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Hong Kong Technology Venture Company Limited
香港科技探索有限公司

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

**(1) ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024;
AND
(2) ESTABLISHMENT OF THE ENVIRONMENTAL, SOCIAL
AND GOVERNANCE COMMITTEE**

GROUP FINANCIAL HIGHLIGHT

- Despite the ongoing challenging economic environment, shifting consumer behavior away from Hong Kong and surging outbound travel of Hong Kong residents, the Group's Hong Kong Ecommerce business continued to demonstrate stable growth performance in 2024 generating an adjusted EBITDA¹ (at cost basis) of HK\$329.2 million. The positive results have offset the start-up losses from New Venture and Technology business with aggregated adjusted EBITDA loss (at cost basis) of HK\$186.5 million, though the Group still recorded a net loss for the year.
 - Group GMV on order intake² reached HK\$8,589.8 million in 2024 (2023: HK\$8,424.0 million), representing a year-on-year growth of 2.0% and outperformed the overall retail market;
 - Adjusted EBITDA at HK\$121.0 million in 2024 (2023: HK\$122.7 million); and
 - Net loss amounted to HK\$66.7 million in 2024 (2023: profit of HK\$45.3 million) as a result of operating losses incurred for New Ventures and Technology business, certain non-cash items including impairment loss on UK operation on Fully Automated Retail Store and System, and valuation losses from investment properties.
- Strong balance sheet with net cash and liquidity position of HK\$712.5 million (31 December 2023: HK\$935.4 million). The decrease was primarily due to the share repurchase and cancellation completed in July 2024 amounting to HK\$220.4 million.

HONG KONG ECOMMERCE BUSINESS HIGHLIGHT

- Hong Kong Ecommerce business represents HKTVMall including Third-Party Logistics ("3PL") service and ThePlace;
- The GMV on order intake remained stable in 2024, reaching HK\$8,270.3 million (2023: HK\$8,292.9 million);
- Adjusted EBITDA as a % of GMV on completed orders³ at 4.0% reaching HK\$329.2 million in 2024 (2023: 3.1% reaching HK\$256.4 million) as a result of (a) increase in total gross profit margin and blended commission rate by 0.9%, and (b) incremental multimedia advertising income;
- Overall gross profit margin and blended commission rate⁴ for 1P and 3P Business was at 23.2% in 2024 (2023: 22.3%); and
- During 2024, we had 1,519,000 unique customers, which represented a growing customer base for long term sustainable growth (2023: 1,507,000 unique customers), together with a slight decrease in Monthly Active App Users to approximately 1,600,000 users in December 2024 (December 2023: 1,680,000 users).

NEW VENTURES AND TECHNOLOGY BUSINESS HIGHLIGHT

1. In 2024, New Venture projects mainly includes Wet Market Express, Everuts, Fully Automated Retail Store and System, and Life Science Projects;
2. During 2024, an aggregated GMV on order intake of HK\$328.3 million (2023: HK\$131.1 million) was achieved by the New Venture projects, primarily driven by Wet Market Express and Everuts;
3. An adjusted EBITDA loss of approximately HK\$186.5 million (2023: HK\$126.2 million) was incurred in 2024. The increase in loss was mainly due to (a) incremental operating costs incurred with the growth of business, particularly for expanding business scale for Wet Market Express and Everuts and (b) Life Science Project, and (c) increase in allocated non-capitalised research and development costs and supporting costs; and
4. Impairment loss of HK\$42.1 million (2023: Nil) was recorded in 2024 for the UK operation on the Fully Automated Retail Store and System due to the intended scale back of the pace of the UK store deployment in 2025. A thorough reassessment of the UK project's feasibility and chart its future course will be conducted by the end of 2025.

DIVIDEND

To celebrate the 10th anniversary of HKTVmall and in recognition of the long-term support from our shareholders, the Board has resolved to recommend a special dividend of HK38 cents per share.

- ¹ Adjusted EBITDA means profit for the year plus income tax (credit)/expense, depreciation of property, plant and equipment (excluded depreciation on other properties leased for own use), amortisation of intangible assets and deduct investment returns, adjusted by major non-cash items, excluded non-recurring items including government subsidies and impairment loss on property, plant and equipment. Adjusted EBITDA is not a measure of performance under Hong Kong Financial Reporting Standards ("HKFRSs"). This measure does not represent, and should not be used as a substitute for, net profit or cash flows from operations as determined in accordance with HKFRSs. This measure is not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definition of this measure may not be comparable to other similarly titled measures used by other companies.
- ² 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.
- ³ GMV on completed orders represents the total gross sales dollar value for merchandise sold through a particular marketplace and the customer has obtained control of the promised goods and services ordered over a certain time frame, after deduction of any discounts offered by the marketplace, cancellation and returns of merchandise, and is before the deduction of certain HKTVmall dollars and promotional coupon which is considered as advertising and marketing expenses under management reporting purpose.
- ⁴ Gross profit margin and blended commission rate is calculated before deduction of HKTVmall dollars and use of promotional coupon (if any), which is considered as advertising and marketing expenses under management reporting purpose, and include merchant annual fee amortisation and other service income.

(1) ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHAIRMEN’S STATEMENT

Dear Shareholders,

A decade ago, in February 2015, the Group successfully transformed from a fiber optic network telecommunications services provider and a multimedia production business to online shopping business, and has become the industry leader in just ten years. This achievement is entirely attributable to our united, professional, dedicated and highly capable team. Their diligence and resilience have enabled the Group to swiftly adapt to market changes and challenges, achieving great results continuously. This spirit embodies the century-old “Lion Rock Spirit” of Hong Kong — regardless of external circumstances or industry shifts, we remain committed to innovation, daring to take risks, and contributing to Hong Kong society.

Since the Group’s inception, we have adhered to a core principle across all our business endeavors: the importance of “long-term survival” far outweighs short-term profits. Investors and different stakeholders often ask us, “What is your nightmare?” We will share our concerns about the future below, and outline the Group’s strategies to address them.

PROSPECTS AND CHALLENGES FOR HKTVMALL

Our “nightmare” mainly stems from three challenges:

OUR TECHNOLOGICAL LEVEL LAGS BEHIND GLOBAL TRENDS

The “our” here refers not only to HKTV Group but to Hong Kong as a whole. We are facing a shortage of technical talents and it is hard to attract sufficient top talents, particularly in fields aligned with global technology trends like artificial intelligence, big data analytics, etc. This not only hampers the Group’s capability to innovate and remain competitive but also leaves Hong Kong vulnerable in the global tech race.

CONSTRAINTS IN MARKET STRUCTURE AND INTENSIFIED COMPETITION

Hong Kong’s relatively small population base, coupled with exorbitant rental costs for physical stores, has led to the exit of many international brands from the local market. Even in the fast-moving consumer goods sector, Hong Kong distributors and retailers face difficulties in the price competition against large-scale Mainland enterprises.

DECLINING INFLUENTIAL POWER FROM LOCAL CULTURE

Hong Kong's entertainment industry — including films, TV dramas and music — is gradually losing ground, while cultural industries in the Mainland and neighboring regions flourish. Influenced by these “soft power,” Hong Kong consumers' consumption habits are shifting. For instance, while Hong Kong consumers were once cautious about Mainland food products, this perception has notably changed, with cross-border consumption becoming a new trend.

The above challenges are not merely personal concerns of ours; they represent long-term challenges for the Group and the whole Hong Kong economic environment.

OUR STRATEGIES FOR SURVIVAL AND GROWTH

To address the above challenges, the Group has devised the following strategies to ensure long-term competitiveness and sustainable development:

1. Recruiting Mainland Talents to Strengthen Technology and Market Insights

We plan to hire more professional talents from the Mainland — not merely for cost considerations (in fact, some talents command higher salaries than local hires) — but to bring in talents with diverse perspectives and technical expertise. Our goal is to have 15% of our office talent pool consists of Mainland Talents by the end of 2027. This initiative will enable us to gain a deeper understanding of consumer culture and better prepare for future competition.

2. Enhancing HKTVmall's Competitive Edge and Expanding Market Reach

We have invited hundreds of Mainland merchants to join HKTVmall and will ensure their pricing aligns with Mainland Ecommerce platforms. HKTVmall's role is twofold: to assist local retail partners in entering the digital retail market while providing Hong Kong consumers with a wider range of product choices, preventing them from turning to Mainland platforms due to limited options. Additionally, we will launch a simplified Chinese version of HKTVmall to attract simplified Chinese users and Mainland tourists, further expanding our market influence.

NEW BUSINESS VENTURES AND INNOVATION

Over the past two years, the Group has invested significant resources in New Ventures and Technology business. Below are the progress updates and plans for several key projects:

1. “Wet Market Express”: A Localized Competitive Advantage

The “Wet Market Express” service offers express delivery of fresh food ingredients and products as fast as three hours — a unique advantage that is difficult for non-local operators to replicate. This service recorded strong growth in 2024, with both coverage rates and business performance exceeding expectations. We will continue to strengthen promotion to solidify its market position.

2. Fully Automated Retail Store and System in the UK: Technical Challenges and Review

The development of Fully Automated Retail Store and System in the UK has encountered substantial technical obstacles, leading to delays that extend beyond our initial timeline. Despite the dedicated efforts of our engineering team in addressing these challenges, the path forward in the UK remains highly complex due to intricate regulatory and technical barriers. Drawing from the past three years of experience, overcoming these hurdles will demand significant effort and resources.

As a result, we intend to scale back the pace of store deployment in the UK. By the end of 2025, we will conduct a thorough reassessment of the UK project’s feasibility and chart its future course.

In parallel, we will maintain our research and development efforts, leveraging insights from the performance of the two UK stores to refine the system design and streamline operational workflows. Additionally, we are exploring the potential of establishing a store in Hong Kong to support engineering and operational research. Meanwhile, we will ongoingly evaluate the practicality of alternative commercialisation pathways to ensure the project’s long-term success.

3. Global Personal Shopping Service “Everuts”: Steady Adjustments and Focus

While the transaction volume of Everuts has yet to meet our expectations, the business is steadily improving. Since most of its IT systems have already been developed, we will recalibrate the operations to lower costs and re-allocate those resources to HKTVmall. Although achieving breakeven in the short term remains challenging, as more international brands have withdrawn from Hong Kong market, we believe there is still demand for global personal shopping services, and hence we will continue to developing this business in a stringent manner.

4. Research Progress for Life Science Projects

As our Life Science projects involve confidentiality constraints, we are unable to provide detailed disclosures. The Group is collaborating with two internationally renowned universities, forming two research teams comprising over 20 research members including university professors, professional medical teams and doctors. Following extensive data collection from numerous experiments, research and preliminary analysis, all parties are convinced that this is a groundbreaking direction in “blood regeneration” and “human organ preservation” with profound potential. That said, shareholders and stakeholders should understand that such cutting-edge research typically requires ten years or more to yield significant results. We will continue to invest resources and make progress steadily in this field.

COMMITMENT TO INNOVATION AS A CORE VALUE

We recognise that not all shareholders, investors, or even colleagues fully agree with our development strategy on “New Venture projects”. However, if we are only satisfied with HKTVmall’s current annual adjusted EBITDA of HK\$300 million or so, the Group will be difficult to achieve “long-term survival”. We firmly believe that pioneering new businesses is the only path to the Group’s survival and growth. “Always Something New” is not just a slogan — it is the spirit and core value that the Group has actualised for over 30 years since its founding.

CONCLUDING REMARKS

Looking ahead, the Group will continue to be driven by innovation, responding flexibly to market challenges and aiming for long-term development while creating greater value alongside our shareholders and all stakeholders. This year marks the 10th anniversary of HKTVmall. To celebrate its significant achievement in transforming the retail landscape in Hong Kong and in recognition of the long-term support from our shareholders, the Board has resolved to recommend a special dividend of HK38 cents per share, after considering the liquidity level and our no gearing balance sheet. We sincerely thank all shareholders for the unwavering support and trust, and we look forward to working hand in hand with you to build a brighter future.

Cheung Chi Kin, Paul
Chairman

Wong Wai Kay, Ricky
Vice Chairman

Hong Kong, 27 March 2025

BUSINESS REVIEW⁵

2024 has been a challenging year for the Hong Kong retail sector. In addition to the ongoing difficult economic environment and shifting consumer behavior away from Hong Kong, the continued surge in outbound travel has also heavily impacted the retail sector. According to government statistics on Daily Passenger Traffic, the total outbound passenger traffic for Hong Kong residents saw a significant year-on-year increase of 45.0% in 2024⁶.

As a result of these major factors, the total retail sales value (excluding the retail sales value of fuels, motor vehicles and parts, and optical shops) experienced a year-on-year decrease of 6.7% in 2024. Notably, the Department Store segment dropped significantly by 13.9%, while the Supermarket segment decreased by 1.5%⁷.

Despite the difficult economic environment, HKTV Group remains steadfast in upholding its core values: “Continuously striving for the best in life”, “Always something new” and “Making everything possible”. These guiding principles continue to drive our Hong Kong Ecommerce business and New Venture and Technology business forward, fostering long-term sustainable development.

In 2024, our Hong Kong Ecommerce business — together with Wet Market Express and Everuts — once again outperformed the overall Hong Kong retail sector. The Group managed to achieve a total Gross Merchandise Value (“GMV”) on Order Intake of HK\$8,589.8 million in 2024, representing a year-on-year growth of 2.0% compared to HK\$8,424.0 million in 2023.

Since then, fresh produce from wet markets, along with groceries from HKTVmall, have become the key traffic drivers, aiming to stabilize and grow our GMV performance. This notable achievement further underscores the success of our business diversification strategy in addressing diverse consumer needs.

⁵ In the 2023 annual results, the management has updated the composition of the Hong Kong Ecommerce business segment and the New Ventures and Technology business segment to better reflect the segment performance according to the service nature, allocation of resources, and performance assessment of the lines of business. The changes are as follows:

- a. The addition of 3PL service to the Hong Kong Ecommerce business segment as an expansion of fulfilment options to fulfill HKTVmall’s customer orders.
- b. The addition of ThePlace to the Hong Kong Ecommerce business segment as an extension of the partnership options for retailers joining HKTVmall.
- c. The reallocation of Wet Market Express to the New Ventures and Technology business segment due to its distinct business model, which requires separate resource allocation and performance evaluation.

As a result of these updates, certain comparative figures have been updated to reflect the above changes accordingly.

⁶ Source: Extracted from <https://data.gov.hk/en-data/dataset/hk-imm-d-set5-statistics-daily-passenger-traffic>

⁷ Source: Extracted from https://www.censtatd.gov.hk/en/web_table.html?id=620-67002#

Hong Kong Ecommerce Business

Hong Kong Ecommerce business represents HKTVmall including 3PL service and ThePlace.

As mentioned, the Hong Kong retail sector has long faced numerous challenges, including economic fluctuations and demographic shifts. In response, management has consistently exercised caution in navigating these evolving market conditions. Despite these hurdles, significant efforts have been made to maintain stable performance in GMV on Order Intake, while simultaneously focusing on proactive measures to enhance cost efficiency and effectiveness.

Stabilised Performance with Moderated Growth on Customer Base

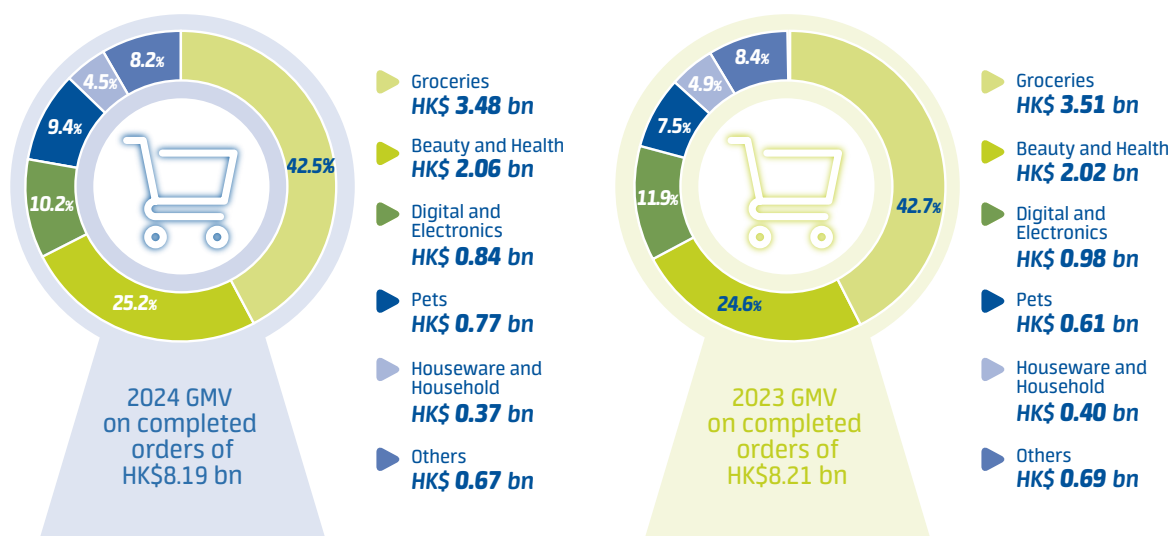
During the year under review, management has successfully maintained the business performance of Hong Kong Ecommerce business:

1. Hong Kong Ecommerce business has managed to maintain its GMV on Order Intake at HK\$8,270.3 million (2023: HK\$8,292.9 million);
2. Number of unique customers who made purchases at our Hong Kong Ecommerce platform has increased to 1,519,000 (2023: 1,507,000);
3. Stabilised quarterly average purchase frequency per customer at 4.6x in the fourth quarter of 2024 (“**4Q2024**”) (for the fourth quarter of 2023 (“**4Q2023**”): 4.6x); and
4. Stabilised quarterly average main categories purchased per customer at 2.9 main categories in 4Q2024 (4Q2023: 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\$8,192.6 million in 2024 compared to HK\$8,210.3 million in 2023. The performance of major product categories is illustrated in the graph below, highlighting a remarkable 26.2% year-on-year growth in the Pets product category reaching HK\$770.0 million GMV on completed orders. This significant growth can be primarily attributed to the successful implementation of a competitive commission scheme introduced in 2021, which has driven exceptional growth since 2023.

Product categories distribution (based on GMV on completed orders)



Gross Margin Improvement with Stable 1P and 3P mix

While it is always challenging to grow retail business under economic downturn, management has dedicated its effort in expanding profit margin. Hong Kong Ecommerce business continued to adopt hybrid business model composed of Direct Merchandise Sales (“**1P Business**”) and Merchant Concessionaire Sales (“**3P Business**”) to ensure consistent and stable supplies of groceries for recurring traffic, while the enlarging merchant base and product choices enrich consumer choices and leverage the advantages of the long tail effect.

In 2024, the proportion between 1P Business and 3P Business remained stable at 28.7% and 71.3% of total GMV on completed orders respectively, compared to 29.7% and 70.3% in 2023.

During the year, management has successfully enhanced the gross contribution from Hong Kong Ecommerce business through 1P Business, 3P Business and multimedia advertising income, as summarized below:

GROSS PROFIT MARGIN AND BLENDED COMMISSION RATE

In thousands of Hong Kong dollars unless specified except for ratios

	For the year ended 31 December 2024 HK\$'000	For the year ended 31 December 2023 HK\$'000
On completed orders and on adjusted basis³		
Direct merchandise sales		
GMV on completed orders ^{3,8}	2,350,793	2,441,413
Cost of inventories	(1,752,796)	(1,865,094)
Gross profit	597,997	576,319
Gross profit margin	25.4%	23.6%
Income from concessionaire sales and other service income		
GMV on completed orders ³	5,841,817	5,768,861
Merchant payments (net off by other service income)	(4,538,890)	(4,511,856)
Income from concessionaire sales and other service income ⁹	1,302,927	1,257,005
Blended commission rate	22.3%	21.8%
Total GMV on completed orders³	8,192,610	8,210,274
Total gross profit and income from concessionaire sales and other service income^{8,9}	1,900,924	1,833,324
Total gross profit margin and blended commission rate	23.2%	22.3%
Multimedia advertising income and licensing of programme rights		
Multimedia advertising income	156,493	150,527
Other programme license	–	10
	156,493	150,537
Gross contribution from Ecommerce business segment	2,057,417	1,983,861
Income from New Ventures and Technology business segment ¹⁰	63,180	12,744
Gross contribution from Ecommerce and New Ventures and Technology business segments	2,120,597	1,996,605

⁸ For direct merchandise sales, the GMV on completed orders is before the deduction of HKTVmall dollars of HK\$8,850,000 (2023: HK\$4,364,000) and use of promotional coupon of HK\$36,311,000 (2023: HK\$44,067,000).

⁹ For income from concessionaire sales and other service income, it is before the addition of net HKTVmall dollars of HK\$7,304,000 (2023: deduction of HK\$1,562,000) and included merchant annual fee amortisation and other service income.

¹⁰ For income from New Ventures and Technology business segment, it is before the deduction of net loyalty points from New Ventures and Technology business segment of HK\$305,000 (2023: Nil).

The total gross profit margin and blended commission rate of Hong Kong Ecommerce business increased to 23.2% in 2024 (2023: 22.3%) mainly caused by the following factors:

1. Continued improved 1P Business gross profit margin to 25.4% (2023: 23.6%)

During 2024, the Group made deliberate efforts to improve the gross margin for the 1P Business. This included proactive pricing strategy and cost management, as well as the expansion of suppliers' sources, including overseas direct imports.

2. Growing 3P Business with improving blended commission rate at 22.3% (2023: 21.8%)

3P Business is composed of commissions and other service income earned from concessionaire sales at HKTVmall and ThePlace, and service income from 3PL service. The multiple business models, warehouse fulfilment options and last mile delivery options available to merchants have largely enhanced the merchant base and product choices, as well as delivery lead time. The improved blended commission rate was primarily due to the increase in the adoption of our 3PL service and increased merchant annual fee for HKTVmall and ThePlace in 2024.

Together with 1P Business, as of December 2024, the Hong Kong Ecommerce business offers approximately 2,200,000 product items to consumers, a significant increase from approximately 1,600,000 product items available in December 2023. These products were offered by approximately 7,000 merchants and suppliers in December 2024 (December 2023: over 6,400) to support the growth of the Hong Kong Ecommerce business.

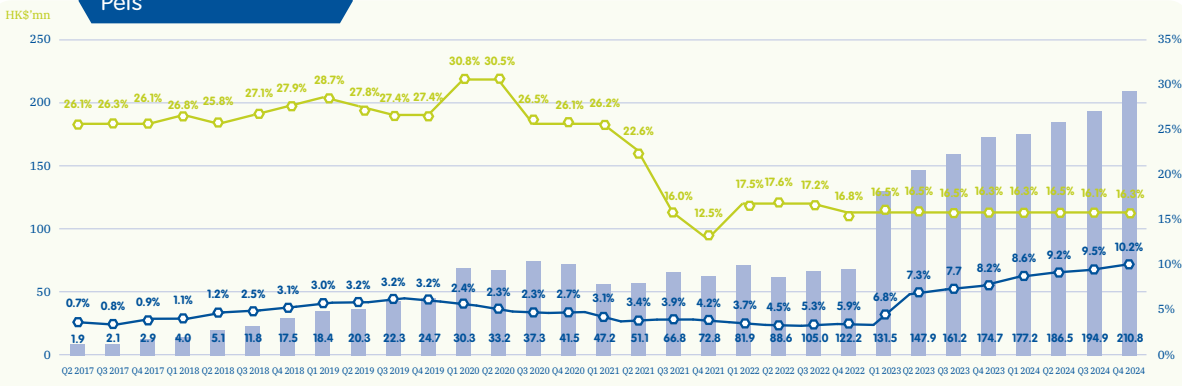
3. Sustained multimedia advertising income of HK\$156.5 million (2023: HK\$150.5 million)

Despite the challenging operating environment in Hong Kong, we achieved a 4.0% increase in multimedia advertising income in 2024. This growth underscores the effectiveness of our strong digital user base, comprising approximately 1.6 million monthly active HKTVmall app users. It also reflects the growing adoption of digital channels by our suppliers, merchants, and business partners. Furthermore, the continued expansion of diverse ad formats and interactive promotional tools, including HKTVLive — a groundbreaking live shopping experience on the HKTVmall app — has contributed to this progress.

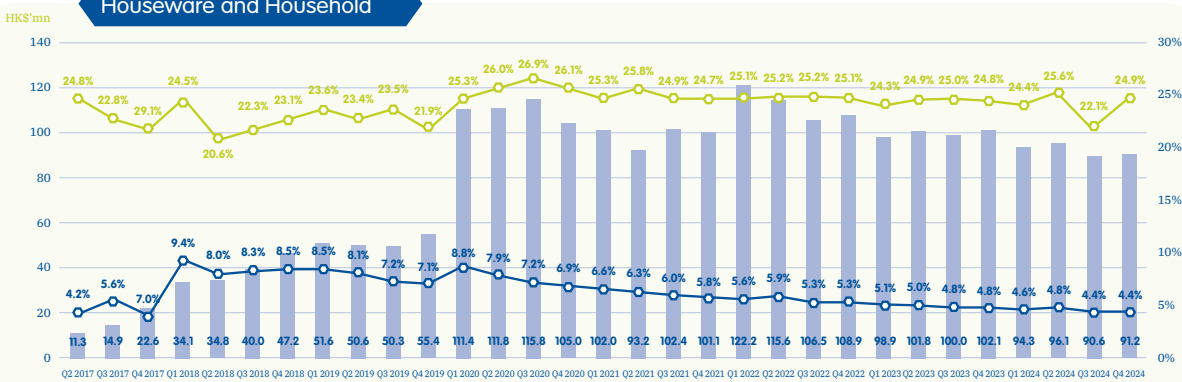
On product category basis, the gross profit margin and blended commission rate trend is summarised as below:



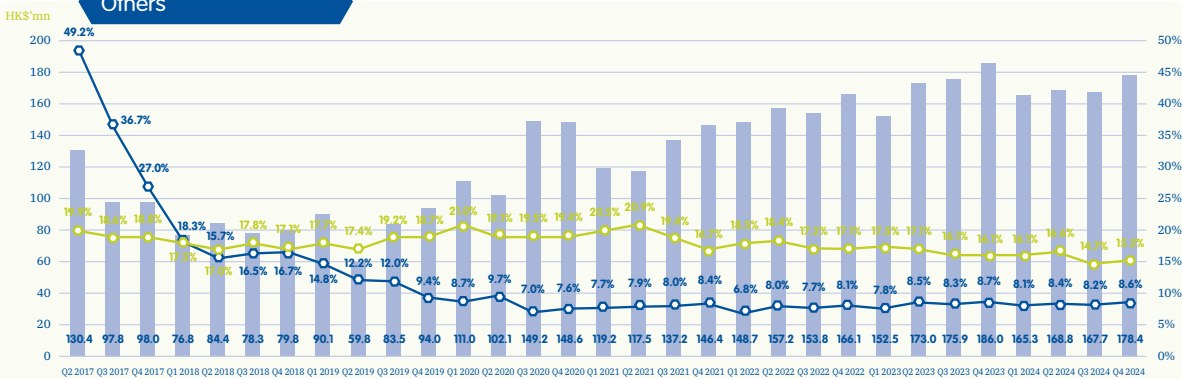
Pets



Houseware and Household



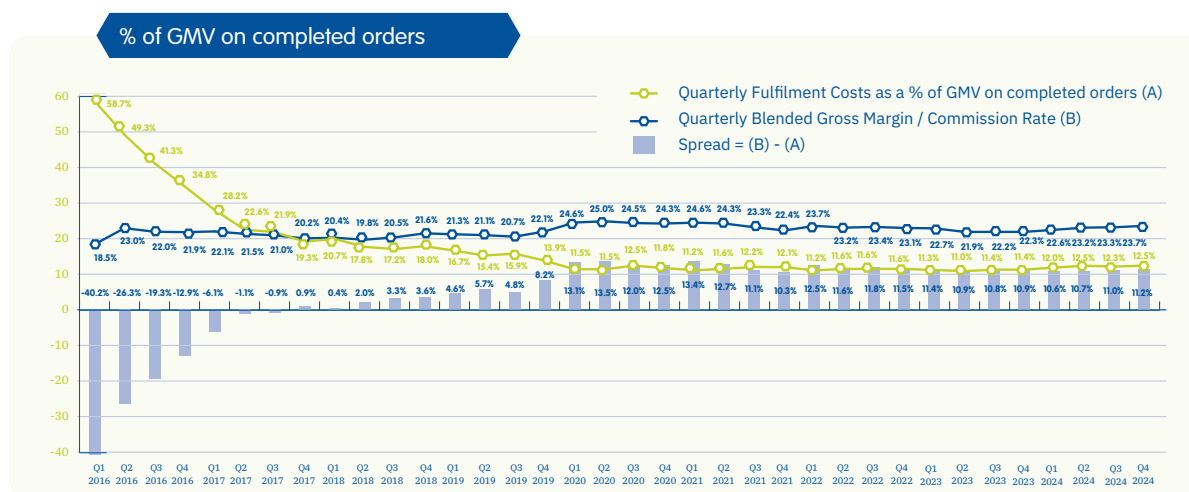
Others



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

Planned and Disciplined Fulfilment Cost Efficiency

The fulfilment costs as a % of GMV on completed orders for HKTVmall (after the inclusion of 3PL service operating costs) remained quite stable.



Remark:

- Quarterly Fulfilment Costs as a % of GMV on completed orders included the interest on lease liabilities of 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 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 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.

The fulfilment costs as a % of GMV on completed orders for Hong Kong Ecommerce business (including HKTVmall and 3PL service operating costs) has increased in 2024 because of two strategic initiatives launched during the year. Both initiatives aim to encourage customers to shop at HKTVmall whenever their purchase needs arise, with a hassle-free experience to drive increase in recurring visits, purchases, and customer loyalty in the long run.

1. Effective from 1 January 2024, the free delivery and shop pick up threshold for VIP, Gold VIP and Diamond VIP members in the new membership program has been lowered, aiming to enhance customer experience and to drive recurring visits and purchases at HKTVmall by offering more convenience for loyal customers.
2. 8-hour Express Delivery to enhance customer experience and capture opportunities arising from the demand for quick commerce.

Engaging Customer and Expanding Customer Wallet Sharing

Throughout our journey, we have been actively developing various new features, initiatives, and digital channels to enhance customer engagement beyond shopping and to expand customer spending across different platforms. In the Hong Kong Ecommerce business, several new developments over the past year or two have made significant progress, successfully driving an increase in user traffic and customer satisfaction.

8-hour Express Delivery

In December 2024, more than 259,000 product items became eligible for 8-hour order-to-delivery, including our own inventory, product items managed by our 3PL service, and products from same-day in-hub merchants. This achievement was well ahead of our target set at the beginning of 2024 to cover 120,000 product items by the end of 2024.

With this expanding product scope:

1. Product items eligible for 8-hour Express Delivery contributed to over 50.0% of total GMV on Order Intake in 2024.
2. GMV on Order Intake for product items under 3P Business eligible for 8-hour Express Delivery increased by approximately 105.0% compared to 2023.
3. The purchase frequency of customers who enjoyed the 8-hour Express Delivery service was 33.0% higher than that of customers using the standard delivery service.

“Unlimited Add-on” Feature

The “Unlimited Add-on” feature allows customers to make unlimited additional purchases on all product items tagged with “\$0 Delivery” at any time before the main order delivery cut-off, without incurring extra delivery fees. This initiative encourages customers to continue post-order shopping, effectively expanding the basket size per order.

Since the launch of this enhanced feature, it has shown promising results in customer adoption. During 2024, more than 278,000 unique customers utilised the Add-on feature.

HKTVLive

The revamped HKTVLive has introduced a new live shopping experience for HKTVmall app users. This increasingly popular interactive selling channel connects hosts and the audience, through brief product introductions and immediate post-use product reviews to encourage prompt purchases. One showcase demonstrating the effectiveness of this new selling channel is a hairy crabs and fresh food promotion live show conducted by Wet Market Express, which successfully drew over 50,000 views and generated over HK\$400,000 in GMV on Order Intake.

Furthermore, the enhanced user interface provides added convenience for customers, allowing them to watch recurring live shows while viewing important information such as highlighted products and limited promotional offers, all at a glance. Going forward, HKTVLive will become one of the key engaging and selling channels on the HKTVmall app, extending our footprint to tap into the “multimedia content-driven” consumer group.

New Product Range for New Hongkongers

In response to the changing population mix over the past few years, we have established a dedicated page on HKTVmall to offer popular products from Mainland with the same price as other major Mainland online operators. We aim to expand to 100,000 product items in 2025.

Customer Engagement through Content Enrichment

During 2024, we have launched or strengthened certain existing modules at HKTVmall app by enriching content in various perspectives to enhance user stickiness and customer loyalty.

HKTV LOOK: versatile video content provided by over 40 Key Opinion Leaders. Since its launch during the year, more than 3,500 trending videos on popular topics, such as cooking and recipes, travel, technology, home and lifestyle, pets, parenting, etc., were posted for user engagement, product insertion, tailor-made product introduction for boosting sales and new product launch, etc.. Since its launch in June 2024, there were more than 56,000 unique visitors in February 2025.

ShareHub: a virtual community embedded within the HKTVmall app, provides a platform for merchants, consumers, influencers, and content creators to participate and exchange experiences and opinions. The popularity of ShareHub is evident from the 431.0% year-on-year increase in the number of content pieces created by community users. This enriching content has drawn approximately 951,000 unique visitors and a total of 15.1 million visits. These advancements have gradually transformed ShareHub into a new content marketing tool at HKTVmall.

Given the content is generated by community users, particularly customers, the awareness and word-of-mouth among customers are much more powerful than traditional advertisements. This approach is more effective in enhancing the credibility of small-to-medium-sized merchants and boosting new product sales. In the longer term, ShareHub will become a solid foundation for generating additional traffic at HKTVmall.

New Venture and Technology Business

Since 2022, we officially launched various new venture projects at HKTV Group and they are under different phases of development — some with encouraging progress and some facing critical challenges. The Group is still absorbing the unavoidable start-up losses from these projects. Below are the highlights of certain key venture projects:

Wet Market Express: A Unique and Untapped Market Segment with Exceptional Growth

Complementary to ambient, chilled and frozen products offered at HKTVmall, Wet Market Express connect freshness to consumers' doorstep.

Wet Market Express is a platform that connects wet market vendors and customers, offering online ordering, delivery, and payment services. Currently, we connect 10 popular wet markets at 10 districts covering Hong Kong Island, Kowloon and New Territories. This extensive network coverage enables Wet Market Express to provide unparalleled convenience, reliability, and delivery of fresh produce in as quick as a 3-hour window.

Continued rapid growth was recorded in Wet Market Express in its second full year of operation. Compared to 2023, Wet Market Express achieved approximately 109.0% increment on the number of unique customers reaching 136,000 customers (2023: 65,000 customers) and generated a remarkable growth of 166.3% in GMV on Order Intake, reaching HK\$268.2 million in 2024 (2023: HK\$100.7 million). Though the business still suffering adjusted EBITDA loss of HK\$77.3 million (2023: HK\$50.0 million), the significant improvement on adjusted EBITDA loss margin was mainly due to improved blended gross margin and commission rate and fulfilment cost efficiency gain.

During the year under review, Wet Market Express has expanded its offerings beyond geographical limitations. With the introduction of a pre-order mechanism, the selected best quality fresh produce from various wet markets can now be delivered across Hong Kong. We shall continue to drive customer adoption of Wet Market Express services aggressively aiming to capture the online sharing of wet market business.

Everuts: Pioneering a Reversed Ecommerce Model

Everuts is leading the way in revolutionizing the shopping experience with our innovative reversed Ecommerce model. Our platform enables customers to post their shopping requests, allowing sellers to respond with personalized offers. This proactive and interactive approach significantly enhances customer engagement and satisfaction.

Everuts is dedicated to shifting consumer shopping behavior from passive to proactive, though this transformation requires considerable time and effort to create a more engaging shopping experience. Currently, Everuts boasts over 2,500 Exploruts across more than 25 countries and regions. These Exploruts appreciate the opportunity to showcase their products and services and interact directly with customers through Group Chat on the Everuts App, as well as HKTVLive — the live online shopping experience available on both the Everuts and HKTVmall apps. These interactions foster a strong sense of community between Exploruts and customers.

In its second year of operation, Everuts has demonstrated significant progress in 2024, achieving HK\$59.5 million in GMV on order intake (2023: HK\$30.4 million), representing a year-on-year growth of 95.7% and falling within the 2024 business target range of HK\$55.0 million to HK\$64.0 million. The business continued to record an adjusted EBITDA loss of HK\$33.4 million in 2024 (2023: HK\$21.1 million), the narrowed adjusted EBITDA loss margin was mainly coming from expanding blended gross margin and commission rate and improved operational efficiency.

However, the slow economic recovery and increasing outbound travel have posed challenges to this unique business model, resulting in a slowdown in business performance. We shall continue to develop this business with greater rigor to manage risks and operating costs to drive growth in this reversed Ecommerce landscape.

Self-Invented Fully Automated Retail Store and System: In:Five

The In:Five store is a new app-powered click-and-collect convenience store in the UK that enables consumers to order products at different temperatures, including ambient and chilled, via the app. Customers can then collect their orders from the in-store locker at their selected timeslot, as quickly as within minutes. The entire order-picking process is completed by robotics in the store.

The first In:Five store, which adopts our self-invented Fully Automated Retail Store and System, is located in Manchester, United Kingdom. This store provides a real-life environment for the project team to continue refining the overall system design and reviewing store operations. We are in the process of preparing the soft launch of the second store which is planned to be in 2Q2025. Nevertheless, we encountered complex regulatory and substantial technical challenges during the past 3-year journey, which has demanded significant effort and resources. In this regard, we intend to scale back the pace of the UK store deployment and will conduct a thorough reassessment of the UK project's feasibility and chart its future course by end of 2025.

In parallel, we will maintain our research and development efforts to refine the system design and streamline operational workflows.

Life Science Projects

Life Science projects, including, without limitation, research and development on various technologies for human organ preservation and blood regeneration, are still in their early stages. During the year, we have expanded the research teams, which now comprises more than 20 professional team members, and have been conducting numerous experiments and research on these technologies. We are also in the process of setting up our own laboratory overseas, which is expected to be operational by end of 2025. However, the prospects and timing of development and commercialisation of such projects are subject to uncertainties and may take a long period of time before achieving meaningful progress.

FINANCIAL REVIEW

During the year under review, the Group recorded a 2.1% growth on GMV on completed orders, reaching HK\$8,512.0 million (2023: HK\$8,330.1 million). The Group's turnover increased by 0.7% to HK\$3,839.5 million in 2024 (2023: HK\$3,811.7 million) which is composed of:

1. HK\$2,309.0 million from direct merchandise sales (2023: HK\$2,393.0 million);
2. HK\$1,374.1 million from concessionaire sales and other service income (2023: HK\$1,268.2 million); and
3. HK\$156.5 million from multimedia advertising income and licensing of programme rights (2023: HK\$150.5 million).

With the 3.5% decrease in direct merchandise sales, the cost of inventories decreased by 5.8% to HK\$1,757.1 million (2023: HK\$1,865.1 million), which drove an increase in gross profit margin (before the deduction of HKTVmall dollars and use of promotional coupon) to 25.4% (2023: 23.6%). This reflected the combined effort on proactive pricing strategy, enhancing cost management and expanding suppliers' sources including overseas direct imports.

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 22.3% in 2024 (2023: 21.8%) as a result of increase in 3PL service income and merchant annual fee.

In 2024, other operating expenses increased by HK\$192.5 million to HK\$2,171.8 million (2023: HK\$1,979.3 million).

For running the Hong Kong Ecommerce business (representing HKTVmall including ThePlace and 3PL service), 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, maintained at 21.7% in both 2024 and 2023.

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

	2024		2023 (restated)	
	As a % of GMV on completed orders	HK\$ million	As a % of GMV on completed orders	HK\$ million
Fulfilment costs (<i>note 1</i>)	12.3%	1,007.9	11.4%	933.1
Marketing, promotional and O2O shop marketing expenses	2.2%	182.6	2.7%	222.5
O2O shop operating expenses (<i>note 2</i>)	1.9%	157.1	2.4%	196.7
Ecommerce operation and supporting costs	5.3%	433.5	5.2%	424.7
Hong Kong Ecommerce business segment key operating expenses	21.7%	1,781.1	21.7%	1,777.0
New Ventures and Technology business segment key operating expenses (<i>note 3</i>)		248.6		136.5
Other unallocated operating expenses		44.7		34.4
Total key operating expenses		2,074.4		1,947.9
Major non-cash items (<i>note 4</i>)		204.2		137.1
Less: Elimination of allocated common expenses (<i>note 5</i>)		(45.5)		(37.9)
Less: Marketing, promotional and O2O shop marketing expenses deducted in turnover		(38.2)		(50.0)
Less: Interest on lease liabilities included in finance costs		(23.1)		(17.8)
Total other operating expenses		2,171.8		1,979.3

Notes:

1. Including depreciation — other properties leased for own use of HK\$82.3 million (2023: HK\$85.2 million) and interest on lease liabilities of HK\$19.2 million (2023: HK\$14.3 million).
2. Including depreciation — other properties leased for own use of HK\$59.9 million (2023: HK\$74.1 million) and interest on lease liabilities of HK\$2.8 million (2023: HK\$2.5 million).
3. Including depreciation — other properties leased for own use of HK\$9.0 million (2023: HK\$6.3 million) and interest on lease liabilities of HK\$1.1 million (2023: HK\$0.9 million).
4. Excluding depreciation — other properties leased for own use of HK\$151.2 million (2023: HK\$165.6 million).
5. 2023 figures restated to consistently reflect the elimination of allocated common expenses.

On Hong Kong Ecommerce business segment key operating expenses:

- (1) **Fulfilment costs** incurred for warehousing 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 12.3% of GMV on completed orders in 2024 (2023: 11.4%) mainly caused by (a) increase in outsource manpower and leased car expenses in response to the launch of new membership tiering with lower delivery threshold and demand for 8-hour Express Delivery, and (b) increased 3PL operating costs to support full period 3PL operation in 2024 while it was under trial run from May 2023.
- (2) **Marketing, promotional and O2O shop marketing expenses** include promotional coupons and HKTVmall Mall Dollar grant, digital marketing, promotional leaflet, O2O shop marketing costs, etc., and all related functions' Talent costs.

Including the HKTVmall Mall Dollars granted and promotional coupons used amounting to HK\$38.2 million (2023: HK\$50.0 million) which was deducted in the turnover, the total expenses as a percentage to GMV on completed orders was 2.2% (2023: 2.7%).

These expenses were decreased in 2024 as there was a large-scale marketing campaign — “Mom certified” with advertisements dominated the trackside panels of 58 MTR stations together with the strategic distribution of discounted cash vouchers totaling not less than HK\$3,000 to HKTVmall users launched in November 2023 but nil in 2024.

- (3) **O2O shop operating expenses** include shop operating expenses and relevant Talent costs incurred, which decreased from 2.4% of GMV on completed orders in 2023 to 1.9% in 2024. The decrease in operating expenses was mainly due to store consolidation and closure with number of O2O shops decreased from 87 in December 2023 (including 5 mega stores) to 74 in December 2024 (including 2 mega stores), and relocation of O2O shops for reduced rental.
- (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 5.2% in 2023 to 5.3% in 2024 of GMV on completed orders.
- (5) **New Ventures and Technology business segment key operating expenses** increased by HK\$112.1 million, mainly due to (a) incremental operating expenses and allocated non-capitalised technical costs incurred for Everuts and Wet Market Express due to enlarging business scale; (b) increased expenses incurred for Life Science Projects as a result of expanding research team and increased number of experiments conducted during the year.
- (6) **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.
- (7) **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 property, plant and equipment and equity-settled share-based payment. The increase was mainly due to HK\$42.1 million impairment loss on certain fixed assets of Fully Automated Retail Store and System recognised in 2024 due to the intended scale back of the pace of the UK store deployment in 2025, HK\$12.2 million increase in amortisation of intangible assets due to projects launched and HK\$8.0 million increase in depreciation on property, plant and equipment (excluding depreciation on other properties leased for own use).

A valuation loss on the Group's investment properties of HK\$21.2 million (2023: HK\$0.6 million) was recognised in 2024 based on the valuation carried out by an independent firm of surveyors at year end.

Other income, net, of HK\$63.4 million was earned in 2024 (2023: HK\$90.6 million), which mainly composed of investment returns generated from other financial assets and bank deposits of HK\$31.4 million (2023: HK\$42.8 million), rental income from investment properties of HK\$23.8 million (2023: HK\$23.8 million), partially net off by the unrealised fair value loss on units in investment funds measured at FVPL (after net off with reversal of expected credit losses on debt securities measured at FVOCI) of HK\$2.9 million (2023: HK\$0.6 million), and net exchange loss of HK\$7.1 million (2023: gain of HK\$4.4 million). The decrease in other income, net was mainly due to (a) decrease in bank interest income as HK\$220.4 million was used for the settlement of share buy back and cancellation completed in July 2024 and overall lower interest rate environment; (b) matured or redeemed bonds replaced by time deposits.

Finance costs are mainly composed of interest on lease liabilities of HK\$23.1 million (2023: HK\$17.8 million).

An income tax credit of HK\$4.6 million was recognised in 2024 (2023: HK\$6.6 million) included a deferred taxation credit of HK\$5.0 million (2023: HK\$7.4 million).

Overall, the Group generated a loss for the year of HK\$66.7 million for 2024 (2023: profit of HK\$45.3 million) and an adjusted EBITDA profit of HK\$121.0 million (2023: HK\$122.7 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 is HK\$329.2 million in 2024 (2023: HK\$256.4 million).

On New Ventures and Technology business segment, it incurred an adjusted EBITDA loss of HK\$186.5 million in 2024 (2023: HK\$126.2 million) mainly for the below New Ventures Projects:

1. Wet Market Express of HK\$77.3 million (2023: HK\$50.0 million)
2. Fully Automated Retail Store and System of HK\$54.3 million (2023: HK\$44.5 million)
3. Everuts of HK\$33.4 million (2023: HK\$21.1 million)
4. Life Science Project of HK\$15.5 million (2023: HK\$2.5 million)

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2024, the Group had total cash position representing cash at bank and cash equivalents and time deposits of HK\$541.7 million (31 December 2023: HK\$573.6 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\$168.2 million, payment made for purchases of property, plant and equipment of HK\$78.0 million, share repurchase payment of HK\$220.4 million, payment for the addition to intangible assets of HK\$58.2 million, partially net off by the cash inflow generated from operating activities of HK\$260.1 million, realisation of investment in financial assets of the investment portfolio of HK\$202.2 million and interest and investment income received of HK\$32.7 million.

On investment in other financial assets, the Group invested, at fair value, HK\$170.8 million as at 31 December 2024 (as at 31 December 2023: HK\$361.8 million). As at 31 December 2024, there was a net deficit of HK\$4.1 million being recorded in fair value reserve (non-recycling and recycling) (31 December 2023: HK\$20.0 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\$11.3 million (2023: HK\$1.1 million), in which deficit of HK\$2.9 million (2023: HK\$0.6 million), surplus of HK\$6.1 million (2023: deficit of HK\$1.1 million) and surplus of HK\$8.1 million (2023: HK\$2.8 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 2024, the Group had utilised facilities of HK\$27.6 million (31 December 2023: HK\$26.4 million), leaving HK\$1,010.6 million (31 December 2023: HK\$1,016.6 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 2024 and 31 December 2023, 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 2024 and 31 December 2023 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 2024, the Group invested HK\$72.5 million on capital expenditure as compared to HK\$258.8 million in 2023. 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.

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 <i>HK\$ million</i>	Amount utilised as at 31 December 2023 <i>HK\$ million</i>	Amount utilised as at 31 December 2024 <i>HK\$ million</i>	Expected timeline of utilisation
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	52.3	58.4	By the end of 2025
(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	415.5	421.6	

Charge on Group Assets

As of 31 December 2024, the Group's banking facilities of HK\$1,038.2 million were secured by the Group's other financial assets of HK\$155.3 million and cash of HK\$233.1 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 2024 and 31 December 2023, the Group had no material contingent liabilities or off-balance-sheet obligations.

PROSPECTS

Navigating Challenges and Economic Prospects

As we look to the future, we are acutely aware of the evolving challenges within the retail sector in Hong Kong and the technical difficulties we are experiencing in the UK. The local landscape is marked by economic fluctuations, heightened competition, shifting consumer preferences, and surging outbound travel of Hong Kong residents, all of which contribute to a complex and volatile operating environment. Amidst these dynamics, the Group will adopt a more cautious and prudent approach on financial management, including strict evaluation of capital investments and rigorous control of operating costs. Management faces significant challenges in projecting the Group's performance for the next few years. We anticipate that 2025 and 2026 will be even more challenging with high uncertainty, requiring tremendous and sustained effort as well as strategic investments.

For our Hong Kong Ecommerce business and Wet Market Express, we will focus on three pillars to maintain our competitiveness:

- Product variety — to serve everything the customers need
- Fresh produce business — emphasize on quality and freshness
- Fast delivery — target to advance to 3-hour express delivery to enhance customer experience and encourage repeat purchases, furthermore, effective from 1 April 2025, we will remove the free pick up threshold for all HKTVmall orders to increase our competitiveness.

Regarding our New Venture and Technology business, it remains the focal point for the Group's long-term sustainability and survival. While we are committed to allocating the necessary resources to drive the progress of our new projects, management will also closely monitor project developments and critically evaluate the viability and direction of different launched New Ventures projects. When necessary, we will adapt strategies and directions to align with prevailing market conditions and project status.

2025 Business Targets

The evolving challenges in the retail landscape and the varying potential and difficulties of different New Venture projects equipped with investment phase losses pose increasing complexity and unpredictability to the entire operating environment, which to a certain extent, increases the uncertainty and difficulty in forecasting and achieving the business targets:

1. The upcoming large-scale launching events and marketing activities from major Mainland ecommerce operators have brought additional pressure to the local online and offline retailers.
2. In the wet market sector, we notice a large-scale operator starting to tap into the untapped online market. To cope with the challenges, the three pillars mentioned above will be critical to continued growth.
3. Weak consumer spending was observed based on January and February 2025 GMV on Order Intake performance, which was aligned with the overall retail market performance.
4. Regarding Everuts, the slow economy and weaker consumption intent in recent months have affected the business volume, though it is gradually improving. As its IT system development nears completion, we will recalibrate operations to lower costs and reallocate technical resources for HKTVmall development.
5. The development of the Fully Automated Retail Store and System in the UK faces significant challenges due to complex regulatory and technical barriers. Based on our past three years of experience, overcoming these obstacles will require substantial effort and resources. Consequently, we plan to slow down the pace of store deployment in the UK and reassess the project's feasibility by the end of 2025. Meanwhile, we will continue our R&D efforts, leveraging insights from the two UK stores to refine the system and streamline operations. We are also exploring the potential of establishing a store in Hong Kong to support research and development efforts, and to evaluate alternative commercialization pathways to ensure long-term success.

As a result of the above, to better reflect the recent changes in market conditions, the Board has revisited the 2025 Business Target for the Hong Kong Ecommerce business and the New Venture projects. The Board has confirmed adjustments to their 2025 Business Target to reflect these changes.

The composition of the business segments is as below:

Hong Kong Ecommerce business represents HKTVmall including 3PL Service and ThePlace.

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

Group	2025 Target	2024 Achievement
GMV on Order Intake	HK\$8.37 billion to HK\$8.60 billion	HK\$8.58 billion
Hong Kong Ecommerce business	2025 Target	2024 Achievement
GMV on Order Intake	HK\$7.8 billion to HK\$8.0 billion	HK\$8.27 billion
Multimedia Advertising Income	HK\$140.0 million to HK\$150.0 million (Commitments of approximately HK\$145.0 million obtained by end of December 2024)	HK\$156.5 million
Gross margin and blended commission rate (before including multimedia advertising income)	Approximately 23.5% to 24.5%	23.2%
Key operating expenses as a % of GMV on completed orders:		
a) Fulfilment costs	12.5% to 13.0%	12.3%
b) Marketing, promotional and O2O shop marketing expenses	2.2% to 2.5%	2.2%
c) O2O shop operating expenses	1.5% to 1.6%	1.9%
d) Ecommerce operational and supporting costs	5.3% to 5.5%	5.3%
Adjusted EBITDA Margin	Approximately 3.7% to 3.9%, representing HK\$290.0 million to HK\$310.0 million	4.0%

**New Ventures and
Technology business**

2025 Target

2024 Achievement

GMV on Order Intake

HK\$535.3 million to
HK\$551.5 million

HK\$328.3 million

Adjusted EBITDA Loss

HK\$200.0 million to
HK\$215.0 million

HK\$186.5 million

Breakdown by key projects as below:

Wet Market Express

Annual GMV on Order Intake

HK\$469 million to
HK\$480 million

HK\$268.2 million

Adjusted EBITDA loss

HK\$90 million

HK\$77.3 million

Everuts

Annual GMV on Order Intake

HK\$65.0 million to
HK\$70.0 million

HK\$59.5 million

Adjusted EBITDA loss

HK\$15.0 million to
HK\$20.0 million

HK\$33.4 million

Fully Automated Retail Store and System

Annual GMV on Order Intake

HK\$1.3 million to
HK\$1.5 million

HK\$0.6 million

Adjusted EBITDA loss

HK\$65.0 million to
HK\$70.0 million

HK\$54.3 million

Life Science Projects

Adjusted EBITDA loss

HK\$30.0 million to
HK\$35.0 million

HK\$15.5 million

**Update on Core CAPEX Plan at Tseung Kwan O (“TKO”) Headquarters and for
New Venture Projects**

TKO Headquarters Core CAPEX Plan

In light of the ongoing economic downturn, which shows no signs of recent recovery, shifting consumer preferences away from Hong Kong, and the continued increase in outbound travel by Hong Kong residents, the overall retail sector in Hong Kong has been significantly affected. These factors have inevitably impacted on the Group’s foreseeable retail business growth as well.

After a thorough assessment of the current and anticipated market conditions, as well as the Group's existing fulfilment capabilities and capacity, the Board has updated the core expansion plan for our TKO Headquarters as follows:

1. To extend the core CAPEX plan of HK\$250 million–300 million by at least two additional years, covering the period from 2025 to 2028.
2. To review the construction plan, taking into account projections for future business development needs.

New Venture Project Core CAPEX Plan

For New Venture Projects, the CAPEX plan for 2025 are as below:

1. Fully Automated Retail Store and System: HK\$10.0 million for research and development activities.
2. Life Science Projects: HK\$30.0 million to HK\$40.0 million for setting up our overseas laboratory including required equipment.

It is estimated that there will be minimal CAPEX to be incurred for Wet Market Express and Everuts for 2025.

RESULTS

The board of directors (“**Director(s)**”) of the Company (“**Board**”) hereby announces the audited consolidated results of the Group for the year ended 31 December 2024.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

(Expressed in Hong Kong dollars)

		Year ended 31 December 2024	Year ended 31 December 2023
	<i>Note</i>	HK\$'000	HK\$'000
Turnover	3	3,839,509	3,811,706
Direct merchandise sales	3	2,308,953	2,392,982
Cost of inventories		(1,757,074)	(1,865,094)
		551,879	527,888
Income from concessionaire sales and other service income	3	1,374,063	1,268,187
Multimedia advertising income and licensing of programme rights	3	156,493	150,537
Valuation losses on investment properties		(21,150)	(600)
Other operating expenses	5(a)	(2,171,826)	(1,979,343)
Other income, net	4	63,387	90,560
Finance costs	5(b)	(24,153)	(18,465)
(Loss)/profit before taxation		(71,307)	38,764
Income tax credit	7	4,607	6,557
(Loss)/profit for the year		(66,700)	45,321
(Loss)/earnings per share	9		
Basic and diluted		HK\$(0.08)	HK\$0.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Expressed in Hong Kong dollars)

		Year ended 31 December 2024	Year ended 31 December 2023
	<i>Note</i>	HK\$'000	HK\$'000
(Loss)/profit for the year		(66,700)	45,321
Other comprehensive income for the year	6		
<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)		8,164	2,837
Remeasurement of defined benefit plan obligations		744	(917)
		8,908	1,920
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of financial statements of overseas subsidiaries		1,156	(1,135)
Debt securities measured at fair value through other comprehensive income — net movement in fair value reserve (recycling)		6,059	(1,065)
		7,215	(2,200)
Other comprehensive income for the year		16,123	(280)
Total comprehensive income for the year		(50,577)	45,041

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in Hong Kong dollars)

		31 December 2024	31 December 2023
	<i>Note</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		1,787,603	1,970,085
Intangible assets		166,060	135,226
Long-term receivables, deposits and prepayments		66,600	63,167
Other financial assets	10	129,506	201,060
Deferred tax assets		94,602	89,005
		2,244,371	2,458,543
Current assets			
Other receivables, deposits and prepayments		138,633	128,515
Inventories and other contract costs		133,711	140,418
Other current financial assets	10	41,320	160,712
Time deposits		–	243,028
Cash and cash equivalents		541,705	330,565
		855,369	1,003,238
Current liabilities			
Accounts payable	11	341,442	382,760
Other payables and accrued charges	11	450,232	446,926
Deposits received		5,757	5,757
Tax payable		509	3
Lease liabilities		139,814	151,351
		937,754	986,797
Net current (liabilities)/assets		(82,385)	16,441
Total assets less current liabilities		2,161,986	2,474,984

		31 December 2024	31 December 2023
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		2,326	1,709
Other payables and accrued charges	<i>11</i>	11,901	6,479
Lease liabilities		276,140	321,448
		<u>290,367</u>	<u>329,636</u>
NET ASSETS		<u>1,871,619</u>	<u>2,145,348</u>
CAPITAL AND RESERVES			
	<i>12</i>		
Share capital		1,805,004	1,805,004
Reserves		66,615	340,344
TOTAL EQUITY		<u>1,871,619</u>	<u>2,145,348</u>

Notes:

1 BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2024 and 31 December 2023 included in this preliminary announcement does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The annual results set out in the announcement are extracted from the Group's consolidated financial statements for the year which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, 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. The Group's consolidated 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 "**Listing Rules**").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties and investments in other financial assets are stated at their fair value.

The preparation of financial statements in conformity with HKFRSs 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.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

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

3 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 3(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 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by nature		
— Direct merchandise sales	2,308,953	2,392,982
— Income from concessionaire sales and other service income	1,374,063	1,268,187
— Multimedia advertising income and licensing of programme rights	156,493	150,537
	<u>3,839,509</u>	<u>3,811,706</u>
Disaggregated by timing of revenue recognition		
— Point in time	3,591,507	3,584,571
— Over time	248,002	227,135
	<u>3,839,509</u>	<u>3,811,706</u>

(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.

(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")/(EBITDA loss) means profit/(loss) for the year plus income tax expense/(credit), depreciation on property, plant and equipment (excluded depreciation on other properties leased for own use) and amortisation of intangible assets and deduct investment returns.

Adjusted EBITDA/(adjusted EBITDA loss) means EBITDA/(EBITDA loss) adjusted by major non-cash items, and excluded non-recurring items including the government subsidies and impairment loss on property, plant and equipment.

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.

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 2024 and 2023 is set out below.

For the year ended 31 December	Hong Kong Ecommerce business		New Ventures and Technology business		Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Disaggregated by timing of revenue recognition						
Point in time	3,524,354	3,571,827	67,153	12,744	3,591,507	3,584,571
Over time	<u>248,002</u>	<u>227,135</u>	<u>–</u>	<u>–</u>	<u>248,002</u>	<u>227,135</u>
Revenue from external customers	3,772,356	3,798,962	67,153	12,744	3,839,509	3,811,706
Inter-segment revenue	<u>–</u>	<u>–</u>	<u>134,234</u>	124,952	<u>134,234</u>	124,952
Reportable segment revenue	<u>3,772,356</u>	<u>3,798,962</u>	<u>201,387</u>	<u>137,696</u>	<u>3,973,743</u>	<u>3,936,658</u>
Reportable segment profit/(loss) (EBITDA/(EBITDA loss))	<u>276,489</u>	<u>227,856</u>	<u>(174,724)</u>	<u>(89,408)</u>	<u>101,765</u>	<u>138,448</u>
Reportable segment profit/(loss) (adjusted EBITDA/ (adjusted EBITDA loss))	<u>277,012</u>	<u>223,566</u>	<u>(134,262)</u>	<u>(93,394)</u>	<u>142,750</u>	<u>130,172</u>
Interest income	665	513	131	12	796	525
Inter-segment finance costs	(7,133)	(7,211)	–	–	(7,133)	(7,211)
Depreciation and amortisation for the year (excluded depreciation on other properties leased for own use)	(108,958)	(105,340)	(31,954)	(15,540)	(140,912)	(120,880)
Impairment loss on property, plant and equipment	–	–	(42,101)	–	(42,101)	–
As at 31 December						
Reportable segment assets	2,421,048	2,273,640	361,454	298,062	2,782,502	2,571,702
<i>Additions to non-current segment assets during the year</i>	132,386	268,002	85,778	81,684	218,164	349,686
Reportable segment liabilities	<u>1,241,330</u>	<u>1,314,582</u>	<u>450,974</u>	<u>219,983</u>	<u>1,692,304</u>	<u>1,534,565</u>

(ii) *Reconciliations of reportable segment revenue, profit or loss*

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Revenue		
Reportable segment revenue	3,973,743	3,936,658
Elimination of inter-segment revenue	(134,234)	(124,952)
Revenue (<i>note 3(a)</i>)	<u>3,839,509</u>	<u>3,811,706</u>
	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
(Loss)/profit		
Reportable segment profit (EBITDA)	101,765	138,448
Income tax credit	4,901	7,352
Interest income	796	525
Depreciation — on property, plant and equipment (excluded depreciation on other properties leased for own use)	(117,641)	(109,862)
Amortisation of intangible assets	(23,271)	(11,018)
Unallocated head office and corporate net (expense)/income	(33,250)	19,876
(Loss)/profit for the year	<u>(66,700)</u>	<u>45,321</u>

(iii) *Reconciliation of reportable segment assets*

	31 December 2024 HK\$'000	31 December 2023 HK\$'000
Reportable segment assets	2,782,502	2,571,702
Elimination of inter-segment receivables	(490,985)	(251,885)
Unallocated head office and corporate assets (included inter-segment loan and investments in financial assets)	<u>808,223</u>	<u>1,141,964</u>
Consolidated total assets	<u>3,099,740</u>	<u>3,461,781</u>

(iv) *Reconciliation of reportable segment liabilities*

	31 December 2024 HK\$'000	31 December 2023 HK\$'000
Reportable segment liabilities (included inter-segment loan)	1,692,304	1,534,565
Elimination of inter-segment payables	(490,985)	(251,885)
Unallocated head office and corporate liabilities	26,802	33,753
	<u>1,228,121</u>	<u>1,316,433</u>
Consolidated total liabilities	<u>1,228,121</u>	<u>1,316,433</u>

(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.

4 OTHER INCOME, NET

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Bank interest income	17,071	19,846
Dividend and investment income from other financial assets	4,834	6,280
Interest income from other financial assets	9,490	16,648
Unrealised fair value losses on units in investment funds measured at fair value through profit or loss ("FVPL")	(2,937)	(772)
Reversal of expected credit losses on debt securities measured at fair value through other comprehensive income ("FVOCI")	39	214
Rentals from investment properties	23,774	23,774
Net exchange (loss)/gain	(7,065)	4,364
Government subsidies	813	21
Unwinding the discounting effect of rental deposits	868	3,471
Others	16,500	16,714
	<u>63,387</u>	<u>90,560</u>

5 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
(a) Other operating expenses		
Depreciation		
— owned property, plant and equipment	90,430	87,653
— right-of-use assets	188,280	197,462
Advertising and marketing expenses (excluding HK\$38,162,000 (2023: HK\$49,993,000) being deducted in turnover)	155,494	163,845
Auditor's remuneration	3,618	3,451
Loss on disposal of property, plant and equipment	520	137
Write-down and write-off of inventories	22,404	30,293
Impairment loss on property, plant and equipment	42,101	—
Talent costs (<i>note 5(c)</i>)	936,383	872,017
Amortisation of intangible assets	27,387	15,135
Total outgoings of investment properties	1,678	1,676
Outsourced fulfilment expenses	369,921	294,769
Payment processing charges	94,134	92,562
Owned motor vehicles running expenses	49,460	45,676
Software licenses and registration fee	23,981	23,538
Utilities, consumables and office expenses	61,811	59,606
Others	104,224	91,523
	<u>2,171,826</u>	<u>1,979,343</u>
(b) Finance costs		
Interest on lease liabilities	23,108	17,771
Bank charges	1,045	694
	<u>24,153</u>	<u>18,465</u>
(c) Talent costs		
Wages and salaries	961,778	887,770
Retirement benefit costs — defined contribution plans	35,557	32,991
Equity-settled share-based payment expenses	(2,736)	(1,117)
Less: Talent costs capitalised as intangible assets	(58,216)	(47,627)
Talent costs included in other operating expenses	<u>936,383</u>	<u>872,017</u>

Talent costs include all compensation and benefits paid to and accrued for all individuals employed by the Group, including Directors.

6 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	2024			2023		
	Before-tax	Tax expense	Net-of-tax	Before-tax	Tax expense	Net-of-tax
	amount HK\$'000		amount HK\$'000	amount HK\$'000		amount HK\$'000
Equity instruments designated at FVOCI — net movement in fair value reserve (non-recycling)	8,164	—	8,164	2,837	—	2,837
Remeasurement of defined benefit plan obligations	744	—	744	(917)	—	(917)
Exchange difference on translation of financial statements of overseas subsidiaries	1,156	—	1,156	(1,135)	—	(1,135)
Debt securities measured at FVOCI — net movement in fair value reserve (recycling)	6,059	—	6,059	(1,065)	—	(1,065)
Other comprehensive income	16,123	—	16,123	(280)	—	(280)

(b) Components of other comprehensive income, including reclassification adjustments

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Equity instruments designated at FVOCI — net movement in fair value reserve (non- recycling):		
— Changes in fair value recognised during the year	8,164	2,837
Debt securities measured at FVOCI — net movement in fair value reserve (recycling):		
— Changes in fair value recognised during the year	6,098	(851)
— Reclassified to profit or loss for reversal of expected credit losses	(39)	(214)
	6,059	(1,065)

7 INCOME TAX CREDIT

The provision for Hong Kong Profits Tax for the year ended 31 December 2024 is calculated at 16.5% (2023: 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% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

Taxation for overseas branch of a subsidiary is calculated at 20% (2023: 20%) of the estimated assessable profits for the year. The amount of income tax credit in the consolidated income statement represents:

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Current taxation		
Hong Kong Profits Tax	–	12
Overseas	373	1,041
Deferred taxation		
Origination and reversal of temporary differences	(4,980)	(7,610)
	<u>(4,607)</u>	<u>(6,557)</u>

8 DIVIDEND

Dividends payable to equity shareholders of the Company attributable to profit for the year:

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Special dividend declared after the end of reporting period of HK38 cents per share (31 December 2023: nil)	<u>299,647</u>	<u>–</u>

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.

9 (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company for the year ended 31 December 2024 of HK\$66,700,000 (31 December 2023: profit of HK\$45,321,000) and the weighted average of 846,196,000 ordinary shares (31 December 2023: 917,883,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	Year ended 31 December 2024 '000	Year ended 31 December 2023 '000
Issued ordinary shares at 1 January	888,546	923,090
Effect of share options exercised	–	657
Effect of shares repurchased and cancelled	(42,350)	(5,864)
Weighted average number of ordinary shares at 31 December	<u>846,196</u>	<u>917,883</u>

The diluted loss per share for the year ended 31 December 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.

The calculation of diluted earnings per share for the year ended 31 December 2023 is based on the profit attributable to equity shareholders of the Company for the year of HK\$45,321,000 and the weighted average number of ordinary shares of 935,322,000, after adjusting for the effect of dilutive potential ordinary shares under share option scheme during the year.

Weighted average number of ordinary shares (diluted)

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Weighted average number of ordinary shares at 31 December	846,196	917,883
Effect of deemed issue of shares under the Company's share option scheme	<u>3,752</u>	<u>17,439</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u>849,948</u>	<u>935,322</u>

10 OTHER FINANCIAL ASSETS

	31 December 2024 HK\$'000	31 December 2023 HK\$'000
Equity instruments designated at FVOCI (non-recycling)		
— Equity securities	28,297	22,930
— Perpetual bonds	29,535	64,492
	<u>57,832</u>	<u>87,422</u>
Debt securities measured at FVOCI (recycling)		
— Maturity dates within 1 year	41,320	160,712
— Maturity dates over 1 year	26,882	65,356
	<u>68,202</u>	<u>226,068</u>
Units in investment funds measured at FVPL	<u>44,792</u>	<u>48,282</u>
	<u>170,826</u>	<u>361,772</u>
Representing		
— Non-current portion	129,506	201,060
— Current portion	41,320	160,712
	<u>170,826</u>	<u>361,772</u>

All of these financial assets were carried at fair value as at 31 December 2024 and 2023.

11 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUED CHARGES

	31 December 2024 HK\$'000	31 December 2023 HK\$'000
Accounts payable (<i>note (a)</i>)	341,442	382,760
Contract liabilities	265,940	259,392
Other payables and accrued charges (<i>note (b)</i>)	184,292	187,534
	450,232	446,926
Non-current other payables and accrued charges (<i>note (b)</i>)	791,674	829,686
	11,901	6,479
	803,575	836,165

(a) The aging analysis of the accounts payable is as follows:

	31 December 2024 HK\$'000	31 December 2023 HK\$'000
Current–30 days	321,223	369,977
31–60 days	8,483	2,926
61–90 days	2,312	1,147
Over 90 days	9,424	8,710
	341,442	382,760

(b) 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.

12 CAPITAL AND RESERVES

Note	Attributable to equity shareholders of the Company								
	Share capital	Retained profits	Fair value Revaluation reserve	Fair value reserve (recycling)	Fair value reserve (non-recycling)	Exchange reserve	Capital reserve	Other reserve	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2023	1,800,972	203,377	183,338	(10,884)	(10,751)	589	44,493	(2,341)	2,208,793
Changes in equity for 2023:									
Profit for the year	–	45,321	–	–	–	–	–	–	45,321
Other comprehensive income	6	–	–	(1,065)	2,837	(1,135)	–	(917)	(280)
Total comprehensive income	–	45,321	–	(1,065)	2,837	(1,135)	–	(917)	45,041
Transfer of gain on disposal of equity instruments designated at FVOCI to retained profits	–	184	–	–	(184)	–	–	–	–
Shares issued under share option scheme	4,032	–	–	–	–	–	(763)	–	3,269
Equity settled share-based transactions	–	–	–	–	–	–	(1,117)	–	(1,117)
Shares repurchased and cancelled	–	(110,638)	–	–	–	–	–	–	(110,638)
Balance at 31 December 2023 and 1 January 2024	<u>1,805,004</u>	<u>138,244</u>	<u>183,338</u>	<u>(11,949)</u>	<u>(8,098)</u>	<u>(546)</u>	<u>42,613</u>	<u>(3,258)</u>	<u>2,145,348</u>
Changes in equity for 2024:									
Loss for the year	–	(66,700)	–	–	–	–	–	–	(66,700)
Other comprehensive income	6	–	–	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	–	–	–	–	–	–	(2,736)	–	(2,736)
Shares repurchased and cancelled	–	(220,416)	–	–	–	–	–	–	(220,416)
Balance at 31 December 2024	<u>1,805,004</u>	<u>(150,606)</u>	<u>183,338</u>	<u>(5,890)</u>	<u>1,800</u>	<u>610</u>	<u>39,877</u>	<u>(2,514)</u>	<u>1,871,619</u>

TALENT REMUNERATION

Including the Directors, as at 31 December 2024, the Company had 2,216 permanent full-time Talents versus 2,214 as of 31 December 2023. 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 22 May 2024, the Board announced the offer ("**Offer**") to buy-back for cancellation up to 100,000,000 shares of the Company ("**Shares**"), representing approximately 11.25% of the issued Shares as at the date of such announcement, at the offer price of HK\$2.15 per Share, involving application of whitewash waiver. Details of the Offer were set out in the offer document dated 14 June 2024.

On 9 July 2024, the Offer became unconditional as all the conditions of the Offer were fulfilled. As a result, 100,000,000 Shares were bought back by the Company pursuant to the Offer and cancelled on 30 July 2024. The total consideration (including related expenses) paid by the Company for buying back such 100,000,000 Shares was approximately HK\$220,400,000 which was funded by internal resources of the Group. For more information, please refer to the announcements of the Company dated 22 May 2024, 12 June 2024, 14 June 2024, 26 June 2024, 9 July 2024, 12 July 2024, 23 July 2024 and 30 July 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2024, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Having made specific enquiry with the Directors, all of them have confirmed that they have fully complied with the required standard set out in the Model Code and the Company Code throughout the year ended 31 December 2024.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed and discussed with the management of the Company the audited financial results for the year ended 31 December 2024.

The Audit Committee comprises four Independent Non-executive Directors, namely Mr Lee Hon Ying, John (the Chairman of the Audit Committee), Mr. Peh Jefferson Tun Lu, Mr. Mak Wing Sum, Alvin and Mr. Ann Yu Chiu, Andy.

DIVIDEND POLICY AND SPECIAL DIVIDEND

The Board has adopted a dividend policy with aims to give reasonable returns on investment to investors and shareholders whilst maintaining the Company’s sustainable growth by retaining sufficient capital and reserves.

The Company expects to distribute dividends in the amount of 30%–60% of the adjusted EBITDA per the existing dividend payout guidance. If any significant investment opportunity arises, the Board will review 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:

- (i) The Company’s prevailing and expected results of operations and profitability;
- (ii) The Company’s liquidity position;
- (iii) The Company’s capital investment plans (including investment opportunities and development plans); and
- (iv) Market conditions.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (30 June 2023: nil).

The Board does not recommend the payment of final dividend for the year ended 31 December 2024 (31 December 2023: nil).

To celebrate the 10th anniversary of HKTVmall and in recognition of the long-term support from our shareholders, the Board has resolved to recommend a special dividend of HK38 cents per share (2023: nil). Subject to shareholders' approval at the annual general meeting to be held on Tuesday, 20 May 2025, the special dividend will be paid on or around Friday, 6 June 2025 to shareholders whose names appear on the register of members of the Company on Wednesday, 28 May 2025.

ANNUAL GENERAL MEETING (“AGM”)

The AGM will be held on Tuesday, 20 May 2025. Notice of the AGM and the Company's annual report will be published and dispatched respectively in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

- (1) from Thursday, 15 May 2025 to Tuesday, 20 May 2025, both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining the shareholders' entitlement to attend and vote at the AGM; and
- (2) from Monday, 26 May 2025 to Wednesday, 28 May 2025, both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining the shareholders' entitlement to the special dividend to be approved at the AGM.

All completed transfer documents 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 4:30 p.m. on Wednesday, 14 May 2025 and Friday, 23 May 2025 respectively.

(2) ESTABLISHMENT OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Board is pleased to announce that an environmental, social and governance committee ("**ESG Committee**") is established with effect from 27 March 2025.

The ESG Committee is established to assist the Board in overseeing ESG matters across the Group by:

- (a) formulating the Group's ESG vision, mission and strategies;
- (b) ensuring compliance of the applicable legal requirements relating to ESG; and
- (c) integrating ESG considerations into the Group's operations and long-term value creation.

The ESG Committee comprises four Independent Non-executive Directors, namely Mr. Lee Hon Ying, John, Mr. Peh Jefferson Tun Lu, Mr. Mak Wing Sum, Alvin and Mr. Ann Yu Chiu, Andy, and three Executive Directors, namely Ms. Wong Nga Lai, Alice, Mr. Lau Chi Kong and Ms. Zhou Huijing. Mr. Ann Yu Chiu, Andy was appointed as the chairman of the ESG Committee. The terms of reference for the ESG Committee will be published on the website of The Stock Exchange of Hong Kong Limited and the website of the Company.

By Order of the Board
Hong Kong Technology Venture Company Limited
Cheung Chi Kin, Paul
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Cheung Chi Kin, Paul (*Chairman*)

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

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

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

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

Independent Non-executive Directors:

Mr. Lee Hon Ying, John

Mr. Peh Jefferson Tun Lu

Mr. Mak Wing Sum, Alvin

Mr. Ann Yu Chiu, Andy