**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)**

# ANNUAL RESULTS
# FOR THE YEAR ENDED 31 DECEMBER 2025

**GROUP FINANCIAL HIGHLIGHT**

1. The Hong Kong retail market in 2025 operated within a context of gradual economic recovery, tempered by uneven consumer sentiment and evolving spending behaviour. Against this backdrop, the Group's Hong Kong Ecommerce business delivered a stable result, generating adjusted EBITDA[1] (at cost basis) of HK$309.3 million, which partly offset aggregated adjusted EBITDA of HK$(222.2) million from New Ventures and Technology business. The Group nevertheless recorded a net loss for the year.

    a. Group GMV on order intake[2] slightly decreased of 1.9% to HK$8,426.1 million in 2025 (2024: HK$8,589.8 million);

    b. Adjusted EBITDA at HK$60.4 million in 2025 (2024: HK$121.0 million) and adjusted free cash inflow[3] at HK$43.6 million in 2025 (2024: free cash outflow of HK$33.4 million); and

    c. Net loss of HK$149.6 million in 2025 (2024: HK$66.7 million) as a result of losses incurred for New Ventures and Technology business and increase in certain non-cash and non-recurring items.

2. Solid balance sheet with net cash and liquidity position of HK$488.2 million (31 December 2024: HK$712.5 million), the decrease was mainly due to the distribution of special dividend of HK$299.6 million in June 2025.

**HONG KONG ECOMMERCE BUSINESS HIGHLIGHT**

1. Hong Kong Ecommerce business represents HKTVmall including Third-Party Logistics ("**3PL**") service and ThePlace;

2. GMV on order intake in 2025 of HK$7,975.4 million (2024: HK$8,270.3 million);

3. Stable adjusted EBITDA as a % of GMV on completed orders[4] at 3.9% reaching HK$309.3 million in 2025 (2024: 4.0% reaching HK$329.2 million);

4. Stable traffic with approximately 1.6 million monthly active unique devices visiting HKTVmall; and

5. Record high number of unique customers reaching 1,539,000 was recorded in 2025 (2024: 1,519,000 unique customers).

**NEW VENTURES AND TECHNOLOGY BUSINESS HIGHLIGHT**

1. New Venture projects mainly include Wet Market Express, Everuts, Fully Automated Retail Store and System, and Life Science Projects;

2. During 2025, an aggregated GMV on order intake of HK$459.8 million (2024: HK$328.3 million) was achieved by the New Venture projects, representing 40.1% growth, primarily from Wet Market Express; and

3. An adjusted EBITDA of approximately HK$(222.2) million was incurred in 2025 (2024: HK$(186.5) million). The increase in loss was mainly due to the growing business scale of Wet Market Express in 2025 before reaching its critical mass.

[1] Adjusted EBITDA means profit/(loss) for the year plus interest on bank loans (excluded finance costs — interest on lease liabilities), income tax expense/(credit), depreciation on property, plant and equipment (excluded depreciation on other properties leased for own use) and amortisation of intangible assets and deduct investment returns, adjusted by major non-cash items and excluded non-recurring items including government subsidies, impairment loss on intangible assets and property, plant and equipment and one-off specific donations. Adjusted EBITDA is not a measure of performance under HKFRS Accounting Standards. This measure does not represent, and should not be used as a substitute for, net profit or cash flows from operations as determined in accordance with HKFRS Accounting Standards. This measure is not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definition of this measure may not be comparable to other similarly titled measures used by other companies.

[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] Adjusted free cash flow means adjusted EBITDA plus investment returns, tax refund (paid), changes in working capital and depreciation of properties leased for own use and deduct payment for the purchase of property, plant and equipment, payment for the addition to intangible assets and capital element of lease rentals paid. Adjusted free cash flow is not a measure of performance under HKFRS Accounting Standards. This measure does not represent, and should not be used as a substitute for, net profit or cash flows from operations as determined in accordance with HKFRS Accounting Standards. This measure is not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definition of this measure may not be comparable to other similarly titled measures used by other companies.

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

## CHAIRMEN’S STATEMENT

Dear Shareholders,

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

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

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

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

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

**Innovative Services to Build Unique Advantages**

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

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

2. **Personalised Pricing Program**: Our new Personalised Pricing Program determines the price of each product based on individual customers' consumption patterns, meaning pricing can vary per item and per customer. Leveraging on big data and AI analytics, it precisely matches customer needs to deliver the most attractive "Exclusive Price", thereby enhancing competitiveness.

3. **CASHBACK**: The Group has significantly increased investment in CASHBACK in recent years. Our customers are primarily middle-class individuals who travel frequently abroad. By using CASHBACK to book through major travel platforms (such as Trip.com, Booking.com, Klook, etc.) and shop on merchants' official online stores, they can earn Mall Dollar rebates, with spending power ultimately flowing back to HKTVmall. At the same time, this flexible collaboration model enables HKTVmall to partner with more international and overseas brands, helping to broaden our customer base.

**Talent Strategy**

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

**Life Science Project**

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

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

**Fully Automated Retail Stores and Systems in the UK**

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

**Conclusion**

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

**Mak Wing Sum, Alvin**
*Chairman*

**Wong Wai Kay, Ricky**
*Vice Chairman*

Hong Kong, 30 March 2026

## BUSINESS REVIEW

The local economy continued to show signs of gradual recovery during 2025, although consumer sentiment remained uneven, with discretionary spending recovering at a slower pace than expected. According to government statistics, Hong Kong's total retail sales value recorded a modest year-on-year increase of 2.4% in 2025 compared with 2024[5]. However, certain retail segments continued to face headwinds, with supermarkets and department stores recording year-on-year declines of 0.6% and 0.2%, respectively.

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

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

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

### Hong Kong Ecommerce Business

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

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

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

5 Based on the All Retail Outlet — Value of Retail Sales excluding Fuels, Motor vehicles and parts, and Optical Shops for the year 2025 as extracted from "Table 620-67002: Value and Value Index of Retail Sales by Type of Retail Outlet" of Report on Monthly Survey of Retail Sales published by the Census and Stascs Department, The Government of Hong Kong Special Administrative Region (https://www.censtatd.gov.hk/en/web_table.html?id=620-67002).

*Stabilised Operating Performance*

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

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

2. Monthly active unique device maintained at approximately 1.6 million;

3. Number of unique customers who made purchases at Hong Kong Ecommerce platform had further expanded to 1,539,000 (2024: 1,519,000);

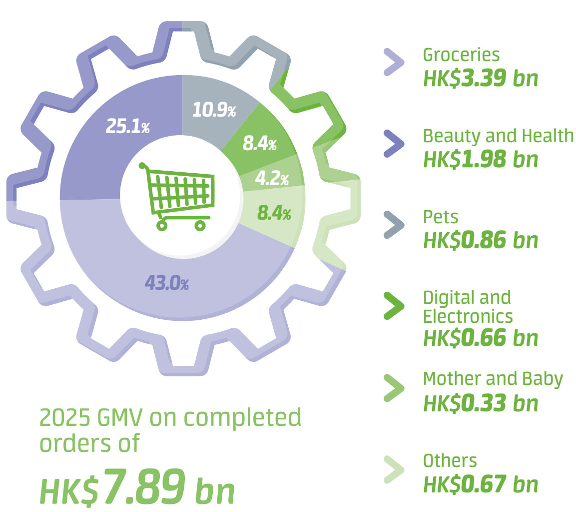
4. Quarterly average purchase frequency per customer remained stable at 4.7x in the fourth quarter of 2025 ("**4Q2025**") (for the fourth quarter of 2024 ("**4Q2024**"): 4.6x); and

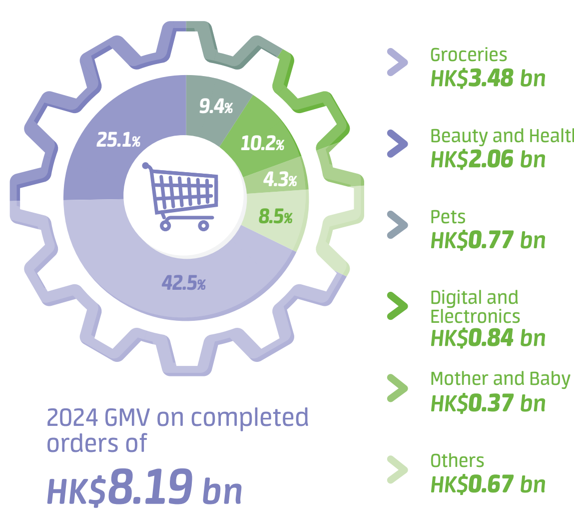
5. Quarterly average main categories purchased per customer remained stable at 2.8 main categories in 4Q2025 (4Q2024: 2.9 main categories).

*Groceries continued as Core Traffic Catalyst contributing to Stable GMV Performance*

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

**Product categories distribution (based on GMV on completed orders)**



1. The Pets product category recorded continued year-on-year growth in GMV on completed orders, increasing by 12.1% to HK$863.0 million (2024: HK$770.0 million).

2. The Mother and Baby product category also outperformed Houseware and Household becoming the top 5th product category attributing to 4.2% (2024: 4.3%) of GMV on completed orders in 2025.

3. In contrast, GMV on completed orders for the Digital and Electronics category decreased by 20.6% to HK$664 million (2024: HK$836 million), reflecting weaker consumer sentiment towards durable goods amid the gradual recovery of the local economy.

***Gross Margin Improvement with Stable 1P and 3P mix***

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

The Group's gross contribution performance is summarized below:

**GROSS PROFIT MARGIN AND BLENDED COMMISSION RATE**
*In thousands of Hong Kong dollars unless specified except for ratios*

| **On completed orders and on adjusted basis**[4] | **For the year ended 31 December 2025** ***HK$'000*** | For the year ended 31 December 2024 *HK$'000* (restated)[9] |
|---|---|---|
| **Direct merchandise sales** | | |
| GMV on completed orders[4,6] | **2,266,113** | 2,350,793 |
| Cost of inventories | **(1,715,167)** | (1,752,796) |
| Gross profit | **550,946** | 597,997 |
| Gross profit margin | **24.3%** | 25.4% |
| **Income from concessionaire sales and service income** | | |
| GMV on completed orders[4] | **5,625,945** | 5,841,817 |
| Merchant payments[7] | **(4,301,487)** | (4,552,005) |
| Income from concessionaire sales and service income[7] | **1,324,458** | 1,289,812 |
| Blended commission rate | **23.5%** | 22.1% |
| Multimedia advertising income | **171,048** | 156,493 |
| Other service income | **29,724** | 13,115 |
| **Gross contribution from Hong Kong Ecommerce business segment** | **2,076,176** | 2,057,417 |
| Income from New Ventures and Technology business segment[8] | **87,846** | 63,180 |
| **Gross contribution from Ecommerce and New Ventures and Technology business segments** | **2,164,022** | 2,120,597 |

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

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

8 For income from New Ventures and Technology business segment, it is before the deduction of net loyalty points from New Ventures and Technology business segment of HK$3,345,000 (2024: HK$305,000).

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

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

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

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

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

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

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

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

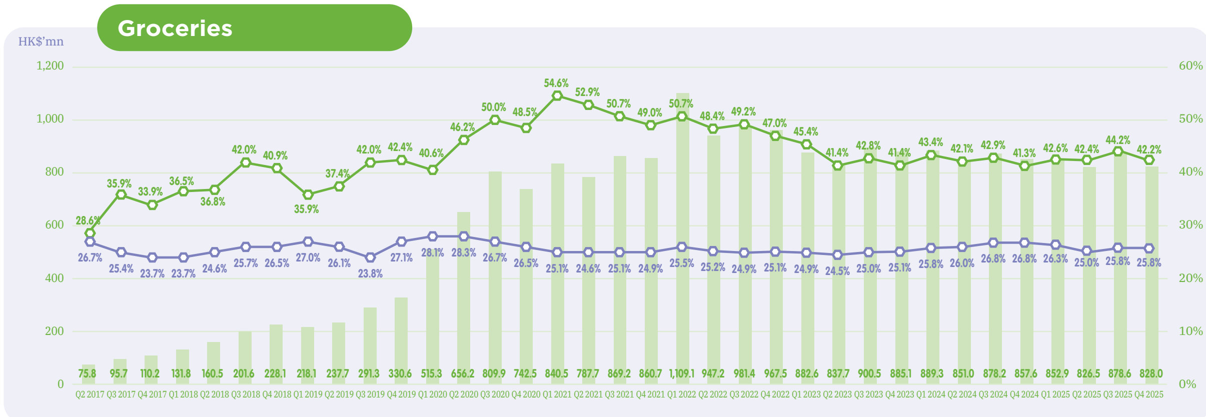
   The multiple business models, warehouse fulfilment options and last mile delivery options built over past years have largely enhanced the merchant base and product choices, as well as the order delivery lead time. Particularly, benefit from the 8-hour express delivery option, the adoption of 3PL service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

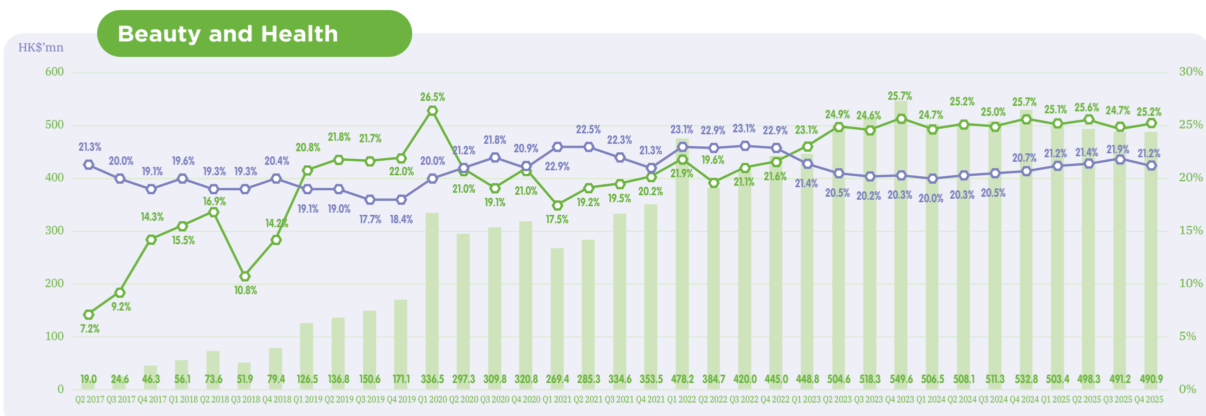
Together with 1P Business, as of December 2025, the Hong Kong Ecommerce business offered approximately 2,100,000 product items to consumers (December 2024: approximately 2,200,000 product items). These products were offered by approximately 6,400 merchants and suppliers in 2025 (2024: approximately 6,400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

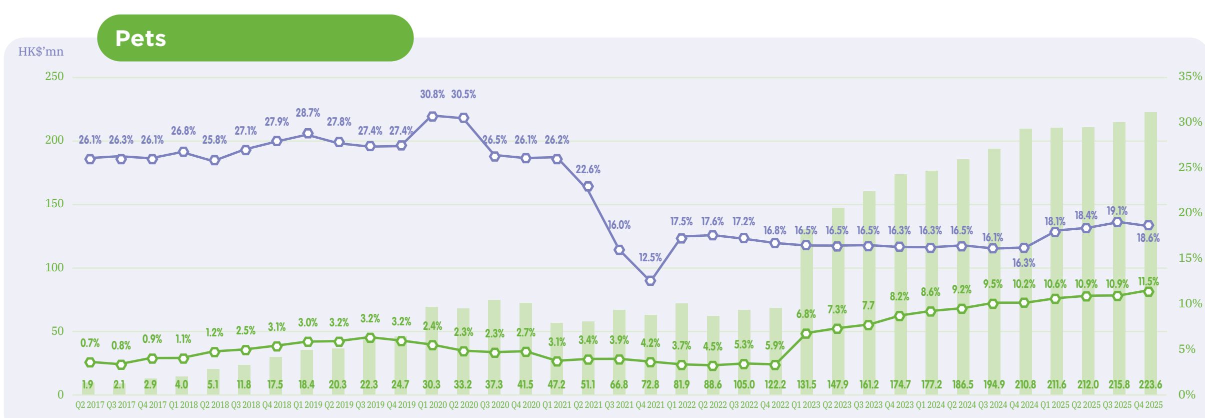
**3. Sustained multimedia advertising income of HK$171.0 million (2024: HK$156.5 million)**

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

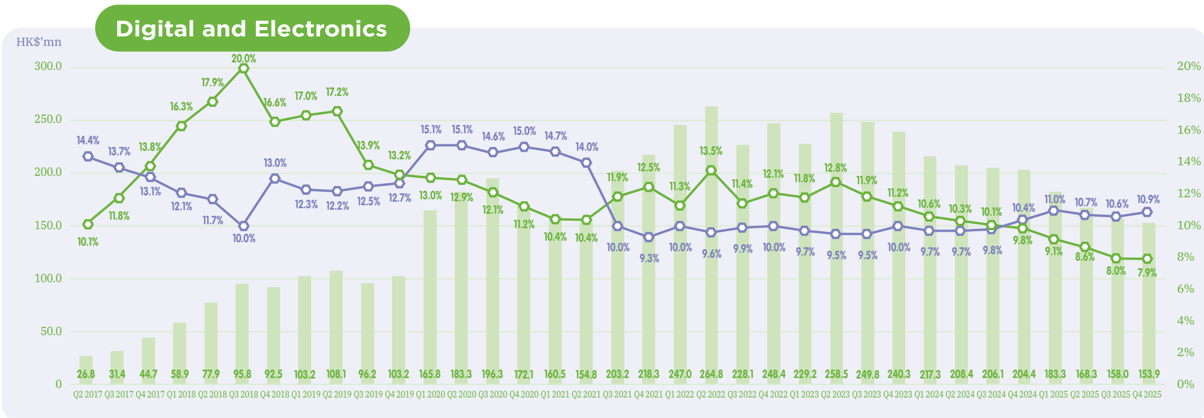
On product category basis, the trends in the gross profit margin and blended commission rate for major product categories are summarised as below:

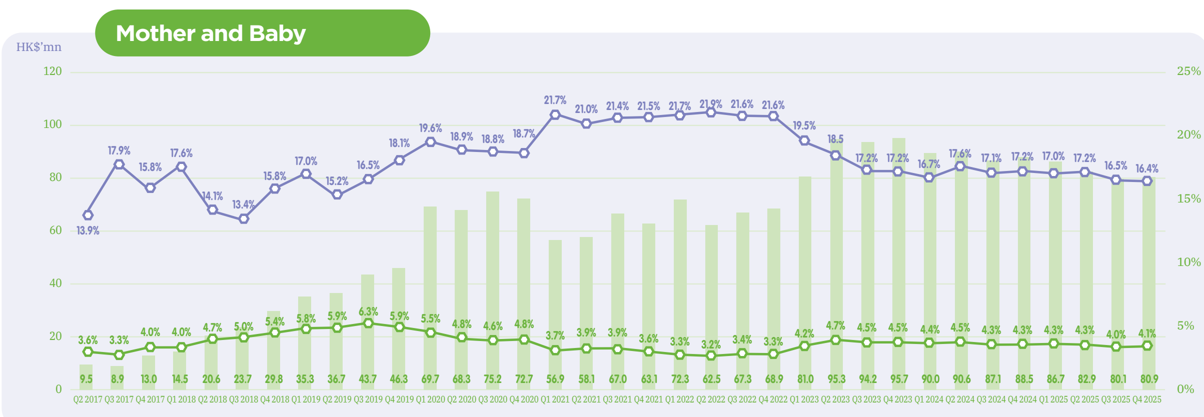


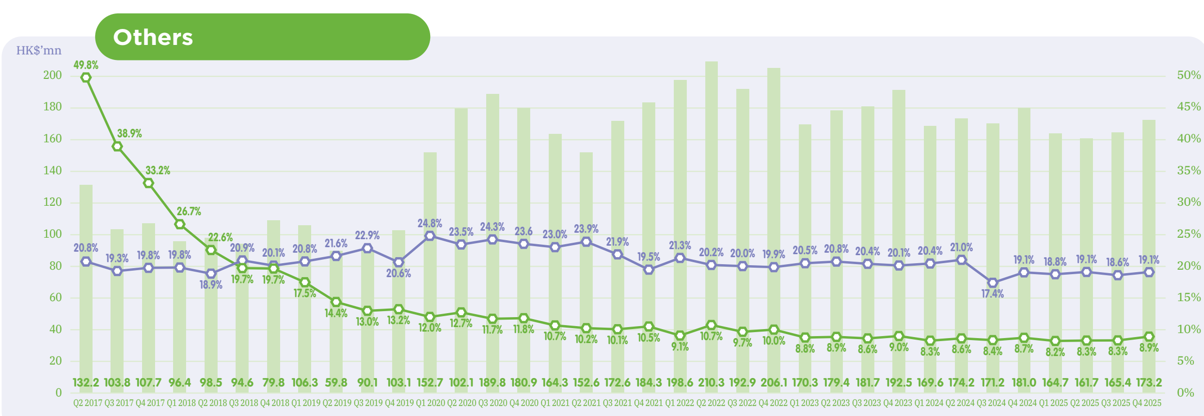




Quarterly GMV on completed orders (HK$ million)
Quarterly proportion of GMV on completed orders
Quarterly gross profit margin and blended commission rate



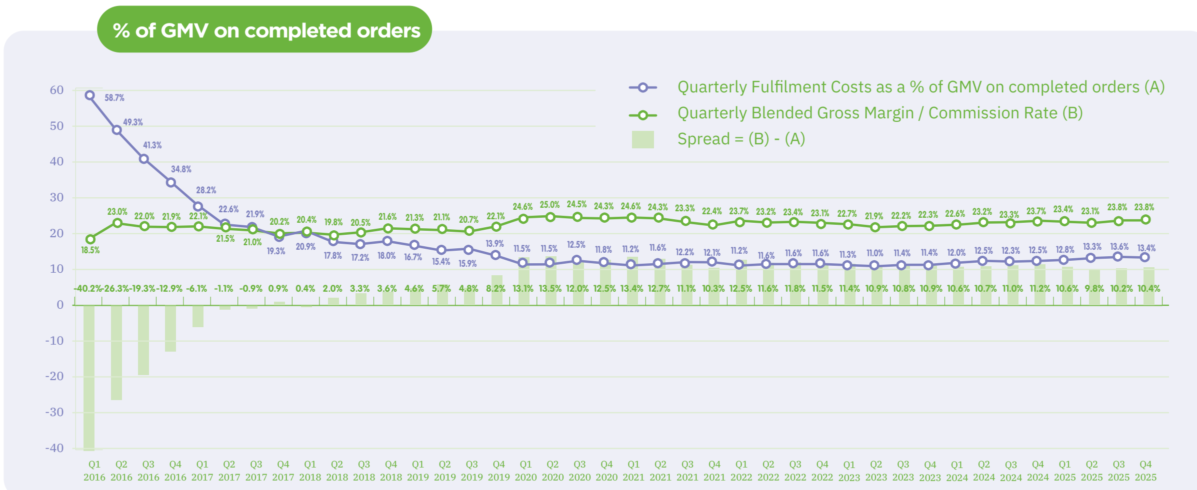




Quarterly GMV on completed orders (HK$ million)
Quarterly proportion of GMV on completed orders
Quarterly gross profit margin and blended commission rate

### *Planned and Disciplined Fulfilment Cost Efficiency*

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




*Remark:*

1. Quarterly Fulfilment Costs as a % of GMV on completed orders included the interest on lease liabilities of HK$16.2 million, HK$19.2 million, HK$14.3 million, HK$10.1 million, HK$7.4 million, HK$5.9 million and HK$4.8 million for year 2025, 2024, 2023, 2022, 2021, 2020 and 2019 respectively under HKFRS 16 in relation to fulfilment centre, which is grouped under finance costs in the consolidated income statement.

2. Quarterly Blended Gross Margin/Commission Rate for 3Q2021 and 4Q2021 have absorbed the merchant incentive rebate for 2021 which yield to a lower rate.

3. Quarterly Fulfilment Costs as a % of GMV on completed orders for 4Q2022 onwards includes 3PL service fulfilment costs incurred.

4. Blended Gross Margin/Commission Rate is calculated before deduction of HKTVmall dollars and discounts offered by Personalised Pricing Program, and use of promotional coupon, which is considered as advertising and marketing expenses under management reporting purpose, and net of merchant annual fee, delivery and other income.

5. 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.

***Customer Engagement Initiatives***

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

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

*HKTVLive*

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

1. **Daily regular and demand driven live shows —** Management further integrated live shows into day-to-day platform operations through structured programming across selected business segments, including Fashion & Beauty, Personal Care & Health, O2O Shops and Wet Market Express, while allowing merchants and retailers to host live sessions independently;

2. **Beyond geographic limitation —** Live shows were conducted not only in Hong Kong, but also extended to Chinese Mainland and overseas markets, including Japan, Korea, Taiwan and the United Kingdom, featuring products sourced at origin;

3. **Beyond transactional use —** HKTVLive continued to broaden its content mix to include lifestyle- and interest-based themes, reinforcing its role as an engagement touchpoint within the HKTVmall App; and

4. **Beyond HKTVmall product offerings —** the Group engaged Key Opinion Leaders from various online and social media platforms to further enhance content diversity and product presentation.

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

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

*O2O Shop Strategy*

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

1. **Introduced new monetisation format** through the launch of daily live shows on the HKTVmall App to promote O2O shop products, extending revenue opportunities beyond the constraints of physical shop locations and operating hours.

2. **Expanded customer order pick up options** by broadening the order pick-up network through partnerships with Hongkong Post and Circle K, added 118 and 318 pick-up points respectively across Hong Kong. Together with our self-operated HKTVmall O2O shops and other service partners, the order pick-up network covers 530 pick up locations which has largely enhanced the convenience to customers.

3. **Optimised the physical shop footprint** through relocation, consolidation and closure of underperforming sites, with certain locations repurposed to support fulfilment and order pick up.

*CASHBACK*

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

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

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

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

*Shipped from Mainland*

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

*GreenLab*

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

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

*Personalised Pricing Program*

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

**New Venture and Technology Business**

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

— For projects demonstrating a positive outlook and encouraging progress, the Group continued to allocate resources and advance their development towards future milestones.

— For projects which, following a comprehensive assessment of performance, future funding requirements, evolving market conditions, the local business and regulatory environment, and the Group's overall resource allocation priorities, were considered not appropriate to continue at the current stage, the Group suspended, slowed down, or ceased the related operations.

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

***Wet Market Express: Scaling Freshness and Reach Across Hong Kong***

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

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

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

1. *Daily live shows*

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

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

2. *Cross-district purchasing and delivery*

   a. In June 2025, Wet Market Express enhanced its delivery service from "same-district only" to "cross-district purchases and delivery". Customers can shop from over 300 selected stalls offering more than 25,000 fresh food items, irrespective of delivery location, with same-day delivery available subject to designated cut-off times. This enhancement significantly broadened product choices, with better pricing and convenience for households beyond their immediate neighbourhoods.

   b. In October 2025, a large-scale promotional campaign was launched to promote cross district purchases and delivery, highlighting broader product choices, improved pricing and door to door delivery across districts. The campaign was supported by advertising across approximately 1,300 billboards at 36 MTR stations in Hong Kong, together with television commercials and social media promotion.

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

***Life Science Projects***

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

*Progress to Date*

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

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

| Objective | Milestone Achieved | |
|---|---|---|
| | **Key Achievements** | **Duration** |
| Long-term preservation of animal organs (including head and limbs) while maintaining their functional viability when isolated from the main body. | (1) Successfully maintained a detached organ as an independent organ system with sustained viability, as evidenced by strong and continuous (a) electroencephalographic ("**EEG**") recordings via surface-electrode and/or deep-electrode measurement, demonstrating consistent responses to different stimulations, or (b) neuromuscular responses to electrical stimulation, as applicable.<br><br>(2) To the best of the knowledge of the research teams, multi-hour EEG persistence has not been previously reported in a fully anatomically isolated head supported prospectively by extracorporeal circulation. | Remained viable for approximately 7 hours and 46 hours for animal head and limb respectively. |

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

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

*Investment Plan*

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

*Future Development*

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

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

***Self-Invented Fully Automated Retail Store and System***

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

***Everuts: Cease Operations***

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

## FINANCIAL REVIEW

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

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

1. HK$2,247.6 million from direct merchandise sales (2024: HK$2,309.0 million);

2. HK$1,437.7 million from concessionaire sales and other service income (2024: HK$1,374.1 million); and

3. HK$171.0 million from multimedia advertising income (2024: HK$156.5 million).

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

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

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

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

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

*Notes:*

1. Including depreciation — other properties leased for own use of HK$86.7 million (2024: HK$82.3 million) and interest on lease liabilities of HK$16.2 million (2024: HK$19.2 million).

2. Including depreciation — other properties leased for own use of HK$42.0 million (2024: HK$59.9 million) and interest on lease liabilities of HK$2.8 million (2024: HK$2.8 million).

3. Including depreciation — other properties leased for own use of HK$11.6 million (2024: HK$9.0 million) and interest on lease liabilities of HK$1.2 million (2024: HK$1.1 million).

4. Including depreciation — other properties leased for own use of HK$0.1million (2024: nil).

5. Excluding depreciation — other properties leased for own use of HK$140.4 million (2024: HK$151.2 million).

On Hong Kong Ecommerce business segment key operating expenses:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Wet Market Express of HK$(107.9) million (2024: HK$(77.3) million);

2. Fully Automated Retail Store and System of HK$(61.2) million (2024: HK$(54.3) million);

3. Everuts of HK$(27.2) million (2024: HK$(33.4) million); and

4. Life Science Project of HK$(15.8) million (2024: HK$(15.5) million).

## LIQUIDITY AND CAPITAL RESOURCES

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

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

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

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

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

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

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

**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<br>*HK$ million* | Amount utilised as at 31 December 2024<br>*HK$ million* | Amount utilised as at 31 December 2025<br>*HK$ million* | 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 | 58.4 | 72.5 | By the end of 2027 |
| (iv) Upgrading computer hardware and software | 50 | 50.0 | 50.0 | By the end of 2021 |
| General working capital of the Group | around 53.2 to 73.2 | 73.2 | 73.2 | By the end of 2021 |
| Total | 453.2 | 421.6 | 435.7 | |

## Charge on Group Assets

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

## Exchange Rates

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

## Contingent Liabilities

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

## PROSPECTS

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

### Hong Kong Ecommerce Business

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

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

#### *"3 Hr Mart Service"*

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

#### *Strengthening Assortment Breadth and Category Coverage*

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

*Enhancing Price Competitiveness through Active Price Monitoring*

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

**Optimising Search and Merchandising Effectiveness**

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

*Reinforcing Price Leadership through Brand Led Promotion*

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

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

**New Venture and Technology Business**

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

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

## 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 2025.

## CONSOLIDATED INCOME STATEMENT

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

| | *Note* | **Year ended 31 December 2025** *HK$'000* | Year ended 31 December 2024 *HK$'000* |
|---|---|---|---|
| **Turnover** | *3* | **3,856,259** | 3,839,509 |
| Direct merchandise sales | *3* | **2,247,561** | 2,308,953 |
| Cost of inventories | | **(1,741,396)** | (1,757,074) |
| | | **506,165** | 551,879 |
| Income from concessionaire sales and other service income | *3* | **1,437,650** | 1,374,063 |
| Multimedia advertising income | | **171,048** | 156,493 |
| Valuation losses on investment properties | *3* | **(39,700)** | (21,150) |
| Other operating expenses | *5(a)* | **(2,272,231)** | (2,171,826) |
| Other income, net | *4* | **69,310** | 63,387 |
| Finance costs | *5(b)* | **(21,553)** | (24,153) |
| **Loss before taxation** | | **(149,311)** | (71,307) |
| Income tax (expenses)/credit | *7* | **(242)** | 4,607 |
| **Loss for the year** | | **(149,553)** | (66,700) |
| **Loss per share** | *9* | | |
| Basic and diluted | | **HK$(0.19)** | HK$(0.08) |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

| | Note | **31 December 2025** **HK$'000** | 31 December 2024 HK$'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **1,644,376** | 1,787,603 |
| Intangible assets | | **158,285** | 166,060 |
| Long-term receivables, deposits and prepayments | | **59,210** | 66,600 |
| Other financial assets | *10* | **111,493** | 129,506 |
| Deferred tax assets | | **94,811** | 94,602 |
| | | **2,068,175** | 2,244,371 |
| **Current assets** | | | |
| Other receivables, deposits and prepayments | | **116,394** | 138,633 |
| Inventories | | **126,889** | 133,711 |
| Other current financial assets | *10* | **30,290** | 41,320 |
| Cash and cash equivalents | | **346,465** | 541,705 |
| | | **620,038** | 855,369 |
| **Current liabilities** | | | |
| Accounts payable | *11* | **355,904** | 341,442 |
| Other payables and accrued charges | *11* | **498,185** | 450,232 |
| Deposits received | | **5,757** | 5,757 |
| Tax payable | | **508** | 509 |
| Lease liabilities | | **133,359** | 139,814 |
| | | **993,713** | 937,754 |
| **Net current liabilities** | | **(373,675)** | (82,385) |
| **Total assets less current liabilities** | | **1,694,500** | 2,161,986 |

| | Note | **31 December 2025** *HK$'000* | 31 December 2024 *HK$'000* |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | **2,079** | 2,326 |
| Other payables and accrued charges | *11* | **17,102** | 11,901 |
| Lease liabilities | | **238,648** | 276,140 |
| | | **257,829** | 290,367 |
| **NET ASSETS** | | **1,436,671** | 1,871,619 |
| **CAPITAL AND RESERVES** | *12* | | |
| Share capital | | **1,810,937** | 1,805,004 |
| Reserves | | **(374,266)** | 66,615 |
| **TOTAL EQUITY** | | **1,436,671** | 1,871,619 |

*Notes:*

## 1 BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2025 and 31 December 2024 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 2024 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 2025 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 HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the requirements of the Hong Kong Companies Ordinance. 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 HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

## 2 CHANGES IN ACCOUNTING POLICIES

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

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

## 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 2025** *HK$'000* | Year ended 31 December 2024 *HK$'000* |
|---|---|---|
| **Revenue from contracts with customers within the scope of HKFRS 15** | | |
| Disaggregated by nature | | |
| — Direct merchandise sales | **2,247,561** | 2,308,953 |
| — Income from concessionaire sales and other service income | **1,437,650** | 1,374,063 |
| — Multimedia advertising income | **171,048** | 156,493 |
| | **3,856,259** | 3,839,509 |
| Disaggregated by timing of revenue recognition | | |
| — Point in time | **3,576,332** | 3,591,507 |
| — Over time | **279,927** | 248,002 |
| | **3,856,259** | 3,839,509 |

#### *(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date*

The Group has applied the practical expedient in paragraph 121 of HKFRS 15, such that it does not disclose the information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the unsatisfied (or partially satisfied) contracts outstanding as at the end of the reporting period, as such unsatisfied performance obligations have an original expected duration of one year or less.

**(b) Segment information**

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (product and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purpose of resource allocation and performance assessment, the Group has two reporting segments as follows:

— Hong Kong Ecommerce business: The Group's Ecommerce business segment derives revenue from the end-to-end online shopping mall operation (including fulfilment and logistics), multimedia production and other related services in Hong Kong. These products and services are either sourced externally or are produced in the Group's properties located in Hong Kong.

— New Ventures and Technology business: The Group's New Ventures and Technology business segment mainly derives revenue from (1) new venture projects performing research and development activities on new business models and technologies, and operating business by adopting the new business models and technologies globally; and (2) providing technology solution to the Group's Ecommerce business segment or external customer to operate online shopping operation.

***(i) Segment results, assets and liabilities***

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and other corporate assets. Segment liabilities include accounts payable, other payables and accrued charges and lease liabilities attributable to the sales activities of the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to turnover generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

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

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

In addition to receiving segment information concerning segment profit, management is provided with segment information concerning inter-segment sales, interest income and expense from cash balances managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

| For the year ended 31 December | Hong Kong Ecommerce business | | New Ventures and Technology business | | Total | |
|---|---|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| **Disaggregated by timing of revenue recognition** | | | | | | |
| Point in time | **3,465,602** | 3,524,354 | **110,730** | 67,153 | **3,576,332** | 3,591,507 |
| Over time | **279,927** | 248,002 | **–** | – | **279,927** | 248,002 |
| **Revenue from external customers** | **3,745,529** | 3,772,356 | **110,730** | 67,153 | **3,856,259** | 3,839,509 |
| Inter-segment revenue | **–** | – | **125,840** | 134,234 | **125,840** | 134,234 |
| **Reportable segment revenue** | **3,745,529** | 3,772,356 | **236,570** | 201,387 | **3,982,099** | 3,973,743 |
| **Reportable segment profit/(loss) (EBITDA)** | **253,050** | 276,489 | **(218,288)** | (174,724) | **34,762** | 101,765 |
| **Reportable segment profit/(loss) (adjusted EBITDA)** | **259,092** | 277,012 | **(171,987)** | (134,262) | **87,105** | 142,750 |
| Interest income | **99** | 665 | **19** | 131 | **118** | 796 |
| Inter-segment finance costs | **(5,963)** | (7,133) | **–** | – | **(5,963)** | (7,133) |
| Depreciation and amortisation for the year (excluded depreciation on other properties leased for own use) | **(100,989)** | (108,958) | **(31,919)** | (31,954) | **(132,908)** | (140,912) |
| Impairment loss on intangible assets and property, plant and equipment | **–** | – | **(44,515)** | (42,101) | **(44,515)** | (42,101) |
| As at 31 December | | | | | | |
| **Reportable segment assets** | **2,451,945** | 2,421,048 | **327,554** | 361,454 | **2,779,499** | 2,782,502 |
| *Additions to non-current segment assets during the year* | **142,958** | 132,386 | **75,198** | 85,778 | **218,156** | 218,164 |
| **Reportable segment liabilities** | **1,272,891** | 1,241,330 | **647,816** | 450,974 | **1,920,707** | 1,692,304 |

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

| | **Year ended 31 December 2025** *HK$'000* | Year ended 31 December 2024 *HK$'000* |
|---|---|---|
| **Revenue** | | |
| Reportable segment revenue | **3,982,099** | 3,973,743 |
| Elimination of inter-segment revenue | **(125,840)** | (134,234) |
| Revenue *(note 3(a))* | **3,856,259** | 3,839,509 |

| | **Year ended 31 December 2025** *HK$'000* | Year ended 31 December 2024 *HK$'000* |
|---|---|---|
| **Loss** | | |
| **Reportable segment profit (EBITDA)** | **34,762** | 101,765 |
| Income tax (expenses)/credit | **(94)** | 4,901 |
| Interest income | **118** | 796 |
| Depreciation — on property, plant and equipment (excluded depreciation on other properties leased for own use) | **(104,796)** | (117,641) |
| Amortisation of intangible assets | **(28,112)** | (23,271) |
| Unallocated head office and corporate net expense | **(51,431)** | (33,250) |
| **Loss for the year** | **(149,553)** | (66,700) |

*(iii) Reconciliation of reportable segment assets*

| | **31 December 2025** *HK$'000* | 31 December 2024 *HK$'000* |
|---|---|---|
| Reportable segment assets | **2,779,499** | 2,782,502 |
| Elimination of inter-segment receivables | **(716,690)** | (490,985) |
| Unallocated head office and corporate assets (included investments in financial assets) | **625,404** | 808,223 |
| Consolidated total assets | **2,688,213** | 3,099,740 |

*(iv)* ***Reconciliation of reportable segment liabilities***

| | **31 December 2025** *HK$'000* | 31 December 2024 *HK$'000* |
|---|---|---|
| Reportable segment liabilities | **1,920,707** | 1,692,304 |
| Elimination of inter-segment payables | **(716,690)** | (490,985) |
| Unallocated head office and corporate liabilities | **47,525** | 26,802 |
| Consolidated total liabilities | **1,251,542** | 1,228,121 |

*(v)* ***Geographic segment information***

As majority of the Group's operations are conducted in Hong Kong and majority of the assets are located in Hong Kong, accordingly, no geographical segment information is presented.

## 4 OTHER INCOME, NET

| | **Year ended 31 December 2025** *HK$'000* | Year ended 31 December 2024 *HK$'000* |
|---|---|---|
| Bank interest income | **11,543** | 17,071 |
| Dividend and investment income from other financial assets | **3,228** | 4,834 |
| Interest income from other financial assets | **4,345** | 9,490 |
| Unrealised fair value gain/(loss) on units in investment funds measured at fair value through profit or loss ("**FVPL**") | **7,088** | (2,937) |
| Reversal of expected credit losses on debt securities measured at fair value through other comprehensive income ("**FVOCI**") | **937** | 39 |
| Rentals from investment properties | **23,774** | 23,774 |
| Net exchange gain/(loss) | **1,743** | (7,065) |
| Government subsidies | **1,280** | 813 |
| Unwinding the discounting effect of rental deposits | **880** | 868 |
| Others | **14,492** | 16,500 |
| | **69,310** | 63,387 |

## 5 LOSS BEFORE TAXATION

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

| | **Year ended 31 December 2025** *HK$'000* | Year ended 31 December 2024 *HK$'000* |
|---|---|---|
| ***(a) Other operating expenses*** | | |
| Depreciation | | |
| — owned property, plant and equipment | **75,076** | 90,430 |
| — right-of-use assets | **179,514** | 188,280 |
| Advertising and marketing expenses (excluding HK$49,159,000 (2024: HK$38,162,000) being deducted from turnover) | **180,488** | 155,494 |
| Auditor's remuneration | **3,745** | 3,618 |
| Loss on disposal of property, plant and equipment | **136** | 520 |
| Write-down and write-off of inventories | **13,576** | 22,404 |
| Impairment loss on intangible assets and property, plant and equipment | **44,515** | 42,101 |
| Talent costs *(note 5(c))* | **967,191** | 936,383 |
| Amortisation of intangible assets | **32,228** | 27,387 |
| Total outgoings of investment properties | **1,758** | 1,678 |
| Outsourced fulfilment expenses | **409,144** | 369,921 |
| Payment processing charges | **95,281** | 94,134 |
| Owned motor vehicles running expenses | **46,357** | 49,460 |
| Software licenses and registration fee | **21,477** | 23,981 |
| Utilities, consumables and office expenses | **64,836** | 61,811 |
| Others | **136,909** | 104,224 |
| | **2,272,231** | 2,171,826 |
| ***(b) Finance costs*** | | |
| Interest on lease liabilities | **20,079** | 23,108 |
| Bank charges | **1,474** | 1,045 |
| | **21,553** | 24,153 |
| ***(c) Talent costs*** | | |
| Wages and salaries | **985,813** | 961,778 |
| Retirement benefit costs — defined contribution plans | **36,371** | 35,557 |
| Equity-settled share-based payment expenses | **–** | (2,736) |
| Less: Talent costs capitalised as intangible assets | **(54,993)** | (58,216) |
| Talent costs included in other operating expenses | **967,191** | 936,383 |

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

## 6 OTHER COMPREHENSIVE INCOME

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

| | **2025** | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Before-tax amount** | **Tax expense** | **Net-of-tax amount** | Before-tax amount | Tax expense | Net-of-tax amount |
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | *HK$'000* | *HK$'000* | *HK$'000* |
| Equity instruments designated at FVOCI — net movement in fair value reserve (non-recycling) | **9,117** | **–** | **9,117** | 8,164 | – | 8,164 |
| Remeasurement of defined benefit plan obligations | **(1,764)** | **–** | **(1,764)** | 744 | – | 744 |
| Exchange difference on translation of financial statements of overseas subsidiaries | **(2,427)** | **–** | **(2,427)** | 1,156 | – | 1,156 |
| Debt securities measured at FVOCI — net movement in fair value reserve (recycling) | **5,210** | **–** | **5,210** | 6,059 | – | 6,059 |
| Other comprehensive income | **10,136** | **–** | **10,136** | 16,123 | – | 16,123 |

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

| | **Year ended 31 December 2025** | Year ended 31 December 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Equity instruments designated at FVOCI — net movement in fair value reserve (non-recycling): | | |
| — Changes in fair value recognised during the year | **9,117** | 8,164 |
| Debt securities measured at FVOCI — net movement in fair value reserve (recycling): | | |
| — Changes in fair value recognised during the year | **6,147** | 6,098 |
| — Reclassified to profit or loss for reversal of expected credit losses | **(937)** | (39) |
| | **5,210** | 6,059 |

## 7 INCOME TAX EXPENSES/(CREDIT)

The provision for Hong Kong Profits Tax for the year ended 31 December 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK$2,000,000 of assessable profits are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Taxation for overseas branch of a subsidiary is calculated at 20% (2024: 20%) of the estimated assessable profits for the year. The amount of income tax expenses/(credit) in the consolidated income statement represents:

| | **Year ended 31 December 2025** | Year ended 31 December 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Current taxation** | | |
| Hong Kong Profits Tax | **–** | – |
| Overseas | **698** | 373 |
| **Deferred taxation** | | |
| Origination and reversal of temporary differences | **(456)** | (4,980) |
| | **242** | (4,607) |

## 8 DIVIDENDS

### (a) Dividends payable to equity shareholders of the Company:

| | **Year ended 31 December 2025** | Year ended 31 December 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| No special dividend declared after the end of the reporting period (31 December 2024: HK38 cents per share) | **–** | 299,647 |

The special dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### (b) Dividends attributable to the previous financial year, approved and paid during the year:

According to the Annual General Meeting on 20 May 2025, special dividend of HK38 cents per share was approved and paid during the year ended 31 December 2025.

## 9 LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company for the year ended 31 December 2025 of HK$149,553,000 (31 December 2024: HK$66,700,000) and the weighted average of 789,866,000 ordinary shares (31 December 2024: 846,196,000 ordinary shares) in issue during the year, calculated as follows:

**Weighted average number of ordinary shares**

| | **Year ended 31 December 2025** | Year ended 31 December 2024 |
|---|---|---|
| | ***'000*** | *'000* |
| Issued ordinary shares at 1 January | **788,546** | 888,546 |
| Effect of share options exercised | **1,320** | – |
| Effect of shares repurchased and cancelled | **–** | (42,350) |
| Weighted average number of ordinary shares at 31 December | **789,866** | 846,196 |

The diluted loss per share for the years ended 31 December 2025 and 2024 is the same as the basic loss per share, as the Group's share options would result in an anti-dilutive effect on loss per share.

## 10 OTHER FINANCIAL ASSETS

| | **31 December 2025** | 31 December 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Equity instruments designated at FVOCI (non-recycling)** | | |
| — Equity securities | **36,068** | 28,297 |
| — Perpetual bonds | **15,359** | 29,535 |
| | **51,427** | 57,832 |
| **Debt securities measured at FVOCI (recycling)** | | |
| — Maturity dates within 1 year | **30,290** | 41,320 |
| — Maturity dates over 1 year | **7,973** | 26,882 |
| | **38,263** | 68,202 |
| **Units in investment funds measured at FVPL** | **52,093** | 44,792 |
| | **141,783** | 170,826 |
| **Representing** | | |
| — Non-current portion | **111,493** | 129,506 |
| — Current portion | **30,290** | 41,320 |
| | **141,783** | 170,826 |

## 11 ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUED CHARGES

| | **31 December 2025** *HK$'000* | 31 December 2024 *HK$'000* |
|---|---|---|
| Accounts payable *(note (a))* | **355,904** | 341,442 |
| Contract liabilities *(note (b))* | **260,966** | 265,940 |
| Other payables and accrued charges *(note (c))* | **237,219** | 184,292 |
| | **498,185** | 450,232 |
| | **854,089** | 791,674 |
| Non-current other payables and accrued charges *(note (c))* | **17,102** | 11,901 |
| | **871,191** | 803,575 |

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

| | **31 December 2025** *HK$'000* | 31 December 2024 *HK$'000* |
|---|---|---|
| Current–30 days | **324,794** | 321,223 |
| 31–60 days | **22,101** | 8,483 |
| 61–90 days | **2,383** | 2,312 |
| Over 90 days | **6,626** | 9,424 |
| | **355,904** | 341,442 |

### (b) Contract liabilities

Contract liabilities mainly represent prepayments received from customers upon order placement. Balance of HK$265,940,000 as at 1 January 2025 (1 January 2024: HK$259,392,000) was recognised as revenue during the year when the customers have taken possession of and accepted the products.

Contract liabilities of HK$260,966,000 were recognised as at 31 December 2025 (2024: HK$265,940,000) as a result of the receipt of payments during the year in advance of satisfaction of performance obligation, and are expected to be recognised as revenue within one year.

### (c) Other payables and accrued charges

Other payables and accrued charges primarily consist of accruals for Talent salaries and related costs, payables for purchase of property, plant and equipment, outsourced manpower services expenses and advertising and promotional expenses.

## 12 CAPITAL AND RESERVES

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

## TALENT REMUNERATION

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

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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 2025.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 December 2025, the Company has complied with 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 set out in Appendix C3 to the Listing Rules ("**Model Code**") as the code of conduct for securities transactions by Directors.

Having made specific enquiry with the Directors, all of them confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

## 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 2025.

The composition of Audit Committee as follows:

**Independent Non-executive Directors**
Mr. Lee Hon Ying, John *(Resigned effective from 1 January 2026)*
Mr. Peh Jefferson Tun Lu *(Appointed as Chairman of the Audit Committee effective from 1 January 2026)*
Mr. Mak Wing Sum, Alvin
Mr. Ann Yu Chiu, Andy
Mr. Yeung Chu Kwong *(Appointment effective from 1 January 2026)*

## DIVIDEND

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

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

The Board does not recommend the payment of final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024: nil) in view of the current operating environment and future development plans. The Board confirms that this decision was made in accordance with the Company's dividend policy.

## ANNUAL GENERAL MEETING

The Company's forthcoming annual general meeting will be held on Tuesday, 2 June 2026 ("**2026 AGM**"). Notice of the 2026 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

For the purpose of ascertaining shareholders' entitlement to attend and vote at the 2026 AGM, the register of members of the Company ("**Register of Members**") will be closed as set out below:

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

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

By Order of the Board
**Hong Kong Technology Venture Company Limited**
**Mak Wing Sum, Alvin**
*Chairman*

Hong Kong, 30 March 2026

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

*Executive Directors:*
Mr. Cheung Chi Kin, Paul
Mr. Wong Wai Kay, Ricky *(Vice Chairman and Group Chief Executive Officer)*
Ms. Wong Nga Lai, Alice *(Group Chief Financial Officer 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. Mak Wing Sum, Alvin *(Chairman)*
Mr. Peh Jefferson Tun Lu
Mr. Ann Yu Chiu, Andy
Mr. Yeung Chu Kwong