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AI X Tech Inc.
車市科技有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1490)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board is pleased to announce the unaudited interim condensed consolidated results of the Group for the six months ended June 30, 2025, together with the comparative figures for the corresponding period in 2024, as follows:

FINANCIAL SUMMARY

	Six months ended June 30, 2025		
	2025	2024	Changes
	RMB'000	RMB'000	%
Revenue	66,360	66,974	-0.9
Gross profit	43,709	42,316	3.3
(Loss)/profit for the period	(1,769)	4,328	-140.9
Adjusted net (loss)/profit ⁽¹⁾	(1,769)	4,328	-140.9

- (1) Adjusted net profit is defined as profit for the period adjusted by adding back share-based compensation expenses which represent the expense on Post-IPO RSU Scheme. The share-based compensation expenses for the six months ended June 30, 2025 was nil (six months ended June 30, 2024: Less than RMB1,000).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	4	66,360	66,974
Cost of sales		<u>(22,651)</u>	<u>(24,658)</u>
Gross profit		43,709	42,316
Other income and gains		3,739	8,199
Selling and distribution expenses		(29,527)	(29,410)
Administrative expenses		(9,747)	(11,217)
Research and development costs		(6,774)	(6,042)
Impairment losses on financial and contract assets		(1,156)	(8)
Finance costs		(107)	(128)
Other expenses		<u>(53)</u>	<u>(2)</u>
PROFIT BEFORE TAX	5	84	3,708
Income tax (expense)/credit	6	<u>(1,853)</u>	<u>620</u>
(LOSS)/PROFIT FOR THE PERIOD		<u>(1,769)</u>	<u>4,328</u>
Attributable to:			
Owners of the parent		(1,783)	4,525
Non-controlling interests		<u>14</u>	<u>(197)</u>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For (loss)/profit for the period	8	RMB(0.002)	RMB0.004
Diluted			
– For (loss)/profit for the period		RMB(0.002)	RMB0.004

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
(LOSS)/PROFIT FOR THE PERIOD	<u>(1,769)</u>	<u>4,328</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(1,769)</u>	<u>4,328</u>
Attributable to:		
Owners of the parent	(1,783)	4,525
Non-controlling interests	<u>14</u>	<u>(197)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property and equipment		6,841	5,160
Intangible assets		387	889
Goodwill		6,153	6,153
Right-of-use assets		1,898	3,360
Financial assets at fair value through profit or loss		25,571	25,571
Equity instruments designated at fair value through other comprehensive income		184	184
Long-term prepayments, deposits and other receivables		481	3,142
Deferred tax assets		1,801	1,660
Time deposits with original maturity of over one year		10,259	20,581
Total non-current assets		53,575	66,700
CURRENT ASSETS			
Trade and bills receivables	9	66,187	86,616
Contract assets		1,115	2,349
Contract costs		754	64
Financial assets at fair value through profit or loss		76,538	10,240
Debt investments at fair value through other comprehensive income		10,331	11,071
Prepayments, deposits and other receivables		18,593	27,080
Income tax recoverable		4,142	4,142
Time deposits with original maturity of over three months		101,465	205,386
Cash and cash equivalents		280,757	209,104
Total current assets		559,882	556,052
CURRENT LIABILITIES			
Trade and bills payables	10	11,930	20,911
Contract liabilities		8,305	7,092
Other payables and accruals		44,067	42,727
Lease liabilities		1,324	1,477
Tax payable		11,939	11,959
Total current liabilities		77,565	84,166
NET CURRENT ASSETS		482,317	471,886
TOTAL ASSETS LESS CURRENT LIABILITIES		535,892	538,586

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)
30 June 2025

	<i>Notes</i>	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		510	1,560
Non current other payables		2,584	2,584
Deferred tax liabilities		696	571
		<hr/>	<hr/>
Total non-current liabilities		3,790	4,715
		<hr/>	<hr/>
Net assets		532,102	533,871
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>11</i>	840	840
Treasury shares		(23,977)	(23,977)
Reserves		558,769	560,552
		<hr/>	<hr/>
		535,632	537,415
		<hr/>	<hr/>
Non-controlling interests		(3,530)	(3,544)
		<hr/>	<hr/>
Total equity		532,102	533,871
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. BASIS OF PRESENTATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions. The information reported to the CODM, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented. Revenue from external customers for each product and service is disclosed in note 4 to the financial statements.

Geographical information

During the reporting period, the Group operated within one location because all of its revenues were generated in Mainland China and all of its long-term assets/capital expenditures were located/incurred in Mainland China. Accordingly, no further geographical segment information is presented.

Information about major customers

Revenue from customers which amounted to more than 10% of the Group's revenue during the six months ended 30 June 2025 and 2024 are set out below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	11,771	NA*
Customer B	7,841	NA*
Customer C	NA*	11,029

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the respective period.

4. REVENUE

(a) Disaggregated revenue information

For the six months ended 30 June 2025

Revenue streams	Online advertising service RMB'000	Integrated marketing service RMB'000	Total RMB'000
Timing of revenue recognition			
Services transferred at a point in time	–	1,866	1,866
Services transferred over time	64,494	–	64,494
	64,494	1,866	66,360

For the six months ended 30 June 2024

Revenue streams	Online advertising service RMB'000	Integrated marketing service RMB'000	Total RMB'000
Timing of revenue recognition			
Services transferred at a point in time	–	11,029	11,029
Services transferred over time	55,945	–	55,945
	55,945	11,029	66,974

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Online advertising service

Online advertising service income is recognised when the advertisements are published over the stated period of display on its own online platform, other linked online portals, or mobile applications. The payment is generally due within 30 to 180 days from the date of billing.

Integrated marketing service

The performance obligation is satisfied when the marketing activities contained in the contracts are fulfilled and confirmations are received from the customer. The payment is generally due within 90 days from the date of billing.

5. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services provided	22,651	24,658
Employee benefit expense	22,248	26,836
Loss on disposal of items of property, plant and equipment	56	17
Loss on disposal of items of intangible assets	21	–
Depreciation of property, plant and equipment	1,093	944
Depreciation of right-of-use assets	697	672
Amortisation of intangible assets	481	829
Research and development costs:		
Current year expenditure	6,774	6,042
Foreign exchange differences, net	1,356	(1,343)
Reversal of impairment of trade receivables	(1,332)	(40)
(Reversal of impairment)/impairment of contract assets	(11)	48
Impairment of other receivables	2,499	–
Gains on financial assets at fair value through profit or loss	(188)	(814)
Bank interest income	(5,142)	(5,938)
Value-added tax super credit	424	(30)
Auditor's remuneration	400	400

6. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(a) Cayman Islands

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly is not subject to income tax.

(b) British Virgin Islands

The Group's entities incorporated in British Virgin Islands are not subject to tax on income or capital gains.

(c) **Hong Kong**

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

(d) **PRC corporate income tax (“CIT”)**

A subsidiary of the Group in the PRC has obtained the approval from the in-charge tax authority in the PRC as a High-New Technology Enterprise as defined under the New Enterprise Income Tax Law. Such entity is entitled to a reduced preferential enterprise income tax (“EIT”) rate at 15% (“HNTE Preferential Tax Rate”) for a 3-year period from October 2024 to October 2026. Accordingly, it was subject to the HNTE Preferential Tax Rate at 15% for the six months ended 30 June 2025 (2024: 15%).

Pursuant to the PRC EIT Law and the respective regulations, the other PRC subsidiaries were subject to income tax at a statutory rate of 25% for the period.

The major components of the income tax expense for the period are as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – the PRC		
Charge for the period	1,400	499
Under/(over) provision in prior years	469	(933)
Deferred	(16)	(186)
	<hr/>	<hr/>
Total tax charge/(credit) for the period	1,853	(620)
	<hr/> <hr/>	<hr/> <hr/>

7. **DIVIDENDS**

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

8. **(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,109,692,000 (2024: 1,110,870,571) outstanding during the period.

The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<u>(Loss)/earning</u>		
(Loss)/profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	(1,783)	4,525
	Number of shares	
	Six months ended 30 June	
	2025	2024
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	1,109,692,000	1,110,870,571

9. TRADE AND BILLS RECEIVABLES

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables	61,937	82,155
Bills receivables	4,250	4,461
Total	66,187	86,616

The Group's trading terms with its customers are mainly on credit. The credit period is generally 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the recognition date of gross trade receivables and net of loss allowance, is as follows:

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 30 days	12,054	34,583
31 to 90 days	25,152	12,561
91 to 180 days	14,510	14,207
181 to 365 days	7,049	17,725
Over 1 year	18,043	19,282
	76,808	98,358
Impairment	(14,871)	(16,203)
Total	61,937	82,155

10. TRADE AND BILLS PAYABLES

An aging analysis of the trade and bills payables as at the end of each of the reporting periods, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	11,867	6,142
3 to 6 months	–	14,769
6 months to 1 year	63	–
Total	11,930	20,911

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

Bills payables are with a maturity period of within six months.

11. SHARE CAPITAL

Shares

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Authorized: 10,000,000,000 ordinary shares of US\$0.0001 each as at 31 December 2024 (2023: 10,000,000,000 ordinary shares of US\$0.0001)	1,000	1,000
Issued and fully paid: 1,234,600,000 ordinary shares as at 30 June 2025 (2024: 1,234,600,000 ordinary shares)	840	840

The Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 31 December 2024 (Audited) and 1 January 2025	1,234,600,000	840
At 30 June 2025 (Unaudited)	1,234,600,000	840

12. COMMITMENTS

The Group did not have any capital commitments at the end of the reporting period.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 26 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

The Chinese automotive industry experienced intense price competition and rapid development of intelligent technologies in the first half of 2025. Driven by both structural recovery and deepening competition, the industry demonstrated resilient growth. According to the data released by the China Passenger Car Association (CPCA), nationwide passenger car sales reached 15.72 million units in the first half of 2025, representing a year-on-year increase of approximately 10.8%, with the growth rate up 3.2 percentage points compared to the same period in 2024. However, internal market differentiation has intensified. Among these, the new energy vehicle sector became the core engine, with market penetration surpassing the critical threshold and breaking through the 50% mark for the first time. The ongoing normalization of price wars in the industry continues to squeeze profit margins. The CPCA reported that automotive industry profits from January 2025 to May 2025 declined by 11.9% year-on-year, forcing enterprises across the entire industry chain to shift toward “value competition” and accelerate upgrades in AI technologies and quality across all domains.

Under the dual impetus of policy and market forces, China’s automotive advertising market has simultaneously entered a stage of deep AI empowerment. In 2025, the total size of China’s AI marketing market is expected to reach RMB66.9 billion, with a compound annual growth rate of 26.2%, comprehensively replacing traditional marketing models. Within the automotive vertical sector, AI applications account for 15% to 18% of the overall AI marketing market, with the scale expected to exceed RMB12 billion in 2025, showing explosive growth surpassing the broader industry pace.

The reconstruction of the automotive advertising market ecosystem is accelerating its digital transformation. Online penetration rates exceeded 55% in the first half of 2025 and are expected to rise to 58.6% for the full year. Among these trends, the popularization of intelligent cockpits is expanding in-car information flow advertising into a new blue ocean; the full digitalization of used car transactions is driving the migration of vertical media placements; and AI large models are enhancing targeting accuracy in ad placements. These developments are reshaping content production and distribution logic, building a full-link model of “user demand-content matching-transaction conversion”, which has become a key competitive moat for the industry.

Group Overview

The Group was established in September 2015 and was listed on the Main Board of the Stock Exchange in January 2020. The Group has consistently focused on the automotive vertical field and has become a leading automotive information and digital marketing service provider in China, committed to providing high-quality full-scene marketing solutions for its automotive industry chain business partners and end users through the trinity model of “content + technology + ecology”.

The Group builds an omni-domain content ecosystem, and by relying on original professional information and precise distribution capabilities driven by intelligent algorithms, continues to attract high-value user traffic, enabling customers such as OEM and distributors to achieve advertising reach with product effectiveness, thus consolidating the Group’s market position in the automotive vertical media advertising industry.

The Group officially changed its English name to AI X Tech Inc. in February 2025, demonstrating the Group’s strategic determination and initiatives to comprehensively upgrade its AI-driven technology platform. Facing structural changes in the industry, the Group focuses on “intelligent technology empowerment and ecological value reconstruction” and accelerates three core strategies:

- (1) AI technology breakthrough: increase intelligent advertising matching system and virtual interactive tools to improve advertising conversion efficiency and user experience;
- (2) Content matrix deepening: expand short video, live broadcast and new energy vertical content to create an immersive consumption decision-making scene; and
- (3) Sinking market collaboration: through digital SaaS tools and regional service networks, deeply link sinking market partner platform networks to activate incremental markets.

The Group is accelerating its transformation into the core engine of intelligent automotive industry and seizing the growth opportunities in the era of intelligent mobility with technological breakthroughs and ecological coordination.

Business Overview

For the six months ended June 30, 2025, the Group's revenue was approximately RMB66.4 million, a decrease of approximately 0.9% compared to approximately RMB67.0 million for the same period in 2024. Among them, for the six months ended June 30, 2025, the Group's online advertising service revenue was approximately RMB64.5 million, a increase of approximately 15.3% compared to approximately RMB56.0 million for the same period in 2024.

Gross profit for the six months ended June 30, 2025 was approximately RMB43.7 million, a increase of approximately 3.3% compared to approximately RMB42.3 million for the same period in 2024. For the six months ended June 30, 2025, the Group recorded a loss of approximately RMB1.8 million, mainly due to the Group's strategic transformation period focusing on platform technology upgrading and ecological restructuring, short-term investment surge, increased self-developed AI platform and virtual interaction technology research and development. Deepen the construction of content matrix such as short video and live broadcast, and optimize user experience. Although short-term profitability is under pressure, in the long run, advertising conversion efficiency can be improved and user decision-making links shortened, and energy can be stored to seize the intelligent circuit and consolidate the leadership position in the vertical field.

Significant milestones in the Group's business for the six months ended June 30, 2025 are set out below:

(1) The Group continued to consolidate its leading position in the vertical field and build ecological barriers to the global content

During the six months ended June 30, 2025, the Group continued to deepen its "technology + content" dual-engine strategy, further expanding its user scale advantage and consolidating its leading position in the automotive vertical media advertising industry through synergistic upgrading of content ecology and distribution efficiency. Through the upgrade of the fullscene content matrix to build a full-domain content system covering professional evaluation, new automobile resources, user co-creation and short video matrix, relying on intelligent distribution technology to achieve "one creation, thousands of domain reach", accurately covering the head platform and long tail traffic port, conserving resources for contract renewal with OEMs by focusing on new energy vehicle models and low-end markets through raising stakes in the self-media and short video strategy. At the same time, the Group upgraded its strategic marketing system in 2025 to enhance the Group's precision marketing efficiency and industry competitiveness.

(2) The Group independently developed AIGC technology engine, reshaping intelligent marketing service ecology with AI technology application

The Group fully implemented the self-developed AIGC product “AI X”. The core capabilities of the Company’s self-developed products include: diversified content generation, intelligent distribution, accurate control efficiency and data closed-loop empowerment. Through massive account matrix and automated content generation technology, the Company is comprehensively developing an end-to-end AI-powered marketing solution for the automotive industry, spanning from creative development to production, distribution, and conversion. The “AI X” distribution system has been fully in operation in 2025, promoting the Group’s transformation from a “vertical media service provider” to an “AI+ ecological marketing technology platform”.

Outlook

In the second half of 2025, the Group will continue to deepen the dual-engine model of “technology + content” with the core strategy of “Powered by AI and full-spectrum ecosystem leap”, focusing on technological paradigm innovation and industrial value chain reconstruction, such development measures include:

(1) Reshaping vertical media ecosystem leadership: building an AI-empowered diversified content ecosystem

Based on the “AI X” intelligent engine, the Group plans to build a three-dimensional content matrix of “professional evaluation + user co-creation + AI-assisted creation”, launch the AI creation partner plan to enable we-media creators to generate videos and other content with one click, deepen data interoperability with platforms such as Douyin, Kuaishou and Xiaohongshu, and realize the full link automation of “content – distribution – transformation”. Thus expand the geographical coverage and user base depth, improve the quality of vertical content service and industry ecological influence.

(2) Increase the Group’s investment in AI research and development, build an AI native strategy base, and drive a full-spectrum intelligent leap

The Group will comprehensively deepen the construction of AI technology base, take generative AI as the core engine, and promote the technology architecture from tool empowerment to “decision center + ecological collaboration”. By reconstructing the underlying algorithm model and data closed-loop system, three core modules of intelligent creation, intelligent distribution and intelligent attribution are realized. Relying on customized AI tool chain development and deep vertical industry solutions, the Group will build a deeply collaborative network of “technology symbiosis, data sharing, and value co-creation”. Through a strategic-level marketing system upgrade, it will strengthen core client engagement and reshape the automotive marketing value chain.

(3) Proactively planning ecological mergers and acquisitions and strategic partnerships

The Group will closely align with global trends in automotive industry intelligence and ecosystem transformation. While increasing investment in technology R&D and content ecosystems, it will actively explore building a “technology-scenario-data” closed loop through strategic cooperation and ecological mergers and acquisitions. Target selection will focus on three dimensions:

- Technological synergy: Targets must possess core capabilities that form an intelligent interactive cluster with the Group’s existing technology directions, providing efficiency momentum for marketing system upgrades;
- Scenario entry value: Targets should have a precise user traffic pool within the new energy vertical ecosystem, broadening the Group’s business scenario entry points; and
- Financial soundness: Targets must have a sustainable financial foundation.

FINANCIAL REVIEW

Revenue

For the six months ended June 30, 2025, the Group’s total revenue was approximately RMB66.4 million, representing a decrease of approximately RMB0.6 million, or approximately 0.9% from approximately RMB67.0 million for the six months ended June 30, 2024. The slight fluctuation in revenue in the first half of the year was mainly due to the Group’s increased strategic focus on the development of its core businesses, with revenue from core businesses rising steadily. Meanwhile, the Group proactively reduced non-core businesses, resulting in a more focused overall business structure.

Cost of sales

The Group’s cost of sales decreased by approximately RMB2.0 million, or approximately 8.1%, from approximately RMB24.7 million for the six months ended June 30, 2024, to approximately RMB22.7 million for the six months ended June 30, 2025. The decrease in cost of sales was mainly attributable to the Group’s strategic focus on its core business, which resulted in a significant improvement in the efficiency of marketing promotion and a reduction in cost of investment in non-core businesses. Meanwhile, the Company improved and refined cost control to effectively optimize the cost of sales.

Gross profit and gross profit margin

As a result of the above, gross profit increased by approximately RMB1.4 million, or approximately 3.3%, from approximately RMB42.3 million for the six months ended June 30, 2024, to approximately RMB43.7 million for the six months ended June 30, 2025. Gross profit margin increased to approximately 65.9% for the six months ended June 30, 2025 from approximately 63.2% for the six months ended June 30, 2024. In the first half of the year, the Group focused on its high-margin core business and optimised its product and customer mix, leading to an increase in both gross profit and gross profit margin.

Other income and gains

The Group's other income and gains decreased by approximately RMB4.5 million, or approximately 54.4%, to approximately RMB3.7 million for the six months ended June 30, 2025 from approximately RMB8.2 million for the six months ended June 30, 2024, the change was mainly affected by the fluctuation of the foreign exchange market and the corresponding decrease in wealth management income with the general reduction of market benchmark interest rates.

Selling and distribution expenses

For the six months ended June 30, 2025, the Group's selling and distribution expenses amounted to approximately RMB29.5 million, representing an increase of approximately RMB0.1 million, or approximately 0.4%, from approximately RMB29.4 million for the six months ended June 30, 2024, was basically the same as the same period last year.

Administrative expenses

For the six months ended June 30, 2025, the Group's administrative expenses amounted to approximately RMB9.7 million, representing a decrease of approximately RMB1.5 million, or approximately 13.1%, from approximately RMB11.2 million for the six months ended June 30, 2024 mainly due to the Group's overall optimization of the organizational structure and advancing digital transformation, resulting in enhanced operational efficiency.

Research and development expenses

For the six months ended June 30, 2025, the Group's research and development expenses amounted to approximately RMB6.8 million, representing an increase of approximately RMB0.8 million, or approximately 12.1%, from approximately RMB6.0 million for the six months ended June 30, 2024 mainly due to the Group's strategic investment in AI marketing core technology that strengthened the Company's long-term technical barriers and laid a solid foundation for future business and market share growth.

Finance costs

For the six months ended June 30, 2025, the Group's finance costs amounted to approximately RMB0.1 million, which is equal to that for the six months ended June 30, 2024.

Income tax expense

For the six months ended June 30, 2025, the Group's income tax expense amounted to approximately RMB1.9 million, representing an increase of approximately RMB2.5 million, or approximately 398.9% from approximately RMB-0.6 million for the six months ended June 30, 2024, mainly due to the government tax refunds in the same period last year, the actual tax rate for the Reporting Period remains the same as in the past.

Profit for the period

For the six months ended June 30, 2025, loss attributable to owners of the Group was approximately RMB1.8 million (June 30, 2024: profit approximately RMB4.3 million), representing a decrease of approximately RMB6.1 million, or approximately 140.9%, from the corresponding period in 2024, mainly due to the decrease in other income and gain and the increase in income tax expense.

Other Financial Information (Non-IFRS measures): Adjusted net profit

To supplement the Group's consolidated results which are prepared and presented in accordance with International Financial Reporting Standards, the Company utilized non-IFRS adjusted net profit ("Adjusted Net Profit") as an additional financial measure. Adjusted Net Profit is defined as profit for the Reporting Period, as adjusted by adding back share-based compensation expenses, which represent the expenses on Post-IPO RSU Scheme.

Adjusted net profit is not required by, or presented in accordance with, IFRS. The Company believes that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information to investors and management regarding financial and business trends in relation to their financial condition and results of operations, by eliminating any potential impact of items that the Group's management does not consider to be indicative of the Group's operating performance. The Company also believes that the non-IFRS measures are appropriate for evaluating the Group's operating performance. However, the use of this particular non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, the Group's results of operations or financial conditions as reported under IFRS. In addition, this non-IFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

The following tables set forth reconciliations of the Group's non-IFRS measures for the six months ended June 30, 2025 and 2024 to the nearest measures prepared in accordance with IFRS.

	For the six months ended June 30,				
	2025 RMB'000	% of total revenue	2024 RMB'000	% of total revenue	% of period- over-period change
Profit for the period	(1,769)	-2.7	4,328	6.5	-140.9
Add back:					
Share-based compensation expenses	0	0	0	0	0
Non-IFRS measure adjusted net profit	(1,769)	-2.7	4,328	6.5	-140.9

Liquidity and capital resources

As of June 30, 2025, the Group had current assets of approximately RMB559.9 million (December 31, 2024: approximately RMB556.1 million) and current liabilities of approximately RMB77.6 million (December 31, 2024: approximately RMB84.2 million). The current ratio was 7.2 times as at June 30, 2025 as compared with 6.6 times as at December 31, 2024.

As of June 30, 2025, the Group's cash and cash equivalents amounted to approximately RMB280.8 million which is mainly funded from the net cash flows generated from operating activities. The cash and cash equivalents as at June 30, 2025 denominated in RMB, HK\$, US\$ and THB amounted to approximately RMB125.9 million, approximately HK\$30.1 million, approximately US\$17.7 million and approximately THB2.8 million, respectively. As at June 30, 2025, the Group did not have any bank borrowings (December 31, 2024: Nil) and the Group's gearing ratio (gearing ratio is defined as the ratio of total liabilities to total equity) is 15.3% (December 31, 2024: 16.6%). The Group monitors and maintains cash and cash equivalents to a level that management believes to be sufficient to meet the Group's operating needs.

	For the six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from operating activities	27,341	11,559
Net cash generated from investing activities	46,188	13,354
Net cash used in financing activities	(520)	(1,200)
Net increase in cash and cash equivalents	73,009	23,713
Cash and cash equivalents as at the beginning of the period	209,104	369,880
Effect of exchange rate difference	(1,356)	1,343
Cash and cash equivalents as at June 30	280,757	394,936

Operating activities

For the six months ended June 30, 2025, net cash generated from operating activities was approximately RMB27.3 million, which primarily included cash generated from operating activities of approximately RMB25.0 million for the six months ended June 30, 2025 increased by the interest received and income tax refund RMB4.3 million for the six months ended June 30, 2025. For the six months ended June 30, 2024, net cash generated from operating activities was approximately RMB11.6 million.

Investing activities

For the six months ended June 30, 2025, net cash generated from investing activities was approximately RMB46.2 million which primarily included proceeds from disposal of time deposits with original maturity of over three months of approximately RMB205.2 million, offset primarily by the purchase of financial assets at fair value through profit or loss of approximately RMB75.2 million and purchase of time deposits with original maturity of over three months of approximately RMB90.0 million. For the six months ended June 30, 2024, net cash used in investing activities was approximately RMB13.4 million.

Financing activities

For the six months ended June 30, 2025, net cash used in financing activities was approximately RMB0.5 million, primarily including the payment of lease liabilities of approximately RMB0.4 million. For the six months ended June 30, 2024, net cash used in financing activities was approximately RMB1.2 million.

Capital expenditure

The Group's capital expenditures mainly included (i) purchase of property, plant and equipment such as computer and electronic equipment and office furniture and equipment; and (ii) intangible assets such as computer software and website use right. Capital expenditures for the six months ended June 30, 2024 and 2025 are set out below:

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Property, plant and equipment	2,859	732
Intangible assets	–	6,001

Exposure to Fluctuations in Foreign Exchange Rates

The Group's business operations are mainly conducted in the PRC with most of the transactions settled in RMB, being the Group's functional currency. The Board considers that the Group's business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group that are denominated in the currencies other than the respective functional currencies of the Group's entities.

During the Reporting Period, the Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies. Substantial amounts of the Group's cash and cash equivalent are held in major financial institutions located in the PRC. The Group seeks to maintain strict control over its outstanding receivables and the senior management of the Company reviews and assesses the creditworthiness of the Group's existing customers on an ongoing basis. To manage liquidity risk, the Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations. Cash and cash equivalents of the Group are mainly denominated in RMB.

Pledge of Assets

As of June 30, 2025, the Group did not pledge any assets as collateral for bank borrowings or any other financing activities (December 31, 2024: Nil).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets

The financial assets that we invested mainly include investments in unlisted investment funds and wealth management products. The Board confirmed that the transactions in these financial assets on standalone and aggregate basis during the Reporting Period did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

On October 13, 2021, Changxing Weinete Congyue Equity Investment Partnership (L.P.)* (長興微網縱躍股權投資合夥企業(有限合夥)) (“**Weinete Fund**”) (as limited partner), Wang Yuanshu (a natural person as limited partner) and Gongqingcheng Taoyuan Investment Management Co., Ltd.* (共青城韜遠投資管理有限公司) (now known as Shanghai Xintong Boda Private Equity Fund Management Co., Ltd.* (上海新瞳博達私募基金管理有限公司)) (“**Taoyuan Investment**”) (as general partner) entered into a partnership agreement in respect of Gongqingcheng Ruibo Equity Investment Partnership (L.P.)* (共青城銳博股權投資合夥企業(有限合夥)) (the “**Ruibo Fund**”), pursuant to which Weinete Fund agreed to subscribe for the limited partnership interests in the Ruibo Fund, for a capital commitment of RMB30.0 million, representing 59.99% of the registered capital of the Ruibo Fund as of June 30, 2025. Such fund is managed by Taoyuan Investment with a view to make equity or quasi-equity investment into private equity projects.

For details, please refer to the announcements of the Company dated May 12, 2021, October 13, 2021 and November 16, 2021.

For the six months ended June 30, 2025, the Group has the following significant investment:

	Percentage of interest held		Investment costs		Gain recognized	Fair value	
	As of June 30, 2025	As of December 31, 2024	As of June 30, 2025	As of December 31, 2024	in other income and gains	As of June 30, 2025	As of December 31, 2024
	%	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Ruibo Fund	<u>58.79</u>	<u>58.79</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>25,571</u>	<u>25,571</u>

As of June 30, 2025, the percentage to total assets value of the Group is approximately 4.2%.

Save as disclosed above, there were no other significant investments held, nor were material acquisitions or disposals of subsidiaries, associates and joint ventures, during the Reporting Period. Apart from those disclosed in this announcement, there was no plan authorized by the Board for other material investments or addition of capital assets at the date of this announcement.

Contingent Liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities (December 31, 2024: Nil).

Employees and Remuneration Policies

As of June 30, 2025, the Group had 77 full time employees, most of whom were based in China (June 30, 2024: 126). For the six months ended June 30, 2025, the Group's employee benefit and expenses amounted to approximately RMB22.2 million (including salary, wages, and bonuses, pension costs and other social security costs, housing benefits, other employee benefits and share-based compensation). The number of employees employed by the Group may change from time to time as required and employee emoluments are determined with reference to market conditions and the performance, qualifications and experience of individual employees.

We have established effective employee performance evaluation system and employee incentive schemes to correlate the remuneration of our employees with their overall performance and contribution to the business operation results, and have established a merit-based remuneration awards system. On September 30, 2021, the Company adopted the Post-IPO RSU Scheme, pursuant to which a scheme custodian will purchase Shares out of a contributed amount settled or contributed by the Company and such Shares will be held on trust in accordance with the term of the Post-IPO RSU Scheme. The purpose of the Post-IPO RSU Scheme is to drive performance within the Group by focusing on core key performance indicators that align with the Group's overall performance, to engage, attract and retain skilled and experienced personnel, and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. For details, please refer to the announcement of the Company dated September 30, 2021. In addition, the Company adopted a pre-IPO restricted share unit scheme and a restricted share award scheme on June 25, 2019. Employees are promoted not only in terms of position and seniority, but also in terms of professional qualifications.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There are no material events subsequent to June 30, 2025 which could have a material impact on our operating and financial performance as of the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2025 (June 30, 2024: Nil).

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the Reporting Period and up to the date of this announcement, the Company has complied with all applicable code provisions under the CG Code and adopted most of the best practices set out therein except for the deviation from code provision C.2.1.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The role of Chairman and chief executive officer of the Company ("CEO") are both performed by Mr. XU. Given that Mr. XU is one of the Group's founders who had provided strategic guidance and leadership throughout the development of its business, the Board believes that vesting the roles of both Chairman and CEO in Mr. XU has the benefit of ensuring consistent leadership within the Group, and providing more effective and efficient overall strategic planning and management oversight for the Group. The Board considers that Mr. XU's dual roles at this stage is conducive to maintaining the continuity of the Company's policies and the operation efficiency and stability of the Company, which is appropriate and in the best interest of the Company. The Directors will review the corporate governance policies and compliance with the CG Code each financial year and apply the "comply or explain" principle in the corporate governance report which will be included in the annual reports.

The Directors have a balanced mix of experience and industry background, including but not limited to experience in the corporate finance, marketing, human resources, business advisory and accounting industries. The three independent non-executive Directors who have different industry backgrounds, represent more than one-third of the Board members.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions since the Listing Date.

Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

In September 2021, the Company appointed Kastle Limited as the scheme custodian under the Post-IPO RSU Scheme to purchase shares to be held by trust for the future grant of restricted share unit pursuant to the terms and conditions of the Post-IPO RSU Scheme. During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any listed securities of the Company (including sale of treasury shares). No restricted share unit was granted as at June 30, 2025 and up to the date of this announcement.

As at June 30, 2025, there is no treasury shares (as defined under the Listing Rules) held by the Company.

AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Mr. NG Jack Ho Wan (chairman), Mr. XU Xiangyang and Mr. SUN Yong. The Audit Committee has also adopted written terms of reference for the Audit Committee which clearly set out its duties and obligations (the terms of reference for the Audit Committee are available on the websites of the Company and the Stock Exchange).

The Audit Committee has reviewed the accounting principles and practices adopted by the Group as well as the unaudited interim condensed consolidated financial statements and the interim results announcement of the Group for the six months ended June 30, 2025 and is of the view that the interim results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cheshi.com. The interim report of the Company for the six months ended June 30, 2025 will be despatched to the Shareholders upon request and published on the respective websites of the Stock Exchange and the Company in due course.

DEFINITIONS

In this interim results announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“AI”	artificial intelligence
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	board of directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended and supplemented from time to time
“Chairman”	chairman of the Board
“China” or “PRC”	the People’s Republic of China, unless otherwise stated, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan of China herein
“Company” or “the Company”	AI X Tech Inc. (車市科技有限公司), an exempted company incorporated in the Cayman Islands on November 22, 2018 with limited liability and the Shares are listed on the Main Board of the Stock Exchange on January 15, 2021 (Stock code: 1490)
“Director(s)”	director(s) of the Company
“Group”, “we”, “us”, or “our”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$” or “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Listing Date”	January 15, 2021, the date on which the Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. XU”	Mr. XU Chong (徐翀), a founder, an executive Director, Chairman, the chief executive officer of the Company and a Controlling Shareholder

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Post-IPO RSU Scheme”	the post-IPO RSU scheme approved and conditionally adopted by the Board on September 30, 2021
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	the six months ended June 30, 2025
“SaaS”	software as a service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted
“Share(s)”	ordinary share(s) in the issued capital of the Company with nominal value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THB”	Thai baht, the lawful currency of Thailand
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Cheshi Technology Inc.
XU Chong
Chairman and chief executive officer

Hong Kong, August 26, 2025

As at the date of this announcement, the Board comprises Mr. XU Chong, Mr. LIU Lei, Mr. LIN Yuqi and Ms. ZHANG Nan as the executive Directors, and Mr. XU Xiangyang, Mr. SUN Yong and Mr. NG Jack Ho Wan as the independent non-executive Directors.

* *For identification purposes only*