence and professional skills.
- Subject to intake design and role needs, our Graduate Trainee Program typically spans 24 months. High-performing trainees may be nominated for progression to the Management Trainee Program, subject to a structured assessment process to evaluate their readiness and leadership potential.



Elite Summer Internship Program

- To support early talent development and strengthen our talent pipeline, we offer an Elite Summer Internship Program that provides students with structured workplace exposure and practical learning opportunities. Interns receive hands-on experience through on-the-job training within the assigned teams, complemented by a series of training sessions designed to build business acumen and professional readiness.
- During the Reporting Period, programme components included structured workshops such as Business Fundamentals, Presentation & Pitching Skills, and Marketing Essentials and Budgeting, helping interns strengthen core workplace capabilities alongside project and departmental exposure. The programme typically concludes with presentation opportunities to encourage reflection, articulation of learning outcomes and professional confidence.

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Learning and Development

In response to rapid market changes, we advocate the importance of continuous improvement and lifelong learning. Our training and development strategy is designed to nurture a capable, agile and motivated workforce by providing Talents with opportunities to enhance their skills and abilities.

Training needs are identified through multiple channels, including feedback and survey results from different groups, as well as operational and business requirements. These inputs inform the annual training plan, ensuring that development initiatives are aligned with organisational priorities and evolving business needs.

Based on the above inputs, we strengthened our learning agenda in 2025 with a deliberate focus on job-critical and role-based capacity building. Total vocational training hours increased to 19,987 hours in 2025 (2024: 11,460 hours). The uplift was targeted across key talent groups:

1. Management level's training hours increased to 1,314 hours (2024: 272 hours) to strengthen people leadership, coaching and performance management;
2. Operations and Support level's training hours increased to 14,534 hours (2024: 7,758 hours) through expanded practical on-the-job learning and tailored-made functional workshops; and
3. Frontline level's training hours increased to 4,138 hours (2024: 3,431 hours) to reinforce operational awareness and execution.

Particularly, on tailor-made functional programmes, these are specifically designed to address evolving business needs, for instance, sales clienting skills workshops, communication skills workshops, and presentation skills workshops. These enhancements support talent acquisition and employer branding by demonstrating our commitment to Talent development, and supporting retention by strengthening role readiness and providing clearer development pathways. While turnover is influenced by multiple factors and may not move in tandem with training in the short term, we view strengthened learning capability as an important leading indicator for engagement, internal mobility and longer-term workforce stability.

All these programmes are delivered through different formats, including classroom-based training, workshops, e-learning (where applicable), on-the-job coaching, action learning projects, and sessions conducted by external trainers or professional/speakers. This blended approach supports effective learning and practical application across the organisation.

To strengthen customer data privacy and cyber protection, we provided role-based and mandatory training for relevant frontline and office-based Talents and specific groups (including senior management, where applicable). We also conducted awareness exercises (e.g. blind tests) to strengthen vigilance against fraud or suspicious communications.

Below summarises examples of learning and engagement programmes delivered during the Reporting Period which is non-exhaustive:

Environmental, Social and Governance Report

Talents Development and Engagement Programmes (2025)

| Types of Programs | Personal and Professional Development | Community & Engagement | Physical Fitness and Sports | Wellness and Mindfulness |
|----------------------------------|---|---|---|--|
| Objectives | Enhance job-related capability, leadership, communication, digital skills, and compliance awareness. | Strengthen community ties and foster a culture of giving and social responsibility. | Encourage regular physical activity and strengthen teamwork through sports participation. | Promote mental well-being and equip Talents with tools to manage stress and maintain balance. |
| Activities/ Workshops (Examples) | <p>Capability & Leadership</p> <ul style="list-style-type: none"> Coaching Workshop Series Mentorship Programme Case Study Workshops Presentation and Communication Series Gen X/Y/Z Collaboration Workshop Consultative Selling Constructive & Feedback Series <p>Digital / Compliance / Functional</p> <ul style="list-style-type: none"> Excel/Python Training Era Tech – AI Series (Notebook LLM, Chatgpt, Notion etc) ICAC Sessions Internal Control & Awareness Training Legal Data Protection Cyber Security Training Driving Refreshment Training Orientation Training <p>Structured Programmes</p> <ul style="list-style-type: none"> Management Trainee / Graduate Trainee / Internship / New Management Training Series | <p>Volunteer & Charity Activities</p> <ul style="list-style-type: none"> Food Distribution Action Blood Donation Day Elderly Outreach Inclusion Activities In-Kind Donation | <p>Sports Clubs & Training</p> <ul style="list-style-type: none"> Badminton Club Training Tennis Club Training Yoga Club Training Running Class <p>Team Sports & Events</p> <ul style="list-style-type: none"> Dragon Boat Team Training HKTV Soccer Seven 2025 Mainland Colleagues Team Building <p>Operational Experience</p> <ul style="list-style-type: none"> Technical Fulfilment Centers Experience Day | <p>Mindfulness & Mental Well-being</p> <ul style="list-style-type: none"> Meditation Workshop Expressive Arts Therapy Workshop Decluttering Workshop Zentangle Workshop <p>Arts & Creativity / Lifestyle</p> <ul style="list-style-type: none"> Pastel Nagomi Art Workshop Coffee Latte Art Workshop Karaoke Night Singing Contest |

No. of Training Hours

● 2024 ● 2025

Vocation Training

11,460

19,987

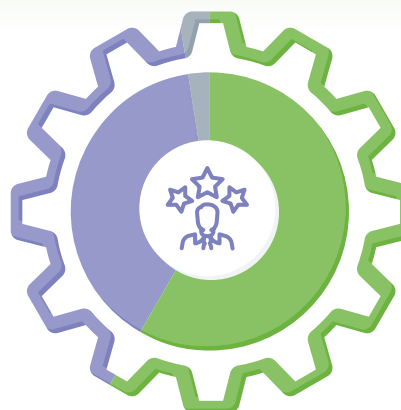
Environmental, Social and Governance Report

During the Reporting Period, the participation of Talents in vocational training are as follows:



By Gender

- > Male
71.19%
Average training hours per talent: 4.42
- > Female
28.81%
Average training hours per talent: 10.33



By Talent Category

- > Frontline
58.42%
Avg. 2.17
- > Operations & support
39.19%
Avg. 11.35
- > Management
2.39%
Avg. 16.85

Customer Inclusion

In addition to internal Talent development, we also aim to enhance inclusion and accessibility for customers through service improvement and technology enablement. During the Reporting Period, we continued the development and enhancement of a simplified “Lite” application of HKTVmall, designed to better serve elderly users, including usability enhancements and customer support features (e.g. simplified interface; payment facilitation through physical stores where applicable; account linking to family support; and engagement functions such as mini games and credit-earning features).

Environmental, Social and Governance Report

COMMUNITY CONTRIBUTION

“Taken from society, give back to society” is one of the philosophies that the Group has long upheld in promoting social well-being. As part of our community commitment, we aim to stand with Hong Kong, understand evolving community needs, and provide support through a combination of employee volunteering, community partnerships, and cash and in-kind donations. We also leverage our platform and ecosystem capabilities to help community organisations broaden their reach and improve fundraising efficiency.

During the Reporting Period, our community efforts covered several focus areas, including support for vulnerable groups and caregivers, elderly engagement and inclusive activities for individuals with rehabilitation needs. We took part in regular volunteering and partnership activities ranging from food-related support (such as collection and distribution), community programmes designed for students with special needs, blood donation initiatives and centre-based elderly outreach. We also worked with community partners on arts- and wellness-themed workshops, which provided an accessible way for participants to connect, learn and engage.

In response to the residential fire incident in Tai Po Wang Fuk Court during the year, we convened an urgent internal management meeting to coordinate timely support measures and established an emergency volunteer standby mechanism to address follow-up needs where appropriate.

We made incident-related donations totalling HK\$10.0 million through recognised organisations and relief channels, including HK\$2.5 million each to the Government’s Support Fund for affected residents, Po Leung Kuk, Tung Wah Group of Hospitals, and Yan Chai Hospital. In parallel, we collaborated with partner merchants to provide in-kind donations of essential daily items and household supplies – such as bedding items, personal care products, and practical home appliances (such as hotpot cookware and induction cookers, electric kettles and charging cables, etc.) to support community partners including Po Leung Kuk and The Salvation Army Hong Kong and Macau Territory, for further distribution where needs were identified.

Overall, total cash donations for the year amounted to HK\$10.17 million, together with additional in-kind contributions provided where appropriate – such as personal care products, practical household items, safety items, food items, gift bags and donated toys – to support community beneficiaries, including individuals and families facing unexpected hardship.

Beyond donations, we supported selected charitable organisations, including Make-a-Wish and Food Angel, by offering fee-waived selling opportunities on our platform to reduce fundraising costs and help charities reach a broader customer base. We aim to support the community in ways that are consistent, needs-led and practical – combining employee participation, responsible giving and ecosystem collaboration.

Environmental, Social and Governance Report

Operating Practices

Supply Chain Management

To identify potential environmental and social risks of our supply chain, we use established procurement procedures to select, screen, continued monitor, evaluate and a minimum of annual review our supply chain that includes vendors, service providers, merchants and personal shoppers. We value long-term partnerships with our supply chain for established reliability.



During the Reporting Period, the Group had a total of 7,139 third-party suppliers, which consists of 679 (2024: 773) suppliers, 6,169 (2024: 6,801) merchants and 291 personal shoppers (2024: 2,775). All of them were engaged and selected according to the established procedure. The total number and breakdown of suppliers, merchants and personal shoppers are set out below.

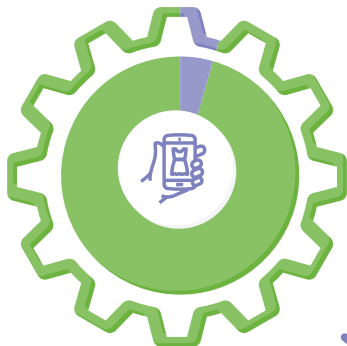


Environmental, Social and Governance Report



Total number of Merchants
6,169

- > Hong Kong SAR, China **5,431**
- > Other regions **738**



Total number of Personal Shoppers
291

- > Hong Kong **13**
- > Other regions **278**



Environmental, Social and Governance Report

Product Responsibility

We take product responsibility seriously, whether our own buy-sell products from suppliers or merchants' products.

We have employed established measures to govern and control product responsibility, including safety, quality, advertising, and labelling, in accordance with the applicable regulatory requirements, including imposing applicable product requirements and standards in the contracts with suppliers, merchants and personal shoppers.

Legal compliance

O enforcement nor conviction/significant reportable cases on non-compliance with the relevant laws and regulations that have a significant impact on the Group in respect of products and services provided and relating to:

- health and safety
- advertising
- labelling
- privacy matters

Quality assurance

Our product quality assurance process, which is subject to regular review against market best practices and relevant laws, comprises the following key steps:

- Identifying potential issues via regulatory updates (e.g. Rapid Alert System of the Centre for Food Safety), random sampling, inspection and customer's feedback
- Investigate and quantifying identified issues
- Analysing the root cause for occurrence or recurrence
- Determining and implementing appropriate corrective and improvement measures
- Provide feedback to the respective suppliers, merchants or personal shoppers, and holding them accountable through pre-agreed measures including imposition of fines or, in case of repeated non-compliance, termination and blacklisting; in return, affected customers are compensated through refunds, product replacement or other appropriate remedies
- Continued monitoring remediation until issues are satisfactory resolved

Environmental, Social and Governance Report

| | 2025 | 2024 |
|---|-----------------------------|---------|
| Percentage of total products sold or shipped subject to recalls for safety and health reasons ²⁹ | 0.001% ³⁰ | 0.0001% |
| Number of products and services related complaints received (request for return, refund or replacement) | 206,153 | 245,906 |

Protecting Intellectual Property Rights

We have implemented intellectual property compliance screening to mitigate the risk of inadvertent infringement of third-party intellectual property rights concerning our buy-sell products and merchant products. In addition, our merchants, suppliers and business partners are contractually required to respect and protect intellectual property rights and to comply with the applicable intellectual property laws, regulations and standards.

Protecting Customers' and Talents' Personal Information and Privacy

The Group places high importance on earning and preserving the confidence of our data stakeholders, particularly our Talents, customers and business partners, through ethical management of their personal data. We demonstrate this by establishing, updating and applying carefully crafted controls and guidelines to safeguard personal data against unauthorised access, improper use, disclosure, or accidental compromise and to adhere to the applicable laws and regulations (including the Personal Data (Privacy) Ordinance).

We collect personal data only for purposes directly related to our business operations. This ensures that all information gathered is both necessary and relevant to the services we provide.

Our Privacy Policy, published on our website, outlines the types of personal data we collect, the purposes of collection and use, retention and transfer arrangement, and the protection measures we employ etc..

From a cybersecurity aspect, our Cybersecurity Team conducts regular reviews and implements continuous upgrades to enhance our security measures. This includes establishing a 24 hours monitoring, deploying various detection and defense solutions, and conducting regular security assessments, including IT audits and PCI DSS self-assessments by certified third-party organization to ensure the integrity, confidentiality, and availability of our systems and data. We also promote security awareness through internal staff training and public communications. These initiatives help us stay ahead of evolving threats and maintain a robust cybersecurity posture, effectively safeguarding our systems and data.

To strengthen internal data protection capability, Talents handling personal data are mandated to attend data protection training and workshops. In 2025, we conducted a total of 20 training sessions covering identification of personal data, key data protection principles, the applicable laws and regulations and the importance of responsible handling of personal data.

²⁹ This only includes the actual quantity of products recalled and refunded during the Reporting Period.

³⁰ This notable increase was mainly due to a large-scale recall initiated by the Centre for Food Safety involving one 1P product and one 3P product.

Environmental, Social and Governance Report

Anti-corruption

The Group upholds integrity in every aspect and has in place the Anti-Corruption and Conflicts of Interest Policy and Code of Business Conduct and Ethics for managing and monitoring operating practices.

Our policies provide clear guidelines for all our Talents to make sure all of their practices comply with laws and regulations as well as internal standards.

If there is any suspected incident, our whistleblowing channels empower our Talents to play an active role in protecting our business. They can seek guidance and report misconduct anonymously to the Chairman of the Audit Committee, any of the Executive Directors or Talent Management Department (Group). Under the protection of the Company Policies and Procedures and Code of Business Conduct and Ethics, the identity and personal information of the whistleblower are kept confidential. Investigation is carried out in a fair manner, adopting a zero-tolerance attitude to all violations of bribery, fraud and corruption. All reports are handled with care to ensure that whistleblowers are protected against unfair dismissal, victimisation and unwarranted disciplinary actions.

In order to prevent any unethical operating practices, training is provided, including orientation training and refresher training, to remind our Talents to adhere to the internal and external anti-corruption policies and regulations.

During the Reporting Period, there were no significant reportable cases of non-compliance with applicable laws and regulations in relation to anti-corruption that have a significant impact on the Group.

Most of our new Talents, including new office and frontline Talents, received anti-corruption training in orientation during the Reporting Period. We have also invited the Independent Commission Against Corruption (ICAC) to provide anti-corruption training to the Talents. Our directors attended the online anti-corruption training organized by ICAC.



* The Company targets to achieve 100% anti-bribery and anti-corruption training for New Talents for future financial years.

Report of the Directors

The Directors submit herewith their annual report together with the audited consolidated financial statements for FY2025.

REGISTERED OFFICE

Hong Kong Technology Venture Company Limited (“Company”) is a company incorporated and domiciled in Hong Kong. Its registered office is at HKTV Multimedia and Ecommerce Centre, No. 1 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The principal activities of the Company and its subsidiaries (collectively the “Group”) include (i) Ecommerce business which cover end-to-end online shopping platform operation (including fulfilment and logistics), multimedia production and other related services; and (ii) New venture projects performing research and development activities on new business models and technologies, and operating business by adopting the new business models and technologies globally; and (iii) research, development and provision of technology solutions as a service including end-to-end digital retailing and retail store automation. The principal activities of its major subsidiaries are detailed in note 14 to the financial statements.

BUSINESS REVIEW

The business review of the Group is set out in the sections headed “Chairmen’s Statement”³¹ and “Management’s Discussion and Analysis”³² of this annual report respectively. Description of the principal risks and uncertainties faced by the Group is set out in the section “Principal Risks and Uncertainties”³³ of this annual report.

RELATIONSHIPS WITH STAKEHOLDERS

The Group values all its stakeholders including business partners, customers, suppliers, merchants and Talents.

The Group regularly engage and share business updates with our stakeholders through various communication channels in order to enable their expert contribution and have their needs and issues heard and addressed.

More detailed information on our relationships with our Talents is set out in the section headed “Management’s Discussion and Analysis”³² and “Environmental, Social and Governance Report”³⁴ of this annual report.

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

The Group recognises its corporate responsibility to promote environmental and social sustainability and has therefore taken up various initiatives with a view to reducing energy consumption, food and paper waste and GHG emissions. We take initiatives to control electricity consumption by using energy-efficient retrofits and air-conditioning and lighting control measures in workplaces.

Going forward, the Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the Group’s daily operation and also continue to promote environmental practices and social sustainability through various initiatives consistent with its policies and relevant laws and regulations.

Please see the “Environmental, Social and Governance Report”³⁴ section of this annual report for details.

³¹ See pages 15 to 17

³² See pages 23 to 43

³³ See page 34 to 35

³⁴ See pages 62 to 93

Report of the Directors

FINANCIAL STATEMENTS

The loss of the Group for FY2025 and the financial position of the Company and the Group as at that date are set out in the “Financial statements”³⁵ of this annual report.

ANALYSIS ON FINANCIAL PERFORMANCE

Please refer to the sections headed “Group Operational and Financial Highlights”³⁶ and “Management’s Discussion and Analysis”³² of this annual report.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

To celebrate the 10th anniversary of HKTVMall in 2024 and in recognition of the long-term support from our Shareholders, the Board declared a special dividend of HK38 cents per share for the year ended 31 December 2024, which was paid in cash to the Shareholders on 6 June 2025.

The Board does not recommend the payment of final dividend for FY2025 (for the year ended 31 December 2024: nil) in view of the current operating environment and future development plans. The Board confirms that this decision was made in accordance with the Company’s dividend policy.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders’ entitlement to attend and vote at the Company’s forthcoming annual general meeting to be held on Tuesday, 2 June 2026 (“2026 AGM”), the register of members of the Company (“Register of Members”) will be closed as set out below:

- | | |
|---|---|
| — Latest time to lodge transfer documents for registration with the Company’s Share Registrar | At 4:30 pm on Wednesday, 27 May 2026 |
| — Closure of the Register of Members | Thursday, 28 May 2026 to Tuesday, 2 June 2026 (both days inclusive) |
| — Record date | Tuesday, 2 June 2026 |

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2026 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$10,167,000 (2024: HK\$160,000).

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the Company during the year are set out in note 21 to the financial statements.

³⁵ See pages 111 to 175

³⁶ See pages 2 to 3

Report of the Directors

EQUITY-LINKED AGREEMENTS

Save as disclosed under the sections headed “Share Option Schemes”³⁷ and “Share Award Scheme”³⁸ of this annual report, no equity-linked agreements were entered into by the Company during or subsisted at the end of the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2025, calculated in accordance with the provision of Part 6 of Companies Ordinances (Cap. 622) of the laws of Hong Kong, amounted to approximately HK\$991,074,000 (2024: HK\$1,287,704,000).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 176 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during FY2025.

As at 31 December 2025, the Company did not hold any treasury shares.

GROUP’S BORROWINGS

The Group had no outstanding borrowings as at 31 December 2025 and 2024.

DIRECTORS

The Directors during the year and up to the date of this annual report were:

Executive Directors

Mr. Cheung Chi Kin, Paul
Mr. Wong Wai Kay, Ricky (*Vice Chairman and Group Chief Executive Officer*)
Ms. Wong Nga Lai, Alice (*Group Chief Financial Officer*)
Mr. Lau Chi Kong (*Chief Executive Officer (International Business)*)
Ms. Zhou Huijing (*Chief Executive Officer (Hong Kong)*)

Independent Non-executive Directors

Mr. Mak Wing Sum, Alvin (*Chairman*)
Mr. Peh Jefferson Tun Lu
Mr. Ann Yu Chiu, Andy
Mr. Lee Hon Ying, John (resignation effective from 1 January 2026)
Mr. Yeung Chu Kwong (appointment effective from 1 January 2026)

In accordance with Articles 96 and 99 of the Articles, Ms. Wong Nga Lai, Alice and Mr. Lau Chi Kong will retire from office by rotation, and Mr. Yeung Chu Kwong, who was newly appointed, will hold office until the 2026 AGM. All of them, being eligible, have offered themselves for re-election at the 2026 AGM.

³⁷ See pages 99 to 102

³⁸ See pages 102 to 103

Report of the Directors

DIRECTORS OF SUBSIDIARIES

The list of names of all the Company's subsidiaries' directors during the year and up to the date of this annual report is available on the Company's website at www.hktv.com.hk.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Please see "Profile of Directors and Senior Management"³⁹ of this annual report.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the directors' information since the disclosure made in the Company's last published interim report is set out as follows:

1. Changes in Directors' emoluments during FY2025 are set out in note 10 to the financial statements.
2. Mr. Cheung Chi Kin, Paul stepped down as the Chairman of the Company with effect from 1 September 2025.
3. Mr. Mak Wing Sum, Alvin has been appointed as the Chairman of the Company with effect from 1 September 2025.
4. Mr. Mak Wing Sum, Alvin has been appointed as the chairman of the remuneration committee of the Company with effect from 1 January 2026.
5. Mr. Peh Jefferson Tun Lu has been appointed as the chairman of the audit committee of the Company with effect from 1 January 2026.
6. The annual Director's fee of Mr. Mak Wing Sum, Alvin has been adjusted from HK\$296,922 to HK\$380,000 with effect from 1 January 2026.
7. The annual Director's fee of Mr. Peh Jefferson Tun Lu has been adjusted from HK\$296,922 to HK\$308,800 with effect from 1 January 2026.
8. The annual Director's fee of Mr. Ann Yu Chiu, Andy has been adjusted from HK\$296,922 to HK\$308,800 with effect from 1 January 2026.
9. The monthly base salary of Ms. Wong Nga Lai, Alice has been adjusted from HK\$262,500 to HK\$267,750 with effect from 1 April 2026.
10. The monthly base salary of Mr. Lau Chi Kong has been adjusted from HK\$226,600 to HK\$231,130 with effect from 1 April 2026.
11. The monthly base salary of Ms. Zhou Huijing has been adjusted from HK\$458,333 to HK\$467,500 with effect from 1 April 2026.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

³⁹ See pages 18 to 21

Report of the Directors

PERMITTED INDEMNITY PROVISION

The Articles provides that subject to the provisions of the Companies Ordinance every Director may be indemnified out of the assets of the Company against any liability incurred by him/her as a director in defending any proceedings. The permitted indemnity provision made by the Company for the benefit of the Directors is in force.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

Directors' interests or short positions in shares and in share options

At 31 December 2025, the interests or short positions of the Company's Directors, chief executive and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in ordinary shares and underlying shares of the Company

| Name of Director | Interest in shares | | | Total interest in shares | Approximate percentage interests in the Company's issued share capital Note (1) |
|--------------------------|--------------------|-----------------------------|------------------|--------------------------|--|
| | Personal interests | Corporate interests | Family interests | | |
| Mr. Cheung Chi Kin, Paul | 26,453,424 | 24,924,339 Note (2)(i) | – | 51,377,763 | 6.49% |
| Mr. Wong Wai Kay, Ricky | – | 356,916,425 Note (2)(ii) | – | 356,916,425 | 45.10% |
| Ms. Wong Nga Lai, Alice | 50,000 | – | – | 50,000 | 0.01% |

Notes:

- (1) This percentage is based on 791,473,781 ordinary shares of the Company issued as at 31 December 2025.
- (2) The corporate interests of Mr. Cheung Chi Kin, Paul ("Mr. Cheung") and Mr. Wong Wai Kay, Ricky ("Mr. Wong") arise through their respective interests in the following companies:
 - (i) 24,924,339 shares are held by Worship Limited which is 50% owned by Mr. Cheung.
 - (ii) 355,051,177 shares of the Company are held by Top Group International Limited ("Top Group"), which is owned as to approximately 29.5% by Mission Forward Limited (a company wholly owned by Mr. Wong) and 22.3% directly by Mr. Wong. Accordingly, Mr. Wong directly and indirectly holds approximately 51.8% of the issued share capital of Top Group and is deemed to be interested in the shares of the Company held by Top Group. In addition, 1,865,248 shares of the Company are held directly by Mission Forward Limited, in which Mr. Wong holds 100% interest, and he is therefore deemed to be interested in such shares. The interests of Top Group in the Company are also disclosed under the section "Substantial Shareholder" of this annual report.

Save as disclosed above, as at 31 December 2025, none of the Directors nor chief executive (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares and derivative to ordinary shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Report of the Directors

SHARE OPTION SCHEMES

The Company operates two share option schemes adopted by Shareholders on 31 December 2012 (“2012 Share Option Scheme”) and 2 June 2020 (“2020 Share Option Scheme”) respectively. Under the share option schemes, the directors may, at their discretion, invite eligible participants to take up options to subscribe for shares subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has expired on the tenth anniversary of its adoption (i.e. 31 December 2022).

The 2012 Share Option Scheme

A summary of the 2012 Share Option Scheme operated by the Company is as follows:

(1) Purpose

To grant share options to the eligible participants as incentives and rewards for their contribution to the Company or its subsidiaries.

(2) Eligible participants

Eligible participants include employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries, suppliers and professional advisers of the Group.

(3) The total number of shares available for issue

As at the date of this annual report, no share is available for issue under the 2012 Share Option Scheme.

(4) The maximum entitlement of each participant under the 2012 Share Option Scheme

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the 2012 Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each participant in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares in issue as at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders of the Company in general meeting with such grantee and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time.

(5) The period within which the shares must be taken up under an option

The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant.

(6) The minimum period for which an option must be held before it can be exercised

The Board is empowered to impose, at its discretion, any minimum period that an option must be held at the time of the grant of any particular option.

(7) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid

Acceptance of the option must be made within 30 days after the date of offer and HK\$1.00 must be paid as a consideration for the grant of option.

(8) The basis of determining the exercise price

The Board shall determine the exercise price of each option granted but in any event shall not be less than the highest of: (a) the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotation sheet on the date of grant; and (b) the average of the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date of grant.

Report of the Directors

SHARE OPTION SCHEMES (continued)

The 2012 Share Option Scheme (continued)

(9) The remaining life of the 2012 Share Option Scheme

The 2012 Share Option Scheme has expired on its 10th anniversary, i.e. 31 December 2022. Subsequent to the expiry of the 2012 Share Option Scheme, no further option can be granted thereunder but in all other respects, the provisions of the 2012 Share Option Scheme shall remain in force and all options granted prior to such expiry shall continue to be valid and exercisable in accordance therewith.

(10) Details of the share options granted under the 2012 Share Option Scheme as at 31 December 2025 are as follows:

| Participants | Date of grant | Exercise price per share HK\$ | Balance as at 1 January 2025 | Options granted during the year | Options exercised during the year | Options cancelled during the year | Options lapsed during the year | Balance as at 31 December 2025 | Vesting period | Exercise period |
|--|------------------|-------------------------------|------------------------------|---------------------------------|-----------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------------|------------------------------------|
| Directors | | | | | | | | | | |
| Mr. Cheung Chi Kin, Paul | 26 May 2017 | 1.464 | 9,000,000 | - | - | - | 9,000,000 (Note 1) | - | 26 May 2017 to 28 February 2018 | 1 March 2018 to 22 March 2027 |
| Mr. Wong Wai Kay, Ricky | 26 May 2017 | 1.464 | 10,000,000 | - | - | - | 10,000,000 (Note 1) | - | 26 May 2017 to 28 February 2018 | 1 March 2018 to 22 March 2027 |
| Ms. Wong Nga Lai, Alice | 23 March 2017 | 1.464 | 1,000,000 | - | - | - | 1,000,000 (Note 1) | - | 23 March 2017 to 28 February 2018 | 1 March 2018 to 22 March 2027 |
| | 27 March 2020 | 4.434 | 1,500,000 | - | - | - | 1,500,000 (Note 1) | - | 27 March 2020 to 26 March 2021 | 27 March 2021 to 26 March 2030 |
| | 27 March 2020 | 4.434 | 1,500,000 | - | - | - | 1,500,000 (Note 1) | - | 27 March 2020 to 26 March 2022 | 27 March 2022 to 26 March 2030 |
| Mr. Lau Chi Kong | 21 February 2017 | 1.450 | 1,000,000 | - | - | - | 1,000,000 (Note 1) | - | 21 February 2017 to 28 February 2018 | 1 March 2018 to 20 February 2027 |
| | 27 March 2020 | 4.434 | 1,500,000 | - | - | - | 1,500,000 (Note 1) | - | 27 March 2020 to 26 March 2021 | 27 March 2021 to 26 March 2030 |
| | 27 March 2020 | 4.434 | 1,500,000 | - | - | - | 1,500,000 (Note 1) | - | 27 March 2020 to 26 March 2022 | 27 March 2022 to 26 March 2030 |
| Ms. Zhou Huijing | 21 February 2017 | 1.450 | 500,000 | - | - | - | 500,000 (Note 1) | - | (Note 2) | (Note 2) |
| | 27 March 2020 | 4.434 | 1,500,000 | - | - | - | 1,500,000 (Note 1) | - | 27 March 2020 to 26 March 2021 | 27 March 2021 to 26 March 2030 |
| | 27 March 2020 | 4.434 | 1,500,000 | - | - | - | 1,500,000 (Note 1) | - | 27 March 2020 to 26 March 2022 | 27 March 2022 to 26 March 2030 |
| Talents under continuous employment contracts | | | | | | | | | | |
| Talents | 21 February 2017 | 1.450 | 393,000 | - | 393,000 (Note 3) | - | - | - | (Note 2) | (Note 2) |
| | 21 February 2017 | 1.450 | 2,535,000 | - | 2,535,000 (Note 4) | - | - | - | 21 February 2017 to 28 February 2018 | 1 March 2018 to 20 February 2027 |
| | 27 December 2019 | 3.420 | 3,307,050 | - | - | 103,300 (Note 5) | 3,203,750 (Note 6) | - | 27 December 2019 to 31 December 2020 | 1 January 2021 to 26 December 2029 |
| | 27 December 2019 | 3.420 | 4,972,612 | - | - | 158,400 (Note 5) | 4,814,212 (Note 6) | - | 27 December 2019 to 31 December 2021 | 1 January 2022 to 26 December 2029 |
| Total | | | 41,707,662 | - | 2,928,000 | 261,700 | 38,517,962 | - | | |

Report of the Directors

SHARE OPTION SCHEMES (continued)

The 2012 Share Option Scheme (continued)

(10) (continued)

Notes:

1. As disclosed in the composite document jointly published by the Company and Mission Forward Limited as offeror dated 22 July 2025, pursuant to the rules of the 2012 Share Option Scheme, all share options which were not exercised during the period within 14 days after the publication of the composite document will lapse automatically at the expiry of such period. In light of the above, the 30,500,000 outstanding share options granted under the 2012 Share Option Scheme were lapsed on 6 August 2025 and as at the date of this report, the Company has no outstanding options under the 2012 Share Option Scheme.
2. The exercise of the options is subject to certain conditions that must be achieved by the grantees. The options vested on 1 March 2018 and shall be exercised not later than 20 February 2027.
3. The weighted average closing price of the shares immediately before the dates on which the options were exercised was HK\$1.63.
4. The weighted average closing price of the shares immediately before the dates on which the options were exercised was HK\$1.79.
5. The options were cancelled during the year under review.
6. The options lapsed during the year pursuant to the rules of the 2012 Share Option Scheme.

The 2020 Share Option Scheme

A summary of the 2020 Share Option Scheme operated by the Company is as follows:

(1) Purpose

To grant share options to the eligible participants as incentives and rewards for their contribution to the Company or its subsidiaries.

(2) Eligible participants

Eligible participants include employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries, suppliers and professional advisers of the Group.

(3) The total number of shares available for issue

The total number of shares which may be issued upon exercise of options to be granted under the 2020 Share Option Scheme and any other share scheme(s) of the Company must not exceed 10% of the total number of shares in issue as at the date of adoption of the 2020 Share Option Scheme on 2 June 2020 (i.e. 91,081,364 shares). As at the date of this annual report, the number of shares available for issue under the 2020 Share Option Scheme in respect thereof is 89,957,714 shares, representing approximately 11.37% of the issued shares of the Company as at such date.

(4) The maximum entitlement of each participant under the 2020 Share Option Scheme

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the 2020 Share Option Scheme and any other share scheme(s) of the Company (including exercised, cancelled and outstanding options) to each participant in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares in issue as at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders of the Company in general meeting with such grantee and his close associates (as defined in the Listing Rules) (or his associates if such grantee is a connected person of the Company) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time.

Report of the Directors

SHARE OPTION SCHEMES (continued)

The 2020 Share Option Scheme (continued)

- (5) **The period within which the shares must be taken up under an option**
The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant.
- (6) **The minimum period for which an option must be held before it can be exercised**
The Board is empowered to impose, at its discretion, any minimum period that an option must be held at the time of the grant of any particular option.
- (7) **The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid**
Acceptance of the option must be made within 30 days after the date of offer and HK\$1.00 must be paid as a consideration for the grant of option.
- (8) **The basis of determining the exercise price**
The Board shall determine the exercise price of each option granted but in any event shall not be less than the highest of: (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant; and (b) the average of the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant.
- (9) **The remaining life of the 2020 Share Option Scheme**
The 2020 Share Option Scheme will remain in force for a period of 10 years commencing on 2 June 2020 up to 1 June 2030.

Up to the date of this report, the Company has not granted any share option under this scheme since its adoption.

As at 1 January 2025 and 31 December 2025, the number of options available for grant under the 2020 Share Option Scheme is 89,957,714.

SHARE AWARD SCHEME

2021 Share Award Scheme

The Company adopted a share award scheme on 31 March 2021 ("2021 Share Award Scheme").

A summary of the 2021 Share Award Scheme operated by the Company is as follows:

- (1) **Purpose**
To recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them to strive for the future development and expansion of the Group by aligning their interests directly to that of the shareholders of the Company, and to attract suitable personnel for further development of the Group.
- (2) **Eligible participants**
Eligible participants include any individual, being an employee, director, officer, consultant or adviser of any member of the Group or any other person whom the board of directors of the Company or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group.

Report of the Directors

SHARE AWARD SCHEME (continued)

2021 Share Award Scheme (continued)

(3) The total number of shares available for issue

The total number of shares which may be granted under the 2021 Share Award Scheme must not exceed 10% of the total number of shares in issue as at the date of adoption of the 2021 Share Award Scheme on 31 March 2021 (i.e. 91,598,574 shares).

As at the date of this annual report, the number of shares available for issue under the 2021 Share Award Scheme in respect thereof is 91,598,574 shares, representing approximately 11.57% of the issued shares of the Company as at such date.

(4) The maximum entitlement of each participant under the 2021 Share Award Scheme

The total number of shares issued and to be issued under the 2021 Share Award Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each participant in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares in issue as at the date of grant.

Any further grant in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders of the Company in general meeting with such grantee and his close associates (as defined in the Listing Rules) (or his associates if such grantee is a connected person of the Company) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time.

(5) The vesting period of awards granted under the 2021 Share Award Scheme

The Board may from time to time while the 2021 Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the award to be vested.

Subject to the terms and conditions of the 2021 Share Award Scheme and the fulfilment of all vesting conditions to the vesting of the awarded shares of the Company on such selected participant, the respective awarded shares of the Company shall vest in such selected participant.

(6) The amount payable on application or acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be paid

None.

(7) The basis of determining the purchase price of shares awarded

Not applicable as there is no purchase price under the 2021 Share Award Scheme.

(8) The remaining life of the 2021 Share Award Scheme

Subject to any early termination determined by the Board in accordance with the rules of the 2021 Share Award Scheme, the 2021 Share Award Scheme is valid and effective for a term of 10 years commencing on its adoption date (i.e. 31 March 2021 to 30 March 2031).

Up to the date of this report, the Company has not granted any share awards under this scheme since its adoption.

As at 1 January 2025 and 31 December 2025, the number of awarded shares available for grant under the 2021 Share Award Scheme is 91,598,574.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Share Option Schemes"³⁷ and "Share Award Scheme"³⁸, at no time during FY2025 was the Company or any of its subsidiaries a party to any arrangements to enable the directors and/or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDER

As at 31 December 2025, the interests or short positions of the persons, other than the directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register maintained by the Company required to be kept under Section 336 of the SFO were as follows:

| Name | Capacity in which ordinary shares were held | Interests in shares in long positions | Percentage interests (Note) |
|---------------------------------|---|---------------------------------------|-----------------------------|
| Top Group International Limited | Beneficial Owner | 355,051,177 | 44.86% |

Note: This percentage is based on 791,473,781 ordinary shares of the Company issued as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any persons (other than directors and chief executive of the Company) having any interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentage of turnover and purchase for the year attributable to the Group's five largest customers and suppliers is less than 30% of total turnover and purchase for the year and therefore no disclosures with regard to major customers and suppliers are made.

SUFFICIENCY OF PUBLIC FLOAT

On the basis of information that is publicly available to the Company and within the knowledge of the Directors of the Company, as at the date of this annual report, the Company has maintained a sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules during FY2025.

INDEPENDENCE CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

Report of the Directors

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance through its continuous effort in improving its corporate governance practices. Details about the corporate governance practices adopted by the Company are set out in the “Corporate Governance Report” contained in this annual report.

RETIREMENT SCHEME

Throughout FY2025, the Group operated a mandatory provident fund scheme. Particulars of the mandatory provident fund scheme are set out in note 9 to the financial statements.

AUDITOR

The financial statements have been audited by KPMG who shall retire and, being eligible, offer themselves for re-appointment at the 2026 AGM.

On behalf of the Board

Mak Wing Sum, Alvin

Chairman

Hong Kong, 30 March 2026

Independent Auditor's Report



Independent auditor's report to the members of Hong Kong Technology Venture Company Limited

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Hong Kong Technology Venture Company Limited (“the Company”) and its subsidiaries (“the Group”) set out on pages 111 to 175, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (“the Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Revenue recognition from the Ecommerce business

Refer to note 2 to the consolidated financial statements and the accounting policies in note 1(u)(i).

The Key Audit Matter

The Group's Ecommerce income, which totalled HK\$3,745.5 million for the year ended 31 December 2025, principally comprises revenue from direct merchandise sales (where the Group acts as principal) and commission income from concessionaire sales to customers (where the Group acts as agent), whereby payments from customers are made through online payment processing service providers.

Ecommerce income comprises a high volume of individually low value transactions. Revenue is recognised when the customer has taken possession of and accepted the goods.

The Group's information technology systems are complex and process a large volume of transactions, including details of the date and time of delivery of the goods sold, the combination of products sold together, commission rates for each merchant and price updates applied during the year. The completeness and accuracy of revenue from the Group's Ecommerce business is highly reliant on the information technology systems.

We identified the recognition of revenue from the Ecommerce business as a key audit matter because revenue is one of the key performance indicators of the Group and involves complicated information technology systems, both of which give rise to an inherent risk that revenue could be incorrectly calculated or recorded in the incorrect period.

How the matter was addressed in our audit

Our audit procedures to assess the recognition of revenue from the Ecommerce business included the following:

- inspecting samples of agreements with merchants to assess the Group's revenue recognition policies based on the terms and conditions as set out in the agreements with merchants, with reference to the requirements of the prevailing accounting standards;
- engaging our internal information technology specialists to evaluate the design, implementation and operating effectiveness of key internal controls over the capturing and processing of revenue transactions, including the completeness and accuracy of the transaction details contained within the Group's information technology systems;
- assessing the design, implementation and operating effectiveness of key manual internal controls over the reconciliation of transaction details captured by the Group's information technology systems with receipts from the online payment processing service providers;
- comparing settlements received from customers with the relevant details in merchant transaction reports received by the Group from the processing bank and bank statements, on a sample basis;
- comparing the transaction details captured by the Group's information technology systems with customers' acknowledgement of receipt of the goods sold, on a sample basis; and
- comparing the amount of commission income captured by the Group's information technology systems with corresponding details as set out in merchants' statements and recalculating the commission income recorded by the Group by inspecting agreements with merchants and relevant transaction details, on a sample basis.



Independent Auditor's Report

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



Independent Auditor's Report

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Wai Ming (practising certificate number: P05285).

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 March 2026

Consolidated Income Statement

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

| | Note | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|---|------|---|---|
| Turnover | 2 | 3,856,259 | 3,839,509 |
| Direct merchandise sales | 2 | 2,247,561 | 2,308,953 |
| Cost of inventories | | (1,741,396) | (1,757,074) |
| | | 506,165 | 551,879 |
| Income from concessionaire sales and other service income | 2 | 1,437,650 | 1,374,063 |
| Multimedia advertising income | 2 | 171,048 | 156,493 |
| Valuation losses on investment properties | 12 | (39,700) | (21,150) |
| Other operating expenses | 4(a) | (2,272,231) | (2,171,826) |
| Other income, net | 3 | 69,310 | 63,387 |
| Finance costs | 4(b) | (21,553) | (24,153) |
| Loss before taxation | | (149,311) | (71,307) |
| Income tax (expenses)/credit | 5 | (242) | 4,607 |
| Loss for the year | | (149,553) | (66,700) |
| Loss per share | 8 | HK\$(0.19) | HK\$(0.08) |
| Basic and diluted | | | |

The notes on pages 117 to 175 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

| | Note | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|---|------|---|---|
| Loss for the year | | (149,553) | (66,700) |
| Other comprehensive income for the year | 7 | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Equity instruments designated at fair value through other comprehensive income | | | |
| – net movement in fair value reserve (non-recycling) | | 9,117 | 8,164 |
| Remeasurement of defined benefit plan obligations | | (1,764) | 744 |
| | | 7,353 | 8,908 |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange difference on translation of financial statements of overseas subsidiaries | | (2,427) | 1,156 |
| Debt securities measured at fair value through other comprehensive income | | | |
| – net movement in fair value reserve (recycling) | | 5,210 | 6,059 |
| | | 2,783 | 7,215 |
| Other comprehensive income for the year | | 10,136 | 16,123 |
| Total comprehensive income for the year | | (139,417) | (50,577) |

The notes on pages 117 to 175 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025 (Expressed in Hong Kong dollars)

| | Note | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|---|-------|---------------------------------|---------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 12 | 1,644,376 | 1,787,603 |
| Intangible assets | 13 | 158,285 | 166,060 |
| Long-term receivables, deposits and prepayments | | 59,210 | 66,600 |
| Other financial assets | 16 | 111,493 | 129,506 |
| Deferred tax assets | 22(a) | 94,811 | 94,602 |
| | | 2,068,175 | 2,244,371 |
| Current assets | | | |
| Other receivables, deposits and prepayments | 17 | 116,394 | 138,633 |
| Inventories | 15 | 126,889 | 133,711 |
| Other current financial assets | 16 | 30,290 | 41,320 |
| Cash and cash equivalents | 18 | 346,465 | 541,705 |
| | | 620,038 | 855,369 |
| Current liabilities | | | |
| Accounts payable | 19 | 355,904 | 341,442 |
| Other payables and accrued charges | 19 | 498,185 | 450,232 |
| Deposits received | | 5,757 | 5,757 |
| Tax payable | | 508 | 509 |
| Lease liabilities | 20 | 133,359 | 139,814 |
| | | 993,713 | 937,754 |
| Net current liabilities | | (373,675) | (82,385) |
| Total assets less current liabilities | | 1,694,500 | 2,161,986 |

Consolidated Statement of Financial Position

As at 31 December 2025 (Expressed in Hong Kong dollars)

| | Note | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|------------------------------------|-------|------------------------------|------------------------------|
| Non-current liabilities | | | |
| Deferred tax liabilities | 22(a) | 2,079 | 2,326 |
| Other payables and accrued charges | 19 | 17,102 | 11,901 |
| Lease liabilities | 20 | 238,648 | 276,140 |
| | | 257,829 | 290,367 |
| NET ASSETS | | | |
| | | 1,436,671 | 1,871,619 |
| CAPITAL AND RESERVES | | | |
| Share capital | 21(b) | 1,810,937 | 1,805,004 |
| Reserves | | (374,266) | 66,615 |
| TOTAL EQUITY | | 1,436,671 | 1,871,619 |

Approved and authorised for issue by the board of directors on 30 March 2026.

Wong Wai Kay, Ricky
Director

Wong Nga Lai, Alice
Director

The notes on pages 117 to 175 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

| | Attributable to equity shareholders of the Company | | | | | | | | | |
|--|--|---------------|--|--------------------------------|--------------------------------|------------------------------------|------------------|-----------------|---------------|--------------|
| | | Share capital | Retained profits/ (accumulated losses) | Fair value revaluation reserve | Fair value reserve (recycling) | Fair value reserve (non-recycling) | Exchange reserve | Capital reserve | Other reserve | Total equity |
| | Note | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Balance at 1 January 2024 | | 1,805,004 | 138,244 | 183,338 | (11,949) | (8,098) | (546) | 42,613 | (3,258) | 2,145,348 |
| Changes in equity for 2024: | | | | | | | | | | |
| Loss for the year | | - | (66,700) | - | - | - | - | - | - | (66,700) |
| Other comprehensive income | 7 | - | - | - | 6,059 | 8,164 | 1,156 | - | 744 | 16,123 |
| Total comprehensive income | | - | (66,700) | - | 6,059 | 8,164 | 1,156 | - | 744 | (50,577) |
| Transfer of loss on disposal of equity instruments designated at FVOCI to retained profits | | - | (1,734) | - | - | 1,734 | - | - | - | - |
| Equity settled share-based transactions | 4(c) | - | - | - | - | - | - | (2,736) | - | (2,736) |
| Shares repurchased and cancelled | 21(d) | - | (220,416) | - | - | - | - | - | - | (220,416) |
| Balance at 31 December 2024 and 1 January 2025 | | 1,805,004 | (150,606) | 183,338 | (5,890) | 1,800 | 610 | 39,877 | (2,514) | 1,871,619 |
| Changes in equity for 2025: | | | | | | | | | | |
| Loss for the year | | - | (149,553) | - | - | - | - | - | - | (149,553) |
| Other comprehensive income | 7 | - | - | - | 5,210 | 9,117 | (2,427) | - | (1,764) | 10,136 |
| Total comprehensive income | | - | (149,553) | - | 5,210 | 9,117 | (2,427) | - | (1,764) | (139,417) |
| Transfer of gain on disposal of equity instruments designated at FVOCI to retained profits | | - | 504 | - | - | (504) | - | - | - | - |
| Share options forfeited reclassified to retained profits | | - | 38,190 | - | - | - | - | (38,190) | - | - |
| Shares issued under share option scheme | 21(c) | 5,933 | - | - | - | - | - | (1,687) | - | 4,246 |
| Dividend approved in respect of the previous year | 6(b) | - | (299,777) | - | - | - | - | - | - | (299,777) |
| Balance at 31 December 2025 | | 1,810,937 | (561,242) | 183,338 | (680) | 10,413 | (1,817) | - | (4,278) | 1,436,671 |

The notes on pages 117 to 175 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

| | Note | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|--|-------|---|---|
| Net cash generated from operating activities | 23(a) | 297,924 | 260,137 |
| Investing activities | | | |
| Payment for the purchase of other financial assets | | (24,941) | – |
| Proceeds received from disposal and redemption of other financial assets | | 27,281 | 39,070 |
| Proceeds received from maturity of debt securities | | 48,967 | 163,094 |
| Payment for the addition to intangible assets | | (54,993) | (58,221) |
| Interest received | | 17,779 | 27,853 |
| Dividend and investment income received | | 3,228 | 4,834 |
| Payment for the purchase of property, plant and equipment | | (60,799) | (77,976) |
| Placement of time deposits | | (186,257) | (2,034,840) |
| Proceeds from matured time deposits | | 186,257 | 2,277,868 |
| Proceeds received from disposal of property, plant and equipment | | 1,075 | 17 |
| Net cash (used in)/generated from investing activities | | (42,403) | 341,699 |
| Financing activities | | | |
| Capital element of lease rentals paid | 23(b) | (135,751) | (145,139) |
| Interest element of lease rentals paid | 23(b) | (20,079) | (23,108) |
| Proceeds from shares issued under share option scheme | 21(c) | 4,246 | – |
| Payment for special dividend | | (299,777) | – |
| Payment for repurchase of shares | 21(d) | – | (220,416) |
| Net cash used in financing activities | | (451,361) | (388,663) |
| Net (decrease)/increase in cash and cash equivalents | | (195,840) | 213,173 |
| Cash and cash equivalents at 1 January | | 541,705 | 330,565 |
| Effect of foreign exchange rate changes | | 600 | (2,033) |
| Cash and cash equivalents at 31 December | | 346,465 | 541,705 |

The notes on pages 117 to 175 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments in other financial assets and investment properties are stated at their fair value as explained in the accounting policies set out below (see notes 1(f) and 1(g)).

Notwithstanding the net current liabilities of HK\$373,675,000 as at 31 December 2025, the Group’s consolidated financial statements have been prepared on a going concern basis because the directors are of the opinion that the Group would have adequate funds to meet its obligations, as and when they fall due, having regard to the following: (a) the Group is expected to generate positive operating cash flows in connection with its principal activities; and (b) financial investments of HK\$141,783,000 which are readily realisable.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 27.

(c) Changes in accounting policies

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

(e) Group accounting

(i) Consolidation

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(f)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(k)(ii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(f) Investments in other financial assets

The Group's policies for investments in other financial assets, other than investments in subsidiaries, are set out below:

Investments in other financial assets are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 24(f). These investments are subsequently accounted for as follows, depending on their classification.

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(u)(iii)).
- Fair value through other comprehensive income ("FVOCI") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits. It is not recycled through profit or loss. Dividends from investments in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 1(u)(v).

(g) Investment property

Investment properties are land and/or buildings which are owned and held to earn rental income and/or for capital appreciation.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 1(u)(iv).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(h) Other property, plant and equipment

(i) Construction in progress

Construction in progress is carried at cost, which includes development and construction expenditure incurred and interest and direct costs attributable to the development less any accumulated impairment loss (see note 1(k)(ii)) as considered necessary by the directors. No depreciation is provided for construction in progress. On completion, the associated costs are transferred to ownership interests in leasehold land and buildings, leasehold improvements or network, computer, office and warehouse equipment.

(ii) Other property, plant and equipment

Other property, plant and equipment, comprising interests in leasehold land and buildings where the Group is the registered owner of the property interest, right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest, leasehold improvements, furniture, fixtures and fittings, network, computer, office and warehouse equipment, motor vehicles, and broadcasting and production equipment, are stated at cost less accumulated depreciation and accumulated impairment losses (see note 1(k)(ii)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Leasehold land is depreciated over the unexpired term of lease
- The Group's interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives of 50 years
- Other properties leased for own use are depreciated over the unexpired term of the leases
- Leasehold improvements are depreciated over the shorter of the unexpired term of the leases and their estimated useful lives
- Furniture, fixtures and fittings 4–5 years
- Network, computer, office and warehouse equipment 1.5–15 years
- Motor vehicles 4–10 years
- Broadcasting and production equipment 2–10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve. Any loss is recognised in profit or loss.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 1(v)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 1(k)(ii)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(k)(ii)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

| | |
|--|----------|
| – Indefeasible right of use (“IRU”) of telecommunications capacity | 20 years |
| – Right to use of telecommunications services | 10 years |
| – Retail technology solutions | 4 years |

Both the period and method of amortisation are reviewed annually.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(j) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(h) and 1(k)(ii)), except for the following type of the right-of-use assets:

- right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 1(g).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost (see notes 1(f)(i), 1(u)(iii) and 1(k)(i)). Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(u)(iv).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 1(j)(i), then the Group classifies the sub-lease as an operating lease.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, pledged bank deposit and other receivables);
- debt securities measured at FVOCI (recycling); and
- lease receivables.

Other financial assets measured at fair value, including units in investment funds measured at FVPL and equity investments designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Measurement of ECLs (continued)

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 1(u)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and lease receivables (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset and lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than property carried at revalued amounts);
- intangible assets;
- goodwill; and
- investment in subsidiaries in the Company's statement of financial position.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(k) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, the recoverable amount for goodwill and intangible assets that are not yet available for use is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to disposal (if measurable) or value in use (if determinable).

— *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(k)(i) and 1(k)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the First-In-First-Out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(l) Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(u)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(n)).

(n) Receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(k)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks/financial institutions and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash at banks/financial institutions and in hand and pledged bank deposit are assessed for ECLs in accordance with the policy set out in note 1(k)(i).

(p) Provisions and contingent liabilities

Provisions are recognised when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(q) Talent benefits

(i) Salaries and leave entitlements

Salaries are accrued in the year in which the associated services are rendered by individuals employed by the Group (hereinafter referred to as “Talents”).

Entitlements to annual leave and long service leave are recognised when they accrue to Talents, including directors of the Company. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by Talents up to the end of each reporting period. Entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(q) Talent benefits (continued)

(ii) Profit sharing and bonus plans

Provisions for profit sharing and bonus plans are recognised when the Group has a present legal or constructive obligation as a result of services rendered by Talents and a reliable estimate of the obligation can be made.

(iii) Retirement benefit costs

(i) Contributions to defined contribution retirement plans

The Group contributes to mandatory provident fund (“MPF”) scheme which is available to certain Talents. Contributions to the scheme by the Group are calculated as a percentage of Talents’ basic salaries and charged to profit or loss. The Group’s contributions are reduced by contributions forfeited by those Talents who leave the scheme prior to vesting fully in the contributions.

The assets of the scheme are held in an independently administered fund that is separated from the Group’s assets.

(ii) Defined benefit plan obligations

The Group has the following defined benefit plan:

- long service payment (“LSP”) under the Hong Kong Employment Ordinance.

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that Talents have earned in the current and prior periods and discounting that amount. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with Talents, which are deemed to be contributions from the relevant Talents.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iv) Share-based payments

The fair value of share options granted to Talents is recognised as a Talent cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes Model, taking into account the terms and conditions upon which the options were granted. Where the Talents have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original Talent costs qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company’s shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits/accumulated losses).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with note 1(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(s) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing cost (see note 1(v)).

(t) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(u) Revenue and other income recognition

Revenue is classified by the Group as revenue when it arises from the direct merchandise sales, concessionaire sales or provision of advertising or licensing of programme rights and other services.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

- (i) Ecommerce income primarily comprised commission income and revenue from merchandise sales. Commission income is recognised for transactions where the Group is not the primary obligor, is not subject to inventory risk, and does not have latitude in establishing prices and selecting suppliers. Commission income is recognised on a net basis which is based on a fixed percentage of the sales amount. Revenue from merchandise sales and related costs are recognised on a gross basis when the Group acts as a principal.

Commission income and revenue from merchandise sales are recognised when the customer has taken possession of and accepted the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

- (ii) Advertising income is recognised when the advertisements are delivered through the online platform.
- (iii) Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(f)(i)).
- (iv) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased assets. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.
- (v) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.
- (vi) Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as other income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(x) Translation of foreign currencies

Foreign currency transactions during the year are translated at foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at foreign exchange rates ruling at the end of reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign rates ruling at the dates of transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (continued)

(y) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(z) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of Talents of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (z)(a).
 - (vii) A person identified in (z)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 TURNOVER AND SEGMENT INFORMATION

(a) Turnover

The principal activities of the Group are Ecommerce business, including but not limited to the end-to-end online shopping mall operation, multimedia production and other related services (“Ecommerce business”) and new ventures and technology solution business (“New Ventures and Technology business”). Further details regarding the Group’s principal activities are disclosed in note 2(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by nature and by timing of revenue recognition are as follows:

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|---|---|---|
| Revenue from contracts with customers within the scope of HKFRS 15 | | |
| Disaggregated by nature | | |
| – Direct merchandise sales | 2,247,561 | 2,308,953 |
| – Income from concessionaire sales and other service income | 1,437,650 | 1,374,063 |
| – Multimedia advertising income | 171,048 | 156,493 |
| | 3,856,259 | 3,839,509 |
| Disaggregated by timing of revenue recognition | | |
| – Point in time | 3,576,332 | 3,591,507 |
| – Over time | 279,927 | 248,002 |
| | 3,856,259 | 3,839,509 |

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15, such that it does not disclose the information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the unsatisfied (or partially satisfied) contracts outstanding as at the end of the reporting period, as such unsatisfied performance obligations have an original expected duration of one year or less.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 TURNOVER AND SEGMENT INFORMATION (continued)

(b) Segment information

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (product and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purpose of resource allocation and performance assessment, the Group has two reporting segments as follows:

- Hong Kong Ecommerce business: The Group's Ecommerce business segment derives revenue from the end-to-end online shopping mall operation (including fulfilment and logistics), multimedia production and other related services in Hong Kong. These products and services are either sourced externally or are produced in the Group's properties located in Hong Kong.
- New Ventures and Technology business: The Group's New Ventures and Technology business segment mainly derives revenue from (1) new venture projects performing research and development activities on new business models and technologies, and operating business by adopting the new business models and technologies globally; and (2) providing technology solution to the Group's Ecommerce business segment or external customer to operate online shopping operation.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and other corporate assets. Segment liabilities include accounts payable, other payables and accrued charges and lease liabilities attributable to the sales activities of the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to turnover generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Earnings before interest (including investment returns), taxes, depreciation and amortisation ("EBITDA") means profit/(loss) for the year plus income tax expenses/(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, impairment loss on intangible assets and property, plant and equipment and one-off specific donations.

In addition to receiving segment information concerning segment profit, management is provided with segment information concerning inter-segment sales, interest income and expense from cash balances managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 TURNOVER AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

(i) Segment results, assets and liabilities (continued)

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

| For the year ended 31 December | Hong Kong Ecommerce business | | New Ventures and Technology business | | Total | |
|---|---------------------------------|------------------|---|------------------|------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Disaggregated by timing of revenue recognition | | | | | | |
| Point in time | 3,465,602 | 3,524,354 | 110,730 | 67,153 | 3,576,332 | 3,591,507 |
| Over time | 279,927 | 248,002 | – | – | 279,927 | 248,002 |
| Revenue from external customers | 3,745,529 | 3,772,356 | 110,730 | 67,153 | 3,856,259 | 3,839,509 |
| Inter-segment revenue | – | – | 125,840 | 134,234 | 125,840 | 134,234 |
| Reportable segment revenue | 3,745,529 | 3,772,356 | 236,570 | 201,387 | 3,982,099 | 3,973,743 |
| Reportable segment profit/(loss) (EBITDA) | 253,050 | 276,489 | (218,288) | (174,724) | 34,762 | 101,765 |
| Reportable segment profit/(loss) (adjusted EBITDA) | 259,092 | 277,012 | (171,987) | (134,262) | 87,105 | 142,750 |
| Interest income | 99 | 665 | 19 | 131 | 118 | 796 |
| Inter-segment finance costs | (5,963) | (7,133) | – | – | (5,963) | (7,133) |
| Depreciation and amortisation for the year (excluded depreciation on other properties leased for own use) | (100,989) | (108,958) | (31,919) | (31,954) | (132,908) | (140,912) |
| Impairment loss on intangible assets and property, plant and equipment | – | – | (44,515) | (42,101) | (44,515) | (42,101) |
| As at 31 December | | | | | | |
| Reportable segment assets | 2,451,945 | 2,421,048 | 327,554 | 361,454 | 2,779,499 | 2,782,502 |
| <i>Additions to non-current segment assets during the year</i> | 142,958 | 132,386 | 75,198 | 85,778 | 218,156 | 218,164 |
| Reportable segment liabilities | 1,272,891 | 1,241,330 | 647,816 | 450,974 | 1,920,707 | 1,692,304 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 TURNOVER AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

(ii) Reconciliations of reportable segment revenue, profit or loss

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|--------------------------------------|---|---|
| Revenue | | |
| Reportable segment revenue | 3,982,099 | 3,973,743 |
| Elimination of inter-segment revenue | (125,840) | (134,234) |
| Revenue (note 2(a)) | 3,856,259 | 3,839,509 |

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|---|---|---|
| Loss | | |
| Reportable segment profit (EBITDA) | 34,762 | 101,765 |
| Income tax (expenses)/credit | (94) | 4,901 |
| Interest income | 118 | 796 |
| Depreciation — on property, plant and equipment (excluded depreciation on other properties leased for own use) | (104,796) | (117,641) |
| Amortisation of intangible assets | (28,112) | (23,271) |
| Unallocated head office and corporate net expense | (51,431) | (33,250) |
| Loss for the year | (149,553) | (66,700) |

(iii) Reconciliation of reportable segment assets

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--|---------------------------------|---------------------------------|
| Reportable segment assets | 2,779,499 | 2,782,502 |
| Elimination of inter-segment receivables | (716,690) | (490,985) |
| Unallocated head office and corporate assets (included investments in financial assets) | 625,404 | 808,223 |
| Consolidated total assets | 2,688,213 | 3,099,740 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 TURNOVER AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

(iv) Reconciliation of reportable segment liabilities

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| Reportable segment liabilities | 1,920,707 | 1,692,304 |
| Elimination of inter-segment payables | (716,690) | (490,985) |
| Unallocated head office and corporate liabilities | 47,525 | 26,802 |
| Consolidated total liabilities | 1,251,542 | 1,228,121 |

(v) Geographic segment information

As majority of the Group's operations are conducted in Hong Kong and majority of the assets are located in Hong Kong, accordingly, no geographical segment information is presented.

3 OTHER INCOME, NET

| | Year ended 31 December 2025 | Year ended 31 December 2024 |
|---|-----------------------------------|-----------------------------------|
| | HK\$'000 | HK\$'000 |
| Bank interest income | 11,543 | 17,071 |
| Dividend and investment income from other financial assets | 3,228 | 4,834 |
| Interest income from other financial assets | 4,345 | 9,490 |
| Unrealised fair value gain/(loss) on units in investment funds measured at FVPL | 7,088 | (2,937) |
| Reversal of expected credit losses on debt securities measured at FVOCI | 937 | 39 |
| Rentals from investment properties | 23,774 | 23,774 |
| Net exchange gain/(loss) | 1,743 | (7,065) |
| Government subsidies | 1,280 | 813 |
| Unwinding the discounting effect of rental deposits | 880 | 868 |
| Others | 14,492 | 16,500 |
| | 69,310 | 63,387 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|--|---|---|
| (a) Other operating expenses | | |
| Depreciation (note 12(a)) | | |
| – owned property, plant and equipment | 75,076 | 90,430 |
| – right-of-use assets | 179,514 | 188,280 |
| Advertising and marketing expenses (excluding HK\$49,159,000 (2024: HK\$38,162,000) being deducted from turnover) | 180,488 | 155,494 |
| Auditor's remuneration | 3,745 | 3,618 |
| Loss on disposal of property, plant and equipment | 136 | 520 |
| Write-down and write-off of inventories | 13,576 | 22,404 |
| Impairment loss on intangible assets and property, plant and equipment | 44,515 | 42,101 |
| Talent costs (note 4(c)) | 967,191 | 936,383 |
| Amortisation of intangible assets (note 13) | 32,228 | 27,387 |
| Total outgoings of investment properties | 1,758 | 1,678 |
| Outsourced fulfilment expenses | 409,144 | 369,921 |
| Payment processing charges | 95,281 | 94,134 |
| Owned motor vehicles running expenses | 46,357 | 49,460 |
| Software licenses and registration fee | 21,477 | 23,981 |
| Utilities, consumables and office expenses | 64,836 | 61,811 |
| Others | 136,909 | 104,224 |
| | 2,272,231 | 2,171,826 |
| (b) Finance costs | | |
| Interest on lease liabilities (note 23(b)) | 20,079 | 23,108 |
| Bank charges | 1,474 | 1,045 |
| | 21,553 | 24,153 |
| (c) Talent costs | | |
| Wages and salaries | 985,813 | 961,778 |
| Retirement benefit costs – defined contribution plans (note 9) | 36,371 | 35,557 |
| Equity-settled share-based payment expenses (note 11) | – | (2,736) |
| Less: Talent costs capitalised as intangible assets | (54,993) | (58,216) |
| Talent costs included in other operating expenses | 967,191 | 936,383 |

Talent costs include all compensation and benefits paid to and accrued for all individuals employed by the Group, including Directors.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

5 INCOME TAX EXPENSES/(CREDIT)

The provision for Hong Kong Profits Tax for the year ended 31 December 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2,000,000 of assessable profits are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Taxation for overseas branch of a subsidiary is calculated at 20% (2024: 20%) of the estimated assessable profits for the year. The amount of income tax expenses/(credit) in the consolidated income statement represents:

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|---|---|---|
| Current taxation | | |
| Hong Kong Profits Tax | – | – |
| Overseas | 698 | 373 |
| Deferred taxation | | |
| Origination and reversal of temporary differences (note 22) | (456) | (4,980) |
| | 242 | (4,607) |

Reconciliation between the Group's income tax expenses/(credit) and accounting loss before taxation at applicable tax rates is as follows:

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|---|---|---|
| Loss before taxation | (149,311) | (71,307) |
| Notional tax on loss before taxation, calculated at the prevailing tax rates applicable to loss in the jurisdiction concerned | (22,896) | (10,485) |
| Effect of non-taxable income | (3,782) | (5,123) |
| Effect of non-deductible expenses | 13,543 | 12,923 |
| Effect of unused tax losses not recognised | 43,125 | 39,986 |
| Effect of unused tax losses not recognised in prior years now utilised | (29,640) | (36,444) |
| Effect of unused tax losses not recognised in prior years now recognised | – | (5,478) |
| Others | (108) | 14 |
| Income tax expenses/(credit) | 242 | (4,607) |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

6 DIVIDEND

(a) Dividends payable to equity shareholders of the Company:

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|--|---|---|
| No special dividend declared after the end of the reporting period (31 December 2024: HK38 cents per share) | – | 299,647 |

The special dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends attributable to the previous financial year, approved and paid during the year:

According to the Annual General Meeting on 20 May 2025, special dividend of HK38 cents per share was approved and paid during the year ended 31 December 2025.

7 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

| | 2025 | | | 2024 | | |
|---|----------------------------------|----------------------------|----------------------------------|----------------------------------|----------------------------|----------------------------------|
| | Before-tax amount HK\$'000 | Tax expense HK\$'000 | Net-of-tax amount HK\$'000 | Before-tax amount HK\$'000 | Tax expense HK\$'000 | Net-of-tax amount HK\$'000 |
| Equity instruments designated at FVOCI | | | | | | |
| – net movement in fair value reserve (non-recycling) | 9,117 | – | 9,117 | 8,164 | – | 8,164 |
| Remeasurement of defined benefit plan obligations | (1,764) | – | (1,764) | 744 | – | 744 |
| Exchange difference on translation of financial statements of overseas subsidiaries | (2,427) | – | (2,427) | 1,156 | – | 1,156 |
| Debt securities measured at FVOCI | | | | | | |
| – net movement in fair value reserve (recycling) | 5,210 | – | 5,210 | 6,059 | – | 6,059 |
| Other comprehensive income | 10,136 | – | 10,136 | 16,123 | – | 16,123 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

7 OTHER COMPREHENSIVE INCOME (continued)

(b) Components of other comprehensive income, including reclassification adjustments

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 |
|--|---|---|
| Equity instruments designated at FVOCI – net movement in fair value reserve (non-recycling): | | |
| – Changes in fair value recognised during the year | 9,117 | 8,164 |
| Debt securities measured at FVOCI – net movement in fair value reserve (recycling): | | |
| – Changes in fair value recognised during the year | 6,147 | 6,098 |
| – Reclassified to profit or loss for reversal of expected credit losses | (937) | (39) |
| | 5,210 | 6,059 |

8 LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company for the year ended 31 December 2025 of HK\$149,553,000 (31 December 2024: HK\$66,700,000) and the weighted average of 789,866,000 ordinary shares (31 December 2024: 846,196,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

| | Year ended 31 December 2025 '000 | Year ended 31 December 2024 '000 |
|---|---|---|
| Issued ordinary shares at 1 January | 788,546 | 888,546 |
| Effect of share options exercised (note 21(c)) | 1,320 | – |
| Effect of shares repurchased and cancelled (note 21(d)) | – | (42,350) |
| Weighted average number of ordinary shares at 31 December | 789,866 | 846,196 |

The diluted loss per share for the years ended 31 December 2025 and 2024 is the same as the basic loss per share, as the Group's share options would result in an anti-dilutive effect on loss per share.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

9 RETIREMENT BENEFIT COSTS

A mandatory provident fund scheme (the “MPF Scheme”) has been established under the Hong Kong Mandatory Provident Fund Scheme Ordinance in December 2000 and the prevailing Talents of the Group in Hong Kong could elect to join the MPF Scheme, while all new Talents joining the Group in Hong Kong from then onwards are required to join the MPF Scheme. Both the Group and the Talents are required to contribute 5% of each individual’s relevant income with a maximum amount of HK\$1,500 per month, as a mandatory contribution. Employer’s mandatory contributions are 100% vested in the Talents as soon as they are paid to the MPF Scheme, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution. Senior Talents may also elect to join a Mutual Voluntary Plan (the “Mutual Plan”) in which both the Group and the Talents, on top of the MPF Scheme mandatory contributions, make a voluntary contribution to the extent that the Talents would contribute 5% of their monthly salaries, while the Group would contribute 10% of the Talents’ monthly salaries.

The aggregate employer’s contributions which have been dealt with in the consolidated income statement during the year are as follows:

| | Year ended 31 December 2025 HK\$’000 | Year ended 31 December 2024 HK\$’000 |
|---------------------|---|---|
| Gross contributions | 36,371 | 35,557 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

For the year ended 31 December 2025:

| | Directors' fee | Salaries, service fee, allowances and benefits in kind | Discretionary bonuses | Share-based payments | Retirement scheme contributions | Total |
|--|----------------|--|-----------------------|----------------------|---------------------------------|---------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Chairman | | | | | | |
| Mak Wing Sum, Alvin (Appointment as Chairman of the Board effective from 1 September 2025) | 325 | – | – | – | – | 325 |
| Vice Chairman | | | | | | |
| Wong Wai Kay, Ricky (note (i)) | – | 14,333 | 15,000 | – | 18 | 29,351 |
| Executive directors | | | | | | |
| Cheung Chi Kin, Paul (Stepped down as Chairman of the Board effective from 1 September 2025)(note (ii)) | – | 3,462 | 5,000 | – | 200 | 8,662 |
| Wong Nga Lai, Alice | – | 3,207 | 5,700 | – | 315 | 9,222 |
| Lau Chi Kong | – | 2,786 | 2,000 | – | 258 | 5,044 |
| Zhou Huijing | – | 9,399 | 2,000 | – | 550 | 11,949 |
| Independent non-executive directors | | | | | | |
| Lee Hon Ying, John (Resignation effective from 1 January 2026) | 316 | – | – | – | – | 316 |
| Peh Jefferson Tun Lu | 297 | – | – | – | – | 297 |
| Ann Yu Chiu Andy | 297 | – | – | – | – | 297 |
| Total | 1,235 | 33,187 | 29,700 | – | 1,341 | 65,463 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

For the year ended 31 December 2024:

| | Directors' fee | Salaries, service fee, allowances and benefits in kind | Discretionary bonuses | Share-based payments | Retirement scheme contributions | Total |
|--|----------------|--|-----------------------|----------------------|---------------------------------|---------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Chairman | | | | | | |
| Cheung Chi Kin, Paul (note (ii)) | – | 3,493 | 5,000 | – | 300 | 8,793 |
| Vice Chairman | | | | | | |
| Wong Wai Kay, Ricky (note (i)) | – | 14,334 | 15,000 | – | 18 | 29,352 |
| Executive directors | | | | | | |
| Wong Nga Lai, Alice | – | 3,179 | 7,000 | – | 311 | 10,490 |
| Lau Chi Kong | – | 2,754 | 3,000 | – | 256 | 6,010 |
| Zhou Huijing | – | 8,184 | 1,380 | – | 550 | 10,114 |
| Independent non-executive directors | | | | | | |
| Lee Hon Ying, John | 309 | – | – | – | – | 309 |
| Peh Jefferson Tun Lu | 290 | – | – | – | – | 290 |
| Mak Wing Sum, Alvin | 290 | – | – | – | – | 290 |
| Ann Yu Chiu Andy (appointment effective from 1 January 2024) | 290 | – | – | – | – | 290 |
| Total | 1,179 | 31,944 | 31,380 | – | 1,435 | 65,938 |

Notes:

- (i) For the year ended 31 December 2025, the Group has been providing accommodation to a director for the exclusive right to use and occupy a property owned by the Group at no charge. The estimated monetary value of such benefit in kind is approximately HK\$1,560,000 (31 December 2024: HK\$1,560,000).
- (ii) For the year ended 31 December 2024, the Group has been providing accommodations to a director for the exclusive right to use and occupy a property leased by the Group at no charge. The monetary value of such benefit in kind is approximately HK\$140,000. There were no accommodations provided to the director during the year ended 31 December 2025.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include five directors whose emoluments are reflected in the analysis presented above.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

11 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company operates a share option scheme (the “2012 Share Option Scheme”) which was adopted by shareholders of the Company on 31 December 2012 whereby the directors may, at their discretion, invite eligible participants to receive options to subscribe for shares subject to the terms and conditions stipulated therein.

Under the 2012 Share Option Scheme, the Company may grant options to Talents (including executive, non-executive and independent non-executive directors), suppliers and professional advisers to subscribe for shares of the Company. The maximum number of options authorised under the 2012 Share Option Scheme may not, when aggregated with any shares subject to any other executive and Talent share option scheme, exceed 10% of the Company’s issued share capital on the date of adoption. The exercise price of the option is determined by the Company’s board of directors at a price not less than the higher of (a) the average closing price of the Company’s shares for five trading days preceding the grant date; and (b) the closing price of the Company’s shares on the date of grant. The 2012 Share Option Scheme is valid and effective for a ten-year-period up to 30 December 2023 subject to earlier termination by the Company by resolution in general meeting or by the board of directors. The period during which the option may be exercised will be determined by the board of directors at its discretion, save that no option may be exercised after more than ten years from the date of grant.

No share options are granted during the year ended 31 December 2025 and 2024.

The Group recognises the fair value of share options as an expense in the income statement over the vesting period, or as an asset, if the cost qualifies for recognition as an asset. The fair value of the share options is measured at the date of grant.

The Black-Scholes option pricing model applied for the determination of the estimated value of the options granted under 2012 Share Option Scheme requires input of highly subjective assumptions, including the expected stock volatility. As the Company’s share options have characteristics significantly different from those of traded options, changes in subjective inputs may materially affect the estimated fair value of the options granted.

There was no equity-settled share-based payment expenses during the year ended 31 December 2025.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

11 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

The total net reversal of equity-settled share-based payment expenses for year ended 31 December 2024 amounted to HK\$2,736,000, among which reversal of HK\$2,736,000 was recognised in the consolidated income statement, nil was capitalised as intangible assets and other contract costs, with the offset in capital reserve, for the year ended 31 December 2024. Particulars and movements of share options during the years ended 31 December 2025 and 2024 were as follows:

| | Year ended 31 December 2025 | | Year ended 31 December 2024 | |
|--|---|-------------------|---|-------------------|
| | Weighted average exercise price HK\$ | Number of options | Weighted average exercise price HK\$ | Number of options |
| 2012 Share Option Scheme | | | | |
| Outstanding at the beginning of the year | 2.50 | 41,707,662 | 2.70 | 43,081,762 |
| Exercised during the year | 1.45 | (2,928,000) | – | – |
| Forfeited during the year | 2.57 | (38,779,662) | 8.87 | (1,374,100) |
| Outstanding at the end of the year | – | – | 2.50 | 41,707,662 |
| Exercisable at the end of year | – | – | 2.50 | 41,707,662 |

The weighted average closing share price immediately before the dates on which the options were exercised for the year ended 31 December 2025 was HK\$1.77. There were no share options exercised during the year ended 31 December 2024.

There were no options outstanding at 31 December 2025. The options outstanding at 31 December 2024 had exercise prices ranging from HK\$1.45 to HK\$4.43 and a weighted average remaining contractual life of 3.5 years.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

| | Construction in progress | Investment properties | Ownership interests in leasehold land and buildings | Other properties leased for own use | Leasehold improvements | Furniture, fixtures and fittings | Network, computer, office and warehouse equipment | Motor vehicles | Broadcasting and production equipment | Total |
|--|--------------------------|-----------------------|---|-------------------------------------|------------------------|----------------------------------|---|----------------|---------------------------------------|-----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Cost and valuation: | | | | | | | | | | |
| At 1 January 2025 | 11,664 | 258,100 | 1,093,511 | 1,128,558 | 166,917 | 13,273 | 547,367 | 166,745 | 78,444 | 3,464,579 |
| Additions | 8,802 | - | 1,760 | 56,800 | 8,923 | 580 | 39,298 | 14,128 | 22 | 130,313 |
| Lease modification | - | - | - | 35,749 | - | - | - | - | - | 35,749 |
| Early termination | - | - | - | (1,210) | - | - | - | - | - | (1,210) |
| Disposals | - | - | - | - | (16,417) | (1) | (3,145) | (2,063) | - | (21,626) |
| Fair value adjustment | - | (39,700) | - | - | - | - | - | - | - | (39,700) |
| Exchange difference | - | - | - | 1,727 | 64 | - | 138 | - | - | 1,929 |
| At 31 December 2025 | 20,466 | 218,400 | 1,095,271 | 1,221,624 | 159,487 | 13,852 | 583,658 | 178,810 | 78,466 | 3,570,034 |
| Representing: | | | | | | | | | | |
| Cost | 20,466 | - | 1,095,271 | 1,221,624 | 159,487 | 13,852 | 583,658 | 178,810 | 78,466 | 3,351,634 |
| Valuation – 2025 | - | 218,400 | - | - | - | - | - | - | - | 218,400 |
| | 20,466 | 218,400 | 1,095,271 | 1,221,624 | 159,487 | 13,852 | 583,658 | 178,810 | 78,466 | 3,570,034 |
| Accumulated depreciation and impairment losses: | | | | | | | | | | |
| At 1 January 2025 | 6,494 | - | 242,487 | 738,598 | 107,410 | 12,878 | 371,775 | 123,601 | 73,733 | 1,676,976 |
| Charge for the year | - | - | 39,124 | 140,390 | 16,693 | 310 | 44,418 | 13,646 | 9 | 254,590 |
| Written back on disposals | - | - | - | - | (16,402) | (1) | (2,736) | (1,275) | - | (20,414) |
| Reclassification | - | - | - | - | - | - | (4,660) | - | 4,660 | - |
| Early termination | - | - | - | (745) | - | - | - | - | - | (745) |
| Impairment loss (Note) | - | - | - | - | 1,351 | 17 | 12,607 | - | - | 13,975 |
| Exchange difference | - | - | - | 1,127 | 66 | 1 | 82 | - | - | 1,276 |
| At 31 December 2025 | 6,494 | - | 281,611 | 879,370 | 109,118 | 13,205 | 421,486 | 135,972 | 78,402 | 1,925,658 |
| Net book value: | | | | | | | | | | |
| At 31 December 2025 | 13,972 | 218,400 | 813,660 | 342,254 | 50,369 | 647 | 162,172 | 42,838 | 64 | 1,644,376 |

Note: In 2024, in view of the difficulties encountered by the Group in its new venture project's operations in the United Kingdom ("UK operations"), the directors intended to scale back the pace of store deployment. As at 31 December 2024, the Group assessed the recoverable amounts of the assets attributable to the UK operations. The recoverable amount of the UK operations was determined based on value-in-use calculation with a pre-tax discount rate of 21.5%. Based on the assessment, impairment losses of HK\$42,101,000 on the respective property, plant and equipment was recognised during the year ended 31 December 2024.

The UK operations continued to record losses during the year ended 31 December 2025. Leveraging the insights from the performance of the UK operations, the research and development team continued to refine and enhance the system design of the Fully Automated Retail Store and System, with a more advanced version currently under development. In light of these technological advancements, certain system design and related machinery developed in early stages are expected to be phased out. Accordingly, as at 31 December 2025, property, plant and equipment amounting to HK\$13,975,000, together with related intangible assets of HK\$19,927,000 (note 13) associated with the phased out technology and machinery, were impaired and recognised under "other operating expenses" in the consolidated income statement for the year.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Reconciliation of carrying amount (continued)

| | Construction in progress | Investment properties | Ownership interests in leasehold land and buildings | Other properties leased for own use | Leasehold improvements | Furniture, fixtures and fittings | Network, computer, office and warehouse equipment | Motor vehicles | Broadcasting and production equipment | Total |
|---|-----------------------------|--------------------------|---|--|---------------------------|--|---|-------------------|--|-----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Cost and valuation: | | | | | | | | | | |
| At 1 January 2024 | 171,922 | 279,250 | 931,842 | 1,041,002 | 175,852 | 12,864 | 487,809 | 161,078 | 78,437 | 3,340,056 |
| Transfer from Construction in progress to other assets | (181,714) | - | 154,527 | - | - | - | 27,187 | - | - | - |
| Additions | 21,456 | - | 7,142 | 69,625 | 3,030 | 419 | 34,355 | 6,095 | 7 | 142,129 |
| Lease modification | - | - | - | 19,075 | - | - | - | - | - | 19,075 |
| Early termination | - | - | - | (711) | - | - | - | - | - | (711) |
| Disposals | - | - | - | - | (11,825) | - | (1,033) | (408) | - | (13,266) |
| Fair value adjustment | - | (21,150) | - | - | - | - | - | - | - | (21,150) |
| Exchange difference | - | - | - | (433) | (140) | (10) | (951) | (20) | - | (1,554) |
| At 31 December 2024 | 11,664 | 258,100 | 1,093,511 | 1,128,558 | 166,917 | 13,273 | 547,367 | 166,745 | 78,444 | 3,464,579 |
| Representing: | | | | | | | | | | |
| Cost | 11,664 | - | 1,093,511 | 1,128,558 | 166,917 | 13,273 | 547,367 | 166,745 | 78,444 | 3,206,479 |
| Valuation – 2024 | - | 258,100 | - | - | - | - | - | - | - | 258,100 |
| | 11,664 | 258,100 | 1,093,511 | 1,128,558 | 166,917 | 13,273 | 547,367 | 166,745 | 78,444 | 3,464,579 |
| Accumulated depreciation and impairment losses: | | | | | | | | | | |
| At 1 January 2024 | - | - | 205,416 | 588,101 | 95,653 | 11,646 | 288,653 | 106,781 | 73,721 | 1,369,971 |
| Charge for the year | - | - | 37,071 | 151,209 | 22,151 | 725 | 50,925 | 16,617 | 12 | 278,710 |
| Written back on disposals | - | - | - | - | (11,825) | - | (579) | (325) | - | (12,729) |
| Early termination | - | - | - | (542) | - | - | - | - | - | (542) |
| Impairment loss (Note) | 6,494 | - | - | - | 1,541 | 512 | 33,017 | 537 | - | 42,101 |
| Exchange difference | - | - | - | (170) | (110) | (5) | (241) | (9) | - | (535) |
| At 31 December 2024 | 6,494 | - | 242,487 | 738,598 | 107,410 | 12,878 | 371,775 | 123,601 | 73,733 | 1,676,976 |
| Net book value: | | | | | | | | | | |
| At 31 December 2024 | 5,170 | 258,100 | 851,024 | 389,960 | 59,507 | 395 | 175,592 | 43,144 | 4,711 | 1,787,603 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Fair value measurement of investment properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

| | Fair value measurements categorised into | | | |
|--|--|---------------------|---------------------|---------------------|
| | Fair value HK\$'000 | Level 1 HK\$'000 | Level 2 HK\$'000 | Level 3 HK\$'000 |
| Recurring fair value measurements | | | | |
| Investment properties: | | | | |
| – 31 December 2025 | 218,400 | – | 218,400 | – |
| – 31 December 2024 | 258,100 | – | 258,100 | – |

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 31 December 2025 and 2024. The valuations were carried out by an independent firm of surveyors, CBRE Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. Management has discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of investment properties located in Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

Fair value adjustment of investment properties is recognised in the line item "valuation losses on investment properties" on the face of the consolidated income statement.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

| | Notes | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--|-------|---------------------------------|---------------------------------|
| Ownership interests in leasehold land and buildings held for own use, carried at depreciated cost, with remaining lease term between 10 and 30 years | (i) | 813,660 | 851,024 |
| Other properties leased for own use, carried at depreciated cost | (ii) | 342,254 | 389,960 |
| | | 1,155,914 | 1,240,984 |
| Ownership interests in leasehold investment properties, carried at fair value, with remaining lease term between 10 and 30 years | | 218,400 | 258,100 |
| | | 1,374,314 | 1,499,084 |

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--|---------------------------------|---------------------------------|
| Depreciation charge of right-of-use assets by class of underlying asset: | | |
| Ownership interests in leasehold land and buildings | 39,124 | 37,071 |
| Other properties leased for own use | 140,390 | 151,209 |
| | 179,514 | 188,280 |
| Interest on lease liabilities (note 4(b)) | 20,079 | 23,108 |
| Variable lease payments not included in the measurement of lease liabilities | 5 | 36 |
| Expense relating to short-term leases | 3,002 | 2,090 |

During the year, additions to right-of-use assets were HK\$56,800,000 (2024: HK\$69,625,000) primarily related to the capitalised lease payments payable under new or renewed tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 23(c) and 24(b), respectively.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

(c) Right-of-use assets (continued)

(i) Ownership interests in leasehold land and buildings held for own use

The Group holds certain buildings as the multimedia production centre and fulfilment centres for its Ecommerce business and as the Group's headquarters. Lump sum payments were made upfront to acquire the right to use of these buildings, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Other properties leased for own use

The Group has obtained the right to use other properties as its fulfilment centres and retail stores through tenancy agreements. The leases typically run for an initial period of 1 year to 10 years.

Some leases include an option to renew the lease for an additional period after the end of the contract term. All potential future lease payments during the extension periods are recognised and included in lease liabilities.

During the years ended 31 December 2025 and 2024, the Group leased a number of retail stores which contain variable lease payment terms that are based on the relevant retail stores' revenue pursuant to the terms and conditions as set out in the respective rental agreements and minimum annual lease payment terms that are fixed. There are variable lease payment of HK\$5,000 during the year ended 31 December 2025 (2024: HK\$36,000).

At 31 December 2025, it is estimated that an increase in turnover generated from these retail stores by 5% would have increased the lease payments by HK\$5,000 (2024: HK\$2,000).

(d) Investment properties

The Group leases out investment properties under operating lease. The lease typically runs for an initial period of 10 years (year ended 31 December 2024: 10 years). None of the lease includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--|---------------------------------|---------------------------------|
| Leases in respect of investment properties which are receivable: | | |
| Within 1 year | 30,463 | 27,999 |
| After 1 year but within 2 years | 33,143 | 30,463 |
| After 2 years but within 3 years | 17,270 | 33,143 |
| After 3 years but within 4 years | – | 17,270 |
| | 80,876 | 108,875 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

(e) Further particulars of the Group's investment properties interest at 31 December 2025 are as follows:

| Location | Use | Lease term | Attributable interest of the Group |
|---|---------------------------|-------------------|------------------------------------|
| 12/F, 14/F and 16/F, Trans Asia Centre, No. 18 Kin Hong Street, Kwai Chung, New Territories | Leasing for rental income | Medium-term lease | 100% |
| Lorry Parking Space No. L13 on 1/F, Mita Centre, Nos. 552–566 Castle Peak Road, Kwai Chung, New Territories | Leasing for rental income | Medium-term lease | 100% |

13 INTANGIBLE ASSETS

| | IRU of the tele-communications capacity HK\$'000 | Right to use of tele-communications services HK\$'000 | Retail technology solutions HK\$'000 | Under development retail technology solutions HK\$'000 | Total HK\$'000 |
|--|---|--|---|---|-------------------|
| Cost: | | | | | |
| At 1 January 2025 | 226,700 | 90,243 | 111,969 | 63,015 | 491,927 |
| Additions | – | – | – | 54,993 | 54,993 |
| Transfer | – | – | 32,041 | (32,041) | – |
| At 31 December 2025 | 226,700 | 90,243 | 144,010 | 85,967 | 546,920 |
| Accumulated amortisation and impairment losses: | | | | | |
| At 1 January 2025 | 196,197 | 90,243 | 39,427 | – | 325,867 |
| Impairment loss | – | – | 29,883 | 657 | 30,540 |
| Charge for the year | 4,116 | – | 28,112 | – | 32,228 |
| At 31 December 2025 | 200,313 | 90,243 | 97,422 | 657 | 388,635 |
| Net book value: | | | | | |
| At 31 December 2025 | 26,387 | – | 46,588 | 85,310 | 158,285 |

Note: In December 2025, the Group ceased the operations of Everuts. Accordingly, the related intangible assets of HK\$10,613,000 were fully impaired and recognised in the consolidated income statement during the year ended 31 December 2025. In addition, intangible assets of HK\$19,927,000 associated with the phased out technology in relation to the Fully Automated Retail Store and System were also impaired during the year (see note 12).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

13 INTANGIBLE ASSETS (continued)

| | IRU of the tele-communications capacity | Right to use of tele-communications services | Retail technology solutions | Under development retail technology solutions | Total |
|--|---|--|-----------------------------|---|----------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Cost: | | | | | |
| At 1 January 2024 | 226,700 | 90,243 | 90,217 | 26,546 | 433,706 |
| Additions | – | – | – | 58,221 | 58,221 |
| Transfer | – | – | 21,752 | (21,752) | – |
| At 31 December 2024 | 226,700 | 90,243 | 111,969 | 63,015 | 491,927 |
| Accumulated amortisation and impairment losses: | | | | | |
| At 1 January 2024 | 192,081 | 90,243 | 16,156 | – | 298,480 |
| Charge for the year | 4,116 | – | 23,271 | – | 27,387 |
| At 31 December 2024 | 196,197 | 90,243 | 39,427 | – | 325,867 |
| Net book value: | | | | | |
| At 31 December 2024 | 30,503 | – | 72,542 | 63,015 | 166,060 |

Intangible assets included the indefeasible right of use in certain capacity of the telecommunications network of the former subsidiary for a term of 20 years and capitalised development costs for systems and platforms for Ecommerce business and New Ventures and Technology business.

The Group holds indefeasible right of use in certain capacity of the telecommunications network for its Ecommerce business. Lump sum payments were made upfront to acquire these intangible assets, and there are no ongoing payments to be made under the terms of the contract.

The amortisation charge for the year is included in “other operating expenses” in the consolidated income statement.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group as at 31 December 2025.

| Name of company | Place of incorporation | Principal activities and place of operations | Particulars of issued share capital | Percentage of interest held |
|--|------------------------|---|-------------------------------------|-----------------------------|
| Ambition Link Limited | British Virgin Islands | Property investment in Hong Kong | Ordinary US\$1 | *100 |
| Easy Trade Ventures Limited | British Virgin Islands | Software design services | Ordinary US\$1 | 100 |
| Forward Excel Limited | British Virgin Islands | Property investment in Hong Kong | Ordinary US\$1 | *100 |
| HKTV eCommerce Fulfilment Company Limited | Hong Kong | Provision of warehouse management and fulfilment services | Ordinary HK\$1 | 100 |
| HKTVexpress Limited | Hong Kong | Ecommerce business in Hong Kong | Ordinary HK\$1 | 100 |
| Hong Kong Media Production Company Limited | Hong Kong | Provision of multimedia production and distribution services in Hong Kong | Ordinary HK\$10,000 | 100 |
| Hong Kong TV Logistics Network Company Limited | Hong Kong | Provision of logistic and delivery services | Ordinary HK\$1 | 100 |
| Hong Kong TV Shopping Network Company Limited | Hong Kong | Ecommerce business in Hong Kong | Ordinary HK\$1 | 100 |
| Key Opinion Friends Limited | British Virgin Islands | Ecommerce business in Hong Kong | Ordinary US\$1 | 100 |
| Offbeat Technology Hong Kong Limited | Hong Kong | Ecommerce business | Ordinary HK\$100 | 100 |
| Scenic Grace Limited | British Virgin Islands | Property investment in Hong Kong | Ordinary US\$1 | *100 |
| Shoalter Automation (UK) Limited | United Kingdom | Provision of automated retail store business in UK | Ordinary £1 | 100 |
| Shoalter Automation Limited | British Virgin Islands | Research and development activities on automated retail store and system | Ordinary US1 | 100 |
| Shoalter Technology Limited | Hong Kong | Provision of retail technology solution | Ordinary HK\$100 | 100 |

* Shares held directly by the Company.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

15 INVENTORIES

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|-------------|---------------------------------|---------------------------------|
| Inventories | 126,889 | 133,711 |

The inventories are mainly merchandise purchased for the Group's online shopping mall operation.

16 OTHER FINANCIAL ASSETS

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|---|---------------------------------|---------------------------------|
| Equity instruments designated at FVOCI (non-recycling) | | |
| – Equity securities | 36,068 | 28,297 |
| – Perpetual bonds | 15,359 | 29,535 |
| | 51,427 | 57,832 |
| Debt securities measured at FVOCI (recycling) | | |
| – Maturity dates within 1 year | 30,290 | 41,320 |
| – Maturity dates over 1 year | 7,973 | 26,882 |
| | 38,263 | 68,202 |
| Units in investment funds measured at FVPL | 52,093 | 44,792 |
| | 141,783 | 170,826 |
| Representing | | |
| – Non-current portion | 111,493 | 129,506 |
| – Current portion | 30,290 | 41,320 |
| | 141,783 | 170,826 |

All of these financial assets were carried at fair value as at 31 December 2025 and 2024.

Note: The equity instruments designated at FVOCI (non-recycling) mainly include the listed equity securities and perpetual bonds of companies engaged in banking and finance industry of HK\$30,762,000 (2024: HK\$24,103,000), property development industry of HK\$4,333,000 (2024: HK\$3,328,000) and other industries of HK\$16,332,000 (2024: HK\$30,401,000), which are individually insignificant. The Group designated these investments as equity instruments at FVOCI (non-recycling), as management intended to hold them for medium to long-term purpose.

During the year, the Group's investments in perpetual bonds with fair value of HK\$15,060,000 (2024: HK\$40,804,000) were redeemed with realised gain of HK\$504,000 (2024: loss of HK\$1,734,000). The gain (2024: loss), which had already been included in fair value reserve (non-recycling), has been transferred to retained profits.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

16 OTHER FINANCIAL ASSETS (continued)

At 31 December 2025, the Group had uncommitted banking facilities of HK\$663,194,000 (31 December 2024: HK\$1,010,615,000), subject to the collateral value (if applicable). As at 31 December 2025, the Group had utilised facilities of HK\$29,035,000 (31 December 2024: HK\$27,569,000). These banking facilities were secured by the Group's other financial assets of HK\$84,193,000 (31 December 2024: HK\$155,329,000) as at 31 December 2025. All of the Group's banking facilities are subject to the fulfilment of covenants as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 24(b). As at 31 December 2025 and 2024, none of the covenants had been breached.

17 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables, deposits and prepayments consist of rental deposits, interest receivables, prepayments and other receivables. All of the balances are expected to be recovered within one year.

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December 2025 and 2024 represented cash at banks/financial institutions and in hand, and time deposits within three months of maturity at acquisition, if any.

At 31 December 2025, the Group's uncommitted banking facilities of HK\$663,194,000 (31 December 2024: HK\$1,010,615,000) (see note 16) were also secured by the Group's bank balances of HK\$135,823,000 (31 December 2024: HK\$233,112,000).

19 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUED CHARGES

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|---|---------------------------------|---------------------------------|
| Accounts payable (note (a)) | 355,904 | 341,442 |
| Contract liabilities (note (b)) | 260,966 | 265,940 |
| Other payables and accrued charges (note (c)) | 237,219 | 184,292 |
| | 498,185 | 450,232 |
| Non-current other payables and accrued charges (note (c)) | 854,089 | 791,674 |
| | 17,102 | 11,901 |
| | 871,191 | 803,575 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

19 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUED CHARGES (continued)

(a) The aging analysis of the accounts payable is as follows:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|-----------------|---------------------------------|---------------------------------|
| Current–30 days | 324,794 | 321,223 |
| 31–60 days | 22,101 | 8,483 |
| 61–90 days | 2,383 | 2,312 |
| Over 90 days | 6,626 | 9,424 |
| | 355,904 | 341,442 |

(b) Contract liabilities

Contract liabilities mainly represent prepayments received from customers upon order placement. Balance of HK\$265,940,000 as at 1 January 2025 (1 January 2024: HK\$259,392,000) was recognised as revenue during the year when the customers have taken possession of and accepted the products.

Contract liabilities of HK\$260,966,000 were recognised as at 31 December 2025 (2024: HK\$265,940,000) as a result of the receipt of payments during the year in advance of satisfaction of performance obligation, and are expected to be recognised as revenue within one year.

(c) Other payables and accrued charges

Other payables and accrued charges primarily consist of accruals for Talent salaries and related costs, payables for purchase of property, plant and equipment, outsourced manpower services expenses and advertising and promotional expenses.

20 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were payable as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------------------------|------------------|------------------|
| Within 1 year | 133,359 | 139,814 |
| After 1 year but within 2 years | 121,383 | 100,598 |
| After 2 years but within 5 years | 111,712 | 151,496 |
| After 5 years | 5,553 | 24,046 |
| | 238,648 | 276,140 |
| | 372,007 | 415,954 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

21 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

Company

| | Note | Share capital HK\$'000 | Retained profits HK\$'000 | Fair value reserve (recycling) HK\$'000 | Fair value reserve (non-recycling) HK\$'000 | Capital reserve HK\$'000 | Other reserve HK\$'000 | Total HK\$'000 |
|--|-------|---------------------------|------------------------------|---|---|-----------------------------|---------------------------|-------------------|
| Balance on 1 January 2024 | | 1,805,004 | 1,569,075 | (11,949) | (8,098) | 42,613 | (135) | 3,396,510 |
| Changes in equity for 2024: | | | | | | | | |
| Loss for the year | | - | (55,131) | - | - | - | - | (55,131) |
| Other comprehensive income | | - | - | 6,059 | 8,164 | - | 300 | 14,523 |
| Total comprehensive income for the year | | - | (55,131) | 6,059 | 8,164 | - | 300 | (40,608) |
| Transfer of loss on disposal of equity instruments designated at FVOCI to retained profits | | - | (1,734) | - | 1,734 | - | - | - |
| Equity settled share-based transactions | 4(c) | - | - | - | - | (2,736) | - | (2,736) |
| Shares repurchased and cancelled | 21(d) | - | (220,416) | - | - | - | - | (220,416) |
| Balance at 31 December 2024 and 1 January 2025 | | 1,805,004 | 1,291,794 | (5,890) | 1,800 | 39,877 | 165 | 3,132,750 |
| Changes in equity for 2025: | | | | | | | | |
| Loss for the year | | - | (49,370) | - | - | - | - | (49,370) |
| Other comprehensive income | | - | - | 5,210 | 9,117 | - | 158 | 14,485 |
| Total comprehensive income for the year | | - | (49,370) | 5,210 | 9,117 | - | 158 | (34,885) |
| Transfer of gain on disposal of equity instruments designated at FVOCI to retained profits | | - | 504 | - | (504) | - | - | - |
| Share options forfeited reclassified to retained profits | | - | 38,190 | - | - | (38,190) | - | - |
| Shares issued under share option scheme | 21(c) | 5,933 | - | - | - | (1,687) | - | 4,246 |
| Dividend approved in respect of the previous year | 6(b) | - | (299,777) | - | - | - | - | (299,777) |
| Balance at 31 December 2025 | | 1,810,937 | 981,341 | (680) | 10,413 | - | 323 | 2,802,334 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

21 CAPITAL AND RESERVES (continued)

(b) Issued share capital

| | 2025 | | 2024 | |
|---|---------------|--------------------|---------------|--------------------|
| | No. of shares | Amount HK\$'000 | No. of shares | Amount HK\$'000 |
| Ordinary shares, issued and fully paid: | | | | |
| At 1 January | 788,545,781 | 1,805,004 | 888,545,781 | 1,805,004 |
| Shares issued under share option scheme (note 21(c)) | 2,928,000 | 5,933 | – | – |
| Shares repurchased and cancelled (note 21(d)) | – | – | (100,000,000) | – |
| At 31 December | 791,473,781 | 1,810,937 | 788,545,781 | 1,805,004 |

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(c) Shares issued under share option scheme

During the year ended 31 December 2025, 2,928,000 ordinary shares were issued at weighted average exercise price of HK\$1.45 per ordinary share to share option holders who had exercised their options with an aggregate consideration of HK\$4,246,000 of which HK\$5,933,000 was credited to share capital and the balance of HK\$1,687,000 was debited to the capital reserve. There were no share options exercised during the year ended 31 December 2024.

(d) Shares repurchased and cancelled

On 30 July 2024, the Company announced the completion of a conditional cash offer of share buy-back and cancellation of 100,000,000 shares bought-back by the Company at HK\$2.15 per share. The aggregate consideration (including related expenses) was HK\$220,416,000 paid wholly out of retained profits. As a result, the total number of issued ordinary shares was reduced from 888,545,781 to 788,545,781 and 100,000,000 shares bought back were cancelled during the year as governed by section 257 of the Hong Kong Companies Ordinance. There were no shares repurchased and cancelled during the year ended 31 December 2025.

(e) Revaluation reserve

The revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings held for use in note 1(h)(ii).

(f) Fair value reserve (recycling)

The fair value reserve (recycling) comprises the cumulative net change in the fair value of debt securities measured at FVOCI under HKFRS 9 held at the end of the reporting period (see note 1(f)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

21 CAPITAL AND RESERVES (continued)

(g) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity instruments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 1(f)).

(h) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 1(x).

(i) Capital reserve

The capital reserve comprises the portion of the grant date fair value of unexercised share options granted to Talents and directors of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(q)(iv).

(j) Other reserve

The other reserve comprises the remeasurement of defined benefit plan obligations and adjustments for acquisition of additional interests in subsidiaries in prior years. The reserve is dealt with in accordance with the accounting policies set out in notes 1(q)(iii) and 1(e)(i).

(k) Capital management

The Group's primary objectives when managing capital are to maintain a reasonable capital structure, safeguard the Group's ability to continue as a going concern, and to provide returns for shareholders.

The Group manages the amount of capital in proportion to risk, and makes adjustments to its capital structure through the amount of dividend payment to shareholders, issuance of scrip and new shares, and managing its debt portfolio in conjunction with cash flow requirements, taking into account its future financial obligations and commitments.

The Group monitors its capital structure by reviewing its net debt-to-net asset gearing ratio. For this purpose, the Group defines net debt as total borrowing less cash and cash equivalents, but excluded pledged bank deposit.

The net debt-to-net asset gearing ratio as at 31 December 2025 and 2024 are as follows:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|---|---------------------------------|---------------------------------|
| Net cash | 346,465 | 541,705 |
| Net assets | 1,436,671 | 1,871,619 |
| Net debt-to-net asset gearing ratio (times) | N/A | N/A |

Neither the Company nor any of its subsidiaries are currently subject to externally imposed capital requirements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

22 DEFERRED TAXATION

(a) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (liabilities)/assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

| Deferred tax arising from: | Depreciation allowances in excess of depreciation HK\$'000 | Tax losses carried forward HK\$'000 | Total HK\$'000 |
|---|---|--|-------------------|
| At 1 January 2024 | (51,272) | 138,568 | 87,296 |
| Credited to consolidated income statement | 804 | 4,176 | 4,980 |
| At 31 December 2024 | (50,468) | 142,744 | 92,276 |
| At 1 January 2025 | (50,468) | 142,744 | 92,276 |
| Credited to consolidated income statement | 139 | 317 | 456 |
| At 31 December 2025 | (50,329) | 143,061 | 92,732 |

(ii) Reconciliation to the consolidated statement of financial position

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|---|------------------------------|------------------------------|
| Net deferred tax liabilities recognised in the consolidated statement of financial position | (2,079) | (2,326) |
| Net deferred tax assets recognised in the consolidated statement of financial position | 94,811 | 94,602 |
| | 92,732 | 92,276 |

(b) Deferred tax assets not recognised

As at 31 December 2025, the Group did not recognise deferred tax assets in respect of unused tax losses of HK\$1,640,096,000 (31 December 2024: HK\$1,508,829,000) as it is not certain that future taxable profits against which the losses could be utilised would be available in the relevant tax jurisdictions and entity. The tax losses do not expire under the current tax legislation.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

23 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of (loss)/profit before taxation to net cash generated from operating activities:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|---|---------------------------------|---------------------------------|
| Loss before taxation | (149,311) | (71,307) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 254,590 | 278,710 |
| Bank interest income | (11,543) | (17,071) |
| Reversal of equity settled share-based payment expenses | – | (2,736) |
| Interest income from other financial assets | (4,345) | (9,490) |
| Dividend and investment income from other financial assets | (3,228) | (4,834) |
| Unrealised fair value (gain)/loss on units in investment funds measured at FVPL | (7,088) | 2,937 |
| Reversal of expected credit losses on debt securities measured at FVOCI | (937) | (39) |
| Loss on disposal of property, plant and equipment | 136 | 520 |
| Impairment loss on intangible assets and property, plant and equipment | 44,515 | 42,101 |
| Valuation losses on investment properties | 39,700 | 21,150 |
| Amortisation of intangible assets | 32,228 | 27,387 |
| Interest expenses on lease liabilities | 20,079 | 23,108 |
| Write-down and write-off of inventories | 13,576 | 22,404 |
| Exchange (gain)/loss, net | (2,905) | 5,146 |
| Unwinding the discounting effect of rental deposits | (880) | (868) |
| Cash generated before working capital changes | 224,587 | 317,118 |
| Changes in working capital: | | |
| Decrease/(increase) in other receivables, deposits and prepayments | 23,676 | (10,491) |
| Increase in inventories | (6,754) | (15,697) |
| Increase/(decrease) in accounts payable, other payables and accrued charges and deposits received | 56,504 | (31,101) |
| Cash generated from operations | 298,013 | 259,829 |
| Tax (paid)/refunded | (89) | 308 |
| Net cash generated from operating activities | 297,924 | 260,137 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

23 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

| | Lease liabilities HK\$'000 (Note 20) |
|---|--|
| At 1 January 2024 | 472,799 |
| Changes from financing cash flows: | |
| Capital element of lease rentals paid | (145,139) |
| Interest element of lease rentals paid | (23,108) |
| Total changes from financing cash flows | (168,247) |
| Other changes: | |
| Increase in lease liabilities from entering into new leases during the year | 69,349 |
| Lease modification | 19,075 |
| Early termination of lease | (174) |
| Interest expenses (note 4(b)) | 23,108 |
| Exchange difference | 44 |
| Total other changes | 111,402 |
| At 31 December 2024 and 1 January 2025 | 415,954 |
| Changes from financing cash flows: | |
| Capital element of lease rentals paid | (135,751) |
| Interest element of lease rentals paid | (20,079) |
| Total changes from financing cash flows | (155,830) |
| Other changes: | |
| Increase in lease liabilities from entering into new leases during the year | 54,136 |
| Lease modification | 35,749 |
| Early termination of lease | (469) |
| Interest expenses (note 4(b)) | 20,079 |
| Exchange difference | 2,388 |
| Total other changes | 111,883 |
| At 31 December 2025 | 372,007 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

23 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|-----------------------------|---------------------------------|---------------------------------|
| Within operating cash flows | 3,002 | 2,090 |
| Within investing cash flows | – | – |
| Within financing cash flows | 155,830 | 168,247 |
| | 158,832 | 170,337 |

These amounts relate to the following:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--------------------|---------------------------------|---------------------------------|
| Lease rentals paid | 158,832 | 170,337 |
| | 158,832 | 170,337 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to other receivables, cash at banks/financial institutions and debt securities measured at FVOCI. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

No significant credit risk was identified for Ecommerce business as receipts in advance are required before the relevant goods are delivered.

Debt securities measured at FVOCI and cash are invested or placed with counterparties and financial institutions with sound credit quality. To mitigate the risk of non-recovery of investments in debt securities and their related concentration risk, the Group maintains a portfolio which comprises mainly investment grade products, constituents of defined world indices and instruments issued by state owned or controlled enterprises. The Group closely monitors the credit quality and financial positions of counterparties and considers appropriate action if the market value of the securities declines by a predetermined threshold. As at 31 December 2025 and 2024, there was no significant concentration risk, as the portfolio of the Group's debt securities measured at FVOCI was diversified and comprised a number of counterparties and no individual counterparty accounted for more than 10% of the portfolio. All deposits were placed with financial institutions with credit rating of investment grade.

At 31 December 2025 and 2024, the Group does not provide any financial guarantees which expose the Group to credit risk. The Group measures loss allowance for debt securities measured at FVOCI at an amount equal to 12-month ECL. Movements in the loss allowance in respect of debt securities measured at FVOCI during the year are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Balance at 1 January | 47,928 | 47,967 |
| Reversal of expected credit losses recognised during the year | (937) | (39) |
| Balance at 31 December | 46,991 | 47,928 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

The Group has a cash management policy, which includes investment of cash surpluses and the raising of loans and other borrowings to cover expected cash demands. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient free cash and readily realisable marketable securities and credit facilities from major financial institutions to meet its liquidity requirements in the short and long term.

The Group determines that there is no significant liquidity risk in view of our adequate funds and unutilised banking facilities.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group can be required to pay.

| | 31 December 2025 | | | | | |
|------------------------------------|----------------------------|--|---|-------------------|--|-----------------|
| | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years | Total Contractual undiscounted cash flow | Carrying amount |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Accounts payable | 355,904 | – | – | – | 355,904 | 355,904 |
| Other payables and accrued charges | 237,219 | – | – | – | 237,219 | 237,219 |
| Deposits received | 5,757 | – | – | – | 5,757 | 5,757 |
| Lease liabilities | 148,158 | 130,267 | 118,784 | 5,760 | 402,969 | 372,007 |
| | 747,038 | 130,267 | 118,784 | 5,760 | 1,001,849 | 970,887 |

| | 31 December 2024 | | | | | |
|------------------------------------|----------------------------|--|---|-------------------|--|-----------------|
| | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years | Total Contractual undiscounted cash flow | Carrying amount |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Accounts payable | 341,442 | – | – | – | 341,442 | 341,442 |
| Other payables and accrued charges | 184,292 | – | – | – | 184,292 | 184,292 |
| Deposits received | 5,757 | – | – | – | 5,757 | 5,757 |
| Lease liabilities | 144,163 | 109,270 | 177,910 | 29,577 | 460,920 | 415,954 |
| | 675,654 | 109,270 | 177,910 | 29,577 | 992,411 | 947,445 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from time deposits, debt securities measured at FVOCI, perpetual bonds designated at FVOCI, units in investment funds measured at FVPL and lease liabilities. Financial instruments with fixed and variable interest rates expose the Group to fair value interest rate risk and cash flow interest rate risk respectively. The Group actively manages debt securities measured at FVOCI, perpetual bonds designated at FVOCI and units in investment funds measured at FVPL by comparing investment yields and quotations from the market, with a view to select terms which are most favourable to the Group.

Interest-bearing financial instruments of the Group were as follows:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--|---------------------------------|---------------------------------|
| Fixed rate and variable rate instruments | | |
| – Other financial assets: | | |
| Debt securities measured at FVOCI | 38,263 | 68,202 |
| Perpetual bonds designated at FVOCI | 15,359 | 29,535 |
| Units in investment funds measured at FVPL | 32,831 | 29,533 |
| Fixed rate borrowing | | |
| – Lease liabilities | (372,007) | (415,954) |
| | (285,554) | (288,684) |

Sensitivity analysis for fixed rate and variable rate instruments

The Group determines that there is no significant interest rate risk as the majority of the Group's interest-bearing instruments are at fixed rate.

The Group accounts for the lease liabilities at amortised cost, therefore a change in interest rates at the end of the reporting period would not affect profit or loss and equity.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Foreign currency risk

The Group is exposed to currency risk, due to the fluctuations among the Hong Kong dollars (“HKD”), the Renminbi (“RMB”), Euro (“EUR”), New Taiwan dollar (“TWD”) and Great British Pound (“GBP”) arising from its investments in other financial assets and cash and cash equivalents. In order to limit this currency risk, the Group closely monitors its exposure to RMB, EUR, TWD and GBP to an acceptable level by buying or selling RMB, EUR, TWD and GBP at spot rates where necessary.

The following table details the Group’s exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HKD, translated using the spot rate at the year end date.

| | Exposure to foreign currencies (expressed in HKD) | | | | | | | | | |
|--|---|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|
| | 31 December 2025 | | | | | 31 December 2024 | | | | |
| | USD HK\$'000 | RMB HK\$'000 | EUR HK\$'000 | TWD HK\$'000 | GBP HK\$'000 | USD HK\$'000 | RMB HK\$'000 | EUR HK\$'000 | TWD HK\$'000 | GBP HK\$'000 |
| Time deposits | - | - | - | - | - | - | - | - | - | - |
| Cash and cash equivalents | 216,208 | 3,336 | 2,752 | 6,627 | 10,518 | 322,779 | 1,570 | 4,871 | 8,566 | 13,831 |
| Other financial assets: | | | | | | | | | | |
| – Debt securities measured at FVOCI | 38,263 | - | - | - | - | 48,260 | - | - | - | - |
| – Units in investment funds measured at FVPL | 47,074 | - | - | - | - | 40,707 | - | - | - | - |
| – Perpetual bonds designated at FVOCI | 15,359 | - | - | - | - | 29,535 | - | - | - | - |
| | 316,904 | 3,336 | 2,752 | 6,627 | 10,518 | 441,281 | 1,570 | 4,871 | 8,566 | 13,831 |

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Foreign currency risk (continued)

Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit/(loss) for the year and consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HKD and the United States dollars ("USD") would be materially unaffected by any changes in movement in value of the USD against other currencies. Other components of consolidated equity would not be affected by the changes in the foreign exchange rates.

| | Increase/ (decrease) in foreign exchange rates | Increase/ (decrease) in profit for the year HK\$'000 |
|-------------------------|---|--|
| 31 December 2025 | | |
| RMB | 10% | 334 |
| | (10)% | (334) |
| EUR | 10% | 275 |
| | (10)% | (275) |
| TWD | 10% | 663 |
| | (10)% | (663) |
| GBP | 10% | 1,052 |
| | (10)% | (1,052) |

| | Increase/ (decrease) in foreign exchange rates | Increase/ (decrease) in profit for the year HK\$'000 |
|-------------------------|---|--|
| 31 December 2024 | | |
| RMB | 10% | 157 |
| | (10)% | (157) |
| EUR | 10% | 488 |
| | (10)% | (488) |
| TWD | 10% | 857 |
| | (10)% | (857) |
| GBP | 10% | 1,383 |
| | (10)% | (1,383) |

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those assets or liabilities denominated in foreign currency held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis as at 31 December 2024.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Equity price risk

The Group is exposed to equity price changes arising from units in investment funds measured at FVPL and equity securities designated at FVOCI.

Units in investment funds measured at FVPL and equity securities designated at FVOCI portfolio have been chosen based on their long term growth potential and returns and are monitored regularly for performance against expectations. The Group accounts for units in investment funds and equity securities with any change in fair value recognised in profit or loss or other comprehensive income, and accumulated in retained profits/accumulated losses or other components of consolidated equity. With other variable held constant, an increase or decrease of 20% (2024: 20%) in market value of the Group's units in investment funds measured at FVPL and equity securities designated at FVOCI at the end of the reporting period would have increased or decreased equity by HK\$11,066,000 (31 December 2024: HK\$8,711,000). Any increase or decrease in the market value of the Group's equity securities designated at FVOCI would not affect the Group's profit/loss for the year.

(f) Fair values

(i) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair values measured using significant unobservable inputs

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(f) Fair values (continued)

(i) Financial assets and liabilities measured at fair value (continued)

| | Level 1 HK\$'000 | Level 2 HK\$'000 | Level 3 HK\$'000 | Total HK\$'000 |
|--|---------------------|---------------------|---------------------|-------------------|
| 31 December 2025 | | | | |
| Assets: | | | | |
| – Debt securities measured at FVOCI | 38,263 | – | – | 38,263 |
| – Units in investment funds measured at FVPL | 19,262 | 32,831 | – | 52,093 |
| – Equity securities designated at FVOCI | 36,068 | – | – | 36,068 |
| – Perpetual bonds designated at FVOCI | 7,796 | 7,563 | – | 15,359 |
| 31 December 2024 | | | | |
| Assets: | | | | |
| – Debt securities measured at FVOCI | 26,882 | 41,320 | – | 68,202 |
| – Units in investment funds measured at FVPL | 15,259 | 29,533 | – | 44,792 |
| – Equity securities designated at FVOCI | 28,297 | – | – | 28,297 |
| – Perpetual bonds designated at FVOCI | 23,008 | 6,527 | – | 29,535 |

During the years ended 31 December 2025 and 31 December 2024, there were transfers of financial assets between Level 1 and Level 2 due to observability of prices in the market resulting from level of market activities, while there were no transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of other financial assets are based on quoted market prices in active markets for similar instruments or quoted prices for identical or similar instruments in markets that are not considered active at the end of the reporting period.

(ii) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair value as at 31 December 2025 and 2024.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

25 COMMITMENTS

Capital commitments

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--|---------------------------------|---------------------------------|
| Purchase of property, plant and equipment | | |
| Contracted but not provided for | 35,020 | 23,284 |
| Construction of Ecommerce and Distribution Centre | | |
| Contracted but not provided for | 33,020 | 8,888 |

In addition, at 31 December 2025 the Group has entered or committed to enter into certain number of leases of 2–3 years that are not yet commenced, the lease payments under which amounted to HK\$12,011,000 (31 December 2024: a leases of 3 years that is not yet commenced, the lease payments under which amounted to HK\$1,105,000 in total).

26 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

Key management personnel remuneration

Remuneration for key management personnel of the Group, representing amounts paid to the Company's directors as disclosed in note 10(a), is as follows:

| | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|-----------------------------------|---------------------------------|---------------------------------|
| Short-term Talent benefits (note) | 64,122 | 64,503 |
| Post-employment benefits | 1,341 | 1,435 |
| | 65,463 | 65,938 |

Note: Short-term Talent benefits include monetary value of benefit in kind for providing accommodations to the directors for the exclusive right to use and occupy properties of the Group at no charge for which the monetary values are disclosed in note 10(a).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

27 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

(i) Valuation of investment properties

Investment properties are land and/or buildings which are owned and held to earn rental income and/or for capital appreciation. Such properties are carried in the statement of financial position at their fair value as determined by independent firm of surveyors ("the valuers"). In determining the fair value of investment properties, the valuers use assumptions and estimates that reflect, amongst other things, comparable market transactions. Judgement is required to determine the principal valuation assumptions to determine the fair value of the investment properties. Changes in fair values of investment properties are recognised in the consolidated income statement.

(ii) Expected credit losses of other financial assets

The measurement of the expected credit loss allowance for debt instruments measured at FVOCI is an area that requires the use of significant assumptions about future economic conditions and credit expectation.

A number of significant judgements are required in applying the accounting requirements for measuring expected credit losses, such as:

- Determining criteria for significant increase in credit risk; and
- Choosing an appropriate model and assumptions for the measurement of expected credit losses; and
- Establishing groups of similar financial assets for the purposes of measuring expected credit losses.

(b) Sources of estimation uncertainty

Notes 11, 12(b) and 24(f) contain information about the assumptions and their risk factors relating to fair value of share options granted, investment properties and financial instruments.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

28 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

| | Note | 31 December 2025 HK\$'000 | 31 December 2024 HK\$'000 |
|--|------|---------------------------------|---------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 3,984 | 2,239 |
| Intangible assets | | 26,384 | 30,500 |
| Interest in subsidiaries | | 2,447,521 | 2,588,875 |
| Other financial assets | | 111,493 | 129,506 |
| | | 2,589,382 | 2,751,120 |
| Current assets | | | |
| Other receivables, deposits and prepayments | | 6,350 | 7,555 |
| Other current financial assets | | 30,290 | 41,320 |
| Amounts due from subsidiaries | | 2,249 | 2,249 |
| Cash and cash equivalents | | 227,497 | 362,567 |
| | | 266,386 | 413,691 |
| Current liabilities | | | |
| Other payables and accrued charges | | 39,482 | 15,602 |
| Amounts due to subsidiaries | | 11,109 | 16,459 |
| Lease liabilities | | 498 | – |
| | | 51,089 | 32,061 |
| Net current assets | | 215,297 | 381,630 |
| Total assets less current liabilities | | 2,804,679 | 3,132,750 |
| Non-current liabilities | | | |
| Other payables and accrued charges | | 1,258 | – |
| Lease liabilities | | 1,087 | – |
| | | 2,345 | – |
| NET ASSETS | | 2,802,334 | 3,132,750 |
| CAPITAL AND RESERVES | | | |
| | 21 | | |
| Share capital | | 1,810,937 | 1,805,004 |
| Reserves | | 991,397 | 1,327,746 |
| TOTAL EQUITY | | 2,802,334 | 3,132,750 |

Approved and authorised for issue by the board of directors on 30 March 2026.

Wong Wai Kay, Ricky
Director

Wong Nga Lai, Alice
Director

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

29 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

| | Effective for accounting periods beginning on or after |
|--|--|
| Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i> | 1 January 2026 |
| Annual improvements to HKFRS Accounting Standards – Volume 11 | 1 January 2026 |
| HKFRS 18, <i>Presentation and disclosure in financial statements</i> | 1 January 2027 |
| HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i> | 1 January 2027 |

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for the following:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1, *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Five-Year Financial Summary

| | Year ended 31 December 2025 HK\$'000 | Year ended 31 December 2024 HK\$'000 | Year ended 31 December 2023 HK\$'000 | Year ended 31 December 2022 HK\$'000 | Year ended 31 December 2021 HK\$'000 |
|---|---|---|---|---|---|
| Results | | | | | |
| Turnover | 3,856,259 | 3,839,509 | 3,811,706 | 3,828,051 | 3,130,164 |
| (Loss)/profit before taxation | (149,311) | (71,307) | 38,764 | 142,360 | 6,100 |
| Taxation | (242) | 4,607 | 6,557 | 69,844 | 8,165 |
| (Loss)/profit after taxation | (149,553) | (66,700) | 45,321 | 212,204 | 14,265 |
| Assets | | | | | |
| Property, plant and equipment | 1,644,376 | 1,787,603 | 1,970,085 | 1,971,551 | 1,751,803 |
| Intangible assets | 158,285 | 166,060 | 135,226 | 103,209 | 71,343 |
| Long term receivables, deposits and prepayments | 59,210 | 66,600 | 63,167 | 147,194 | 65,403 |
| Deferred tax assets | 94,811 | 94,602 | 89,005 | 81,252 | 9,952 |
| Other financial assets | 141,783 | 170,826 | 361,772 | 344,533 | 444,038 |
| Other current assets | 589,748 | 814,049 | 842,526 | 971,773 | 913,754 |
| Total assets | 2,688,213 | 3,099,740 | 3,461,781 | 3,619,512 | 3,256,293 |
| Liabilities | | | | | |
| Current liabilities | 993,713 | 937,754 | 986,797 | 968,758 | 797,009 |
| Non-current liabilities | 257,829 | 290,367 | 329,636 | 441,961 | 398,016 |
| Total liabilities | 1,251,542 | 1,228,121 | 1,316,433 | 1,410,719 | 1,195,025 |
| Net assets | 1,436,671 | 1,871,619 | 2,145,348 | 2,208,793 | 2,061,268 |

Corporate Information

FINANCIAL CALENDAR

Financial year ended:
31 December 2025

Annual results announced:
30 March 2026

Closure of register of members for Annual General Meeting:
28 May 2026 to 2 June 2026

Annual General Meeting:
2 June 2026

LISTING

The ordinary shares of Hong Kong Technology Venture Company Limited (the “Company”) are listed on The Stock Exchange of Hong Kong Limited. In addition, the Company’s American Depositary Shares (ADSs), each representing 20 ordinary shares. On 8 December 2015, the Company filed the Form 25 with the U.S. Securities and Exchange Commission (“SEC”) to effect the delisting of the ADSs. On 29 December 2016, the Company filed the Form 15F with the SEC to deregister and terminate its reporting obligations under the U.S. Securities Exchange Act. Since 21 December 2015, our ADSs are eligible for trading in the United States in the over-the-counter (OTC) market.

Executive Directors

Mr. CHEUNG Chi Kin, Paul^{3,5}
Mr. WONG Wai Kay, Ricky^{3,4}
(Vice Chairman and Group Chief Executive Officer)
Ms. WONG Nga Lai, Alice^{3,5,7,11} *(Group Chief Financial Officer)*
Mr. LAU Chi Kong^{3,11} *(Chief Executive Officer (International Business))*
Ms. ZHOU Huijing^{3,11} *(Chief Executive Officer (Hong Kong))*

Independent Non-executive Directors

Mr. MAK Wing Sum, Alvin^{2,5,7,9,11} *(Chairman)* ^(Note)
Mr. PEH Jefferson Tun Lu^{2,5,6,9,11} ^(Note)
Mr. ANN Yu Chiu Andy^{2,7,9,10}
Mr. LEE Hon Ying, John^{1,7,8,11}
(resignation effective from 1 January 2026)
Mr. YEUNG Chu Kwong^{2,7,9,11}
(appointment effective from 1 January 2026)

- | | |
|----|--|
| 1 | Chairman of Audit Committee |
| 2 | Member of Audit Committee |
| 3 | Member of Executive Committee |
| 4 | Chairman of Investment Committee |
| 5 | Member of Investment Committee |
| 6 | Chairman of Nomination Committee |
| 7 | Member of Nomination Committee |
| 8 | Chairman of Remuneration Committee |
| 9 | Member of Remuneration Committee |
| 10 | Chairman of Environmental, Social and Governance Committee |
| 11 | Member of Environmental, Social and Governance Committee |

Note: Please refer to page 97 of this annual report for details of the changes in the composition of the board committees.

COMPANY SECRETARY

Ms. WONG Nga Lai, Alice

AUTHORISED REPRESENTATIVES

Mr. WONG Wai Kay, Ricky
Ms. WONG Nga Lai, Alice

REGISTERED OFFICE

HKTVMultimedia and Ecommerce Centre
No. 1 Chun Cheong Street
Tseung Kwan O Industrial Estate
New Territories, Hong Kong



Corporate Information

AUDITOR

KPMG

Certified Public Accountants

Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council Ordinance
8th Floor Prince's Building
10 Chater Road
Central, Hong Kong

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

46th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

AMERICAN DEPOSITARY BANK

The Bank of New York Mellon Corporation

101 Barclay Street, 22nd Floor
New York, NY 10286 USA

PRINCIPAL BANKERS

Citibank, N.A.
The Hongkong and Shanghai Banking Corporation Limited

WEBSITE

www.hktv.com.hk

Where the English and the Chinese texts conflict, the English text prevails
中英文版如有歧異，以英文版為準

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HONG KONG TECHNOLOGY
VENTURE COMPANY LIMITED
香港科技探索有限公司

SEHK STOCK CODE 香港交易所股份編號 : 1137

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