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Qian Xun Technology Limited
千循科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1640)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Qian Xun Technology Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2025 (the “**period under review**”), together with the comparative figures for the corresponding period in 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	647,384	67,144
Cost of revenue		<u>(619,750)</u>	<u>(62,190)</u>
Gross profit		27,634	4,954
Other income, gains and losses	5	46,328	35
Selling and marketing expenses		(4,482)	(984)
Administrative expenses		(11,512)	(5,486)
Finance cost	6	(4,637)	(2,732)
Gain on disposal of a subsidiary		–	474
(Provision for)/reversal of loss allowance of financial assets, net		<u>(523)</u>	<u>13,266</u>
Profit before tax		52,808	9,527
Income tax expenses	7	<u>(1,340)</u>	<u>(4,161)</u>
Profit and total comprehensive income for the period	8	<u>51,468</u>	<u>5,366</u>
Profit and total comprehensive income attributable to:			
Owners of the Company		51,469	5,366
Non-controlling interests		<u>(1)</u>	<u>–</u>
		<u>51,468</u>	<u>5,366</u>
Earnings per share attributable to the owners of the Company			
Basic (RMB cents)	9	<u>9.19</u>	<u>1.31</u>
Diluted (RMB cents)	9	<u>8.81</u>	<u>1.31</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property and equipment		1,625	387
Intangible assets		27,393	28,001
Deferred tax assets		15,629	15,629
Goodwill		67,477	67,477
		<u>112,124</u>	<u>111,494</u>
Current assets			
Inventories		71,744	9,354
Trade receivables, prepayments and other receivables	11	450,621	304,215
Amounts due from related companies		–	157
Cash and cash equivalents		110,565	33,966
		<u>632,930</u>	<u>347,692</u>
Total assets		<u><u>745,054</u></u>	<u><u>459,186</u></u>
Capital and reserves			
Share capital	15	5,043	5,043
Reserves		236,506	148,779
Equity attributable to owners of the Company		241,549	153,822
Non-controlling interests		<u>(26)</u>	<u>(25)</u>
Total equity		<u>241,523</u>	<u>153,797</u>

		30 June 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
Current liabilities			
Trade and other payables	12	182,096	136,811
Contingent consideration payable		16,055	28,797
Amount due to a director		–	14,673
Tax payables		2,390	1,692
Contract liabilities		61,366	34,448
Bank and other borrowings	13	4,371	80,000
Deferred tax liabilities		6,845	6,997
Convertible bonds	14	201,408	–
		<u>474,531</u>	<u>303,418</u>
Non-current liability			
Bank and other borrowings	13	29,000	1,971
		<u>29,000</u>	<u>1,971</u>
Total liabilities		<u>503,531</u>	<u>305,389</u>
Total equity and liabilities		<u><u>745,054</u></u>	<u><u>459,186</u></u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION AND PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.1 General information

Qian Xun Technology Limited (the “**Company**”) was incorporated and registered as an exempted company in the Cayman Islands with limited liability under Companies Law of the Cayman Islands, on 15 January 2019 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 November 2019.

The address of the Company’s registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands and the principal place of business is Unit 25B02 on 25th Floor, Far East Finance Center, 16 Harcourt Road, Hong Kong.

During the period, the Company is an investment holding company and its subsidiaries are principally engaged in the following principal activities:

- Provision of advertising services; and
- E-commerce business of used electronic products and provision of Software-as-a-Service (“**SaaS**”) (“**E-commerce Business**”).

The interim condensed consolidated financial statements of the Group are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company. The Company and its subsidiaries are hereinafter collectively referred to as the “**Group**”.

These interim condensed consolidated financial statements are unaudited.

1.2 Basis of preparation

The Group’s unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (the “**IAS**”) 34 “**Interim Financial Reporting**” issued by the International Accounting Standards Board (the “**IASB**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules of Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which is mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior period and/or on the disclosures set out in these consolidated financial statements.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- Advertisement segment – providing advertising services; and
- E-commerce segment – E-commerce business of used electronic products and provision of SaaS services.

Management monitors the results of the Group's operating segments separately for the purpose of making decision about resources allocations and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that finance costs, gain on disposal of a subsidiary, gain on deconsolidation of a subsidiary and corporate and unallocated incomes/expenses are excluded from such measurement.

Segment revenue and segment result

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Advertisement		E-commerce		Total	
	2025	2024	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	<u>21,714</u>	<u>67,144</u>	<u>625,670</u>	<u>–</u>	<u>647,384</u>	<u>67,144</u>
Segment results	<u>4,430</u>	<u>11,785</u>	<u>10,862</u>	<u>–</u>	<u>15,292</u>	<u>11,785</u>
Gain on disposal of a subsidiary					–	474
Corporate and unallocated incomes (<i>Note (i)</i>)					463	–
Corporate and unallocated expenses (<i>Note (i)</i>)					(3,654)	–
Gain on deconsolidation of a subsidiary					45,344	–
Finance costs					<u>(4,637)</u>	<u>(2,732)</u>
Profit before tax					<u>52,808</u>	<u>9,527</u>

Note:

- (i) For the period ended 30 June 2024, all of the Group's activities are considered to be primarily the provision of advertising services and there was only one operating segment of the Group. In this regard, no unallocated incomes and expenses were separated to present in 2024.

Geographical information

(a) Revenue from external customers

	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Mainland China	390,935	67,144
Other regions/countries	256,449	—
	<u>647,384</u>	<u>67,144</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

As at 30 June 2025 and 31 December 2024, over 90% of the non-current assets were located in the People's Republic of China (the "PRC").

4. REVENUE

Types of goods and services

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Advertising services	21,714	67,144
E-commerce business	625,670	—
	<u>647,384</u>	<u>67,144</u>

Time of revenue recognition

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Over time	22,214	67,144
At a point of time	625,170	—
	<u>647,384</u>	<u>67,144</u>

5. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest income on bank deposits	515	5
Government grants (<i>Note (i)</i>)	–	27
Gain on deconsolidation of a subsidiary (<i>Note (ii)</i>)	45,344	–
Others	469	3
	<u>46,328</u>	<u>35</u>

Notes:

- (i) The amounts represented subsidies received from the local governments for rewarding the Group's contribution to local economies and for listing. There were no specific conditions attached to the grants and the amounts were recognised in profit or loss when the grants were received.
- (ii) On 19 February 2025, Lingyu (Beijing) Culture Media Co., Ltd.* (領育(北京)文化傳媒有限公司), an indirect wholly owned subsidiary of the Company, was transferred out of the Group without proper authorisation. Following the deconsolidation of Lingyu on 19 February 2025, the Group recognised a gain on deconsolidation of RMB45,344,000.

* *English name is for identification purpose only*

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest expenses	<u>4,637</u>	<u>2,732</u>

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Current tax expenses/(credit)		
– Current period	1,492	88
– Deferred taxation	(152)	4,073
	<hr/>	<hr/>
Income tax expenses	1,340	4,161
	<hr/> <hr/>	<hr/> <hr/>

Pursuant to the Law of the PRC on EIT (“**EIT Law**”) and Implementation Regulation of the EIT Law, certain PRC subsidiaries qualified as Small Low-profit Enterprises are entitled to 5% PRC EIT. The tax rate of other PRC subsidiaries is 25%.

The applicable tax rate of Xizang Wanmei Advertising Co., Ltd.* (西藏萬美廣告有限公司) (“**Xizang Wanmei**”), a wholly owned subsidiary of the Group, is 15% according to Circular Zang Zheng Fa [2018] No. 25 (the “**Circular**”). According to the Circular, enterprises located in Tibet and engaged in specific encouraged industries are qualified for applying a preferential tax rate of 15% for the periods from 2018 to 2020. As such, the EIT rate for Xizang Wanmei is 15% for both years. Subsequent to 31 December 2020, Ministry of Finance in PRC issued 2020 notice no. 23 to extend the tax concession period to 31 December 2030.

Pursuant to the laws and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands as there is no income tax impose in such jurisdiction.

Pursuant to the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profit of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

* *English name is for identification purpose only*

8. PROFIT FOR THE PERIOD

The following items have been included in the profit for the period:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Depreciation of property and equipment	23	12
Amortisation of intangible assets	608	3
	<hr/>	<hr/>
Total depreciation and amortisation	631	15
	<hr/>	<hr/>
Staff costs		
Salaries and allowances	9,884	1,980
Retirement benefits contribution	796	–
	<hr/>	<hr/>
Total staff costs	10,680	1,980
	<hr/>	<hr/>
Auditor's remuneration	100	80
Expenses relating to short-term leases	450	646
	<hr/> <hr/>	<hr/> <hr/>

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share	51,469	5,366
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	6,585	–
	<hr/>	<hr/>
Earnings for the purpose of diluted earnings per share	58,054	5,366
	<hr/> <hr/>	<hr/> <hr/>

Number of shares

	Six months ended 30 June	
	2025 '000 (Unaudited)	2024 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	560,000	410,549
Effect of dilutive potential ordinary shares:		
Convertible bonds	98,704	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	658,704	410,549

Earnings per Share

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Basic (RMB cents)	9.19	1.31
Diluted (RMB cents)	8.81	1.31

10. DIVIDENDS

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

11. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	As at	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables – contracts with customers	286,690	222,884
Less: loss allowance for trade receivables	(130,361)	(141,841)
	156,329	81,043

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Rental and other deposits	6,627	6,104
Deductible value-added tax	745	2,852
Prepayments to suppliers	282,197	242,694
Other receivables	16,777	17,353
	<u>306,346</u>	<u>269,003</u>
Less: loss allowance for prepayments and other receivables	(12,054)	(45,831)
	<u>294,292</u>	<u>223,172</u>
Total	<u><u>450,621</u></u>	<u><u>304,215</u></u>

The Group generally determines the credit period granted to customers with reference to the financial position, credit record, duration of business relationship and the types of services the Group provides. Credit and payment terms may vary for different customers and projects. The Group generally issues billings to customers after performance of advertising services according to the terms set out in the relevant contracts.

The following is an aged analysis of trade receivables net of allowance for credit loss presented based on the date of billing, which approximates the respective revenue recognition dates, at the end of the reporting period:

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
0 – 30 days	55,279	889
31 – 90 days	28,065	6,972
91 – 180 days	6,596	2,412
181 – 360 days	4,086	36,432
Over 360 days	62,303	34,338
	<u>156,329</u>	<u>81,043</u>

12. TRADE AND OTHER PAYABLES

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade payables	95,484	97,873
Staff cost payables	6,114	7,228
Other tax payables	1,663	177
Listing expenses payables	756	756
Interest payables	715	665
Accrued expenses and other payables	77,364	30,112
	<u>182,096</u>	<u>136,811</u>

The following is an aged analysis of trade payables based on the date of billing, as at the end of each reporting period:

	As at	
	30 June	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
0 to 30 days	5,109	8,780
31 to 90 days	9,439	21,841
Over 90 days	80,936	67,252
Total	<u>95,484</u>	<u>97,873</u>

The Group is granted a credit period from 5 to 60 days from its suppliers, unless prepayment to suppliers is specified on the contract. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

13. BANK AND OTHER BORROWINGS

	As at	
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Bank and other borrowings		
– Secured (<i>Note (i)</i>)	3,000	72,871
– Unsecured	30,371	9,100
	<u>33,371</u>	<u>81,971</u>
Total	<u>33,371</u>	<u>81,971</u>

Note:

- (i) The bank loans were guaranteed by two (31 December 2024: four) independent third party guarantors, who charged the Group an upfront guarantee fees of 1.5% (31 December 2024: range from 1.80% to 2.10%) of the corresponding loan principal amounts.

The effective interest rates (which are also equal to contracted interest rates) of these bank loans of 3.35% (31 December 2024: range from 2.40% to 6.00%) per annum as at 30 June 2025.

The loan agreements do not impose any covenants.

14. CONVERTIBLE BONDS

The convertible bonds recognised in the consolidated statement of financial position are bifurcated into two components for accounting purposes, namely the liability component and the equity component, and the movements in these components during the reporting period are as follows:

	Liability Component	Equity Component	Total
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2025	–	–	–
Issued convertible bonds	197,465	36,258	233,723
Interest expenses	3,943	–	3,943
	<u>201,408</u>	<u>36,258</u>	<u>237,666</u>
At 30 June 2025	<u>201,408</u>	<u>36,258</u>	<u>237,666</u>

On 28 February 2025, the Company issued convertible bonds with an aggregate principal amount of HK\$256,630,000 to not less than six placees. The convertible bonds carry fixed interest at a rate of 5% per annum, payable in arrears on the maturity date, 27 February 2026, which is falling 364 days from the issue date.

The Convertible bonds entitle the holders to convert them into ordinary shares of the Company at any time starting from 25 December 2025 to 27 February 2026, the maturity date, at a conversion price of HK\$2.60 per share (subject to adjustment).

15. SHARE CAPITAL

	As at	
	30 June	31 December
	2025	2024
	HK'000	HK'000
	(Unaudited)	(Audited)
Ordinary shares of HK\$0.01 each		
Statutory:		
2,000,000,000 shares (31 December 2024: 2,000,000,000 shares)	20,000	20,000
Issued and fully paid:		
As the beginning of the period	5,600	4,000
Placing of shares (<i>Note (i)</i>)	–	800
Issue of shares (<i>Note (ii)</i>)	–	800
As the end of the period	5,600	5,600
	As at	
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Shown in the consolidated financial statements	5,043	5,043

Notes:

- (i) On 7 June 2024, the Company completed a placing of an aggregate of 80,000,000 new shares at a placing price of HK\$0.50 each share. The net proceeds from the placing of new shares amounted to approximately HK\$40,000,000 (equivalent to approximately RMB35,949,000).
- (ii) On 13 August 2024, the Company completed the acquisition of Qian Xun International Limited with a total consideration of RMB85,171,000, which was settled partially by the allotment and issue of 80,000,000 new shares at a price of HK\$0.80 each share in the Company. The net proceeds from the issue of shares amounted to approximately HK\$64,000,000 (equivalent to approximately RMB58,786,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

In the first half of 2025, the Group's business transformation has shown initial success. The traditional advertising business has been strategically scaled back, while the second-hand e-commerce business has experienced rapid growth. With the increasing environmental awareness among consumers and shifts in consumption attitudes, more and more people have begun to accept and opt for purchasing second-hand electronic products. On one hand, consumers' pursuit of cost-effective products has become increasingly prominent, and second-hand 3C products, with their relatively lower prices, can meet consumers' functional needs. On the other hand, the rapid pace of electronic product upgrades has resulted in a large number of idle second-hand devices, providing ample supply for the second-hand e-commerce market.

Qian Xun Technology has actively innovated in the second-hand 3C e-commerce sector. Through diversified recycling channels such as online platform recycling, self-service kiosk recycling, and urban operation center-owned store recycling, the Company has achieved efficient recovery of second-hand 3C products. The Qian Xun Youxuan Urban Operation Center (千循優選城市運營中心) has been officially operational for three months and has already completed its model testing, achieving positive monthly cash flow and net profit. Meanwhile, with the advanced AI technology and SaaS platform "Fenhao Cloud", Qian Xun Technology provides one-stop services for second-hand digital transactions, including accurate pricing, intelligent simultaneous sales, and inventory management, significantly enhancing transaction efficiency and turnover rates.

As part of the Group's strategic efforts to diversify its revenue base and expand into new markets, the Group made further progress in expanding its e-commerce business of used electronic products and provision of SaaS services in Mainland China and other countries. During the Reporting Period, the e-commerce business contributed revenue of approximately RMB625.7 million. The e-commerce business has been the largest source of revenue and profit for the Company.

The Group has collaborated closely to integrate AI capabilities into our contact center systems and services. In March 2025, the Group officially launched the industry's first second hand 3C intelligent decision-making engine, "Fenhao Cloud AI Assistant", which is based on DeepSeek, a world-leading AI large language model.

The tool deeply integrates the real-time transaction data of "Fenhao Cloud", the SAAS platform of Qian Xun Technology, and the intelligent decision-making capability of DeepSeek, with four major functions: intelligent pricing, intelligent pricing adjustment, risk alert, and auto purchasing, aiming to provide merchants and consumers with intelligent AI services across the entire chain.

Management believes that this new technology will enable us to deliver competitive services to our customers.

Financial review

Revenue

During the period under review (the “**Reporting Period**”), the Group recorded revenue of approximately RMB647.4 million, representing a significant increase of approximately 864.8% as compared to approximately RMB67.1 million for the corresponding period of last year (the “**Corresponding Period**”). The explosive growth was mainly contributed by the e-commerce business of used electronic products acquired by the Company in August 2024, which recognized revenue in the amount of approximately RMB625.7 million for the Reporting Period.

Gross profit and gross profit margin

During the Reporting Period, the Group recorded gross profit and gross profit margin of approximately RMB27.6 million and 4.3%, respectively. The Group’s gross profit and gross profit margin for the Corresponding Period were approximately RMB5.0 million and 7.4%, respectively.

Other income, gains and losses

During the Reporting Period, other income, gains and loss of the Group amounted to approximately RMB46.3 million, representing an increase of approximately RMB46.2 million for the Corresponding Period. This was primarily due to a one-off gain on deconsolidation of RMB45.3 million.

Selling and marketing expenses

During the Reporting Period, selling and marketing expenses of the Group amounted to approximately RMB4.5 million, representing an increase of 350% from approximately RMB1.0 million for the Corresponding Period. This was primarily due to selling and marketing expenses arised from the e-commerce business acquired by the Company in August 2024.

Administrative expenses

During the Reporting Period, the Group’s administrative expenses amounted to approximately RMB11.5 million, representing an increase of 109.1% from approximately RMB5.5 million for the Corresponding Period. This was primarily due to administrative expenses arised from the e-commerce business acquired by the Company in August 2024.

Finance costs

During the Reporting Period, finance costs of the Group amounted to approximately RMB4.6 million, representing an increase of 70.4% from approximately RMB2.7 million for the Corresponding Period. This was primarily due to finance cost arised from interest expenses accrued for the convertible bonds issued by the Company in February 2025.

(Impairment losses)/reversal of financial assets

During the Reporting Period, the Group's impairment losses of financial assets was approximately RMB0.5 million, as compared to reversal of impairment losses of approximately RMB13.3 million for the Corresponding Period.

Income tax expenses

During the Reporting Period, the Group's income tax expenses was approximately RMB1.3 million, as compared to an income tax expense of approximately RMB4.2 million for the Corresponding Period.

Profit and total comprehensive income

As a result of the foregoing, during the Reporting Period, the Group's profit and total comprehensive income amounted to approximately RMB51.5 million (profit and total comprehensive income for the Corresponding Period: approximately RMB5.4 million).

Trade receivables, prepayments and other receivables

As at 30 June 2025, the Group's trade receivables, prepayments and other receivables amounted to approximately RMB450.6 million (as at 31 December 2024: approximately RMB304.2 million), representing an increase of 48.1% as compared with trade receivables, prepayments and other receivables as at 31 December 2024. The increase in trade receivables, prepayments and other receivables was mainly arised from the e-commerce business acquired by the Company in August 2024.

Trade and other payables

As at 30 June 2025, trade and other payables amounted to approximately RMB182.1 million (as at 31 December 2024: approximately RMB136.8 million), representing an increase of 33.1% as compared with trade and other payables as at 31 December 2024.

Trade payables mainly represent the amount payable by the Group to the vendor of e-commerce business of used electronic products and suppliers for the purchase of advertising resources. Payments are generally made in accordance with the terms specified in the contract with the supplier. The Group is generally required to pay within 60 days of calculating the actual number of exposures or hits per month. During the period under review, the increase in trade and other payables mainly arised from the e-commerce business acquired by the Company in August 2024.

Significant investments, material acquisitions and disposals of subsidiaries and associated companies

Performance Target of the Target Group in relation to the Acquisition of E-Commerce Business

Reference are made to the announcements of the Company dated 24 July 2024 and 13 August 2024 (the “Announcements”), in relation to the acquisition of entire interest in Qian Xun International Limited (formerly known as “Charm Linkage Holdings Limited”) (the “Acquisition”). Terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

As disclosed in the Announcements, pursuant to the Agreement, the Vendors jointly and severally guarantee to the Purchaser that, among others, the audited net profit before tax of the Target Group for the three years ending 31 December 2026 (the “Guarantee Period”) will be no less than HK\$70,000,000.00 in aggregate (the “Ultimate Performance Target”). As part of the Ultimate Performance Target, the audited net profit before tax of the Target Group for the year ending 31 December 2024 (the “2024 Audited Profit”) will not be less than HK\$5,000,000.00 (the “2024 Performance Target”). If the 2024 Performance Target is satisfied, the Purchaser shall pay to the Vendors an amount of HK\$14,600,000.00 in cash.

The audited consolidated financial statement of the Target Group indicated that the 2024 Audited Profit had exceeded HK\$5,000,000. As the 2024 Performance Target has been met, the Company paid to the Vendors HK\$14,600,000 in according with the Agreement.

Placing of Convertible Bonds under Specific Mandate

On 4 November 2024, the Company entered into a placing agreement with the placing agent pursuant to which the Company proposed to offer for subscription, and the Placing Agent agreed to procure subscriptions for the convertible bonds on a best effort basis on the terms and subject to the conditions set out in the placing agreement. The placing agent shall procure not less than six placees to subscribe for the convertible bonds in the aggregate principal amount of up to HK\$300,001,000.

The completion took place on 28 February 2025. The convertible bonds in the aggregate principal amount of HK\$256,630,000 have been successfully issued and placed to not less than six placees. Upon the full conversion of the convertible bonds, based on the initial conversion price of HK\$2.60 per conversion share (subject to adjustment), 98,703,846 conversion shares will be allotted and issued by the Company upon exercise of the conversion rights attaching to the convertible bonds in full, representing (i) approximately 17.63% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 14.98% of the total issued shares as enlarged by the allotment and issue of 98,703,846 conversion shares.

For further details, please refer to the announcements of the Company dated 4 November 2024, 19 December 2024, 10 January 2025, 27 January 2025, 25 February 2025 and 28 February 2025 and circulars of the Company dated 10 January 2025.

Save as disclosed above, there is no plan for material investments, acquisitions or disposals of the Group's assets as at 30 June 2025 and up to the date of this announcement.

Liquidity and financial resources

As at 30 June 2025, cash and cash equivalents was approximately RMB110.6 million (as at 31 December 2024: approximately RMB34.0 million) of which, substantially was in HK\$. As at 30 June 2025, the Group's total asset was approximately RMB745.1 million (31 December 2024: RMB 459.2 million) of which equity attributable to the owners of the Company was approximately RMB241.5 million (31 December 2024: RMB 153.8 million), non-controlling equity was approximately RMB 0.03 million (31 December 2024: RMB 0.03 million).

Gearing ratio

The Group's gearing ratio increased from approximately 53.3% as at 31 December 2024 to approximately 97.2% as at 30 June 2025, which was primarily due to an increase in convertible bonds during the period under review.

The gearing ratio is calculated by dividing the sum of total bank and other borrowings and convertible bonds by total equity as at the end of the respective periods, and multiplied by 100%.

Pledged assets

During the reporting period, the Company did not charge any fixed assets as security for borrowings.

Capital expenditures

During the Reporting Period, the Group did not have any other significant capital expenditure (Corresponding Period: RMB Nil).

Contingent liabilities

During the period under review, the Group's contingent liabilities was approximately RMB16.1 million, (Corresponding Period: RMB28.8 million), which are from contingent consideration payable of the Acquisition. During the Reporting Period, HK\$14.6 million consideration was paid to the Vendors as the 2024 Performance Target was met, which reduced the amount of contingent liabilities.

Foreign exchange risk

The Group's business activities and operations are mainly carried out in China where core transactions are conducted in RMB. The influence by exchange rate fluctuations on cash flow or liquidity of the Group's operating business is very limited, therefore, the Group currently is not engaged in or intend to manage hedging activities of foreign exchange rate risk. The Group will continue to monitor foreign exchange activities to secure the Group's cash value as far as possible.

Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuations in the prevailing market interest rates on bank balances and cash. The Group does not have an interest rate hedging policy.

The Group's fair value interest rate risk relates primarily to fixed-rate bank and other borrowings and convertible bonds. The Group's policy is to maintain short-term borrowings at prevailing market interest rates so as to minimize the fair value interest rate risk.

EMPLOYEE AND EMOLUMENT POLICIES

To attract and retain outstanding talent of the Group, the Group provides competitive remuneration packages to its executive Directors and senior management. These comprise salaries and allowance, performance related bonuses, retirement benefits contributions and long-term incentive plan which includes the share option scheme. The remuneration package of executive Directors and senior management is taken reference to salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group. The performance related bonuses are calculated based on our employees' respective position, duration of services and performance of our employees. The Group assesses the remuneration package offered to our employees on an annual basis to determine whether any adjustment to the basic salaries and bonus should be made. The remuneration payable to our employees includes salaries and allowance, performance related bonuses and retirement benefits contributions. The salaries of our employees are generally determined by the employees' respective position, qualification, experience and performance. In order to attract and retain our employees, we assess the remuneration package offered to our employees on an annual basis to determine whether any adjustment to the basic salaries and bonus should be made. We provide training programmes for all of our employees to enhance our employees' knowledge, skills and capability relevant to the advertising industry. All of our new hires will be provided with an induction programme to familiarise with the Group, followed by on-the-job training based on departmental needs and the development strategies of the Group. We also provide promotion opportunities for capable employees as we have policies and procedures setting out the assessment criteria for promotion. The independent non-executive Directors' remuneration relates to their time commitment and responsibilities. They receive fees which comprise the following components: (i) Directors' fees, which are usually paid annually; and (ii) share options which are rewarded subject to the discretion of the Board.

As at 30 June 2025, the Group employed a total of 112 full-time employees (as at 30 June 2024: 29 full-time employees). Compared with the total number of employees as at 30 June 2024, the number of employees increased by 83. During the Reporting Period, the relevant staff costs amounted to approximately RMB10.7 million (Corresponding Period: approximately RMB2.0 million), representing an increase of approximately RMB8.7 million or approximately 435.0% as compared to the Corresponding Period.

USE OF PROCEEDS

Use of Proceeds from the placing of convertible bonds

On 4 November 2024, the Company entered into a placing agreement with the placing agent pursuant to which the Company proposed to offer for subscription, and the Placing Agent agreed to procure subscriptions for the convertible bonds on a best effort basis on the terms and subject to the conditions set out in the placing agreement. The completion took place on 28 February 2025. The convertible bonds in the aggregate principal amount of HK\$256,630,000 have been successfully issued and placed to not less than six placees. The net proceeds from the Subscription after deducting the related expenses are estimated to be approximately HK\$256,290,000, which will be applied as follows:

- (1) approximately HK\$128,145,000 shall be allocated for overseas expansion of the e-commerce business of used electronic products;
- (2) approximately HK\$51,258,000 shall be allocated for the development of existing PRC operations of the e-commerce business of used electronic products;
- (3) approximately HK\$51,258,000 of the net proceeds from the Placing are intended to be applied for the repayment of bank borrowings; and
- (4) the remaining balance of approximately HK\$25,629,000 are intended to be utilized as general working capital of the Group.

Up to the date of this results announcement, the Company (1) had paid approximately HK\$128,145,000 in the overseas expansion of the e-commerce business of used electronic products; (2) had paid approximately HK\$51,258,000 in the development of existing PRC operations of the e-commerce business of used electronic products; (3) had paid approximately HK\$51,258,000 for the repayment of bank borrowings; and (4) had utilized approximately HK\$25,629,000 as general working capital of the Group. All of the proceeds were utilized as intend.

SUBSEQUENT EVENTS AFTER THE PERIOD UNDER REVIEW

There is no material subsequent event undertaken by the Group after 30 June 2025, up to the date of this results announcement.

INDUSTRY AND GROUP OUTLOOK

Looking ahead, the uncertain global economic environment continues to pose challenges for our business. Management is cautiously optimistic about the Group's financial performance in 2025. Specifically, with the integration of AI technology into our systems, we anticipate that innovative development will provide new momentum for our business.

The year 2025 will be a critical year for the Group's "Strategic Change". The Group plans to offset the weakness in the advertising business with the high growth in the second-hand e-commerce business in the short term, stabilising its fundamentals. In addition, it aims to implement cost restructuring and achieve significant efficiency gains through supply chain optimisation and the use of AI technology in the mid-term. In the long run, we aim to establish a triangular framework consisting of "Technology + Supply Chain + Finance", with the goal of becoming a benchmark enterprise in the circular economy.

The Group will continue to explore further business development opportunities, to diversify and strengthen its revenue streams in the second half of the year and beyond. We are confident that we will persistently create outstanding value for enterprises and society with our professional and efficient services and business strategies that keep up with the times. I hereby would like to express my sincere appreciation to our shareholders and respected client partners for their long-term support to and deep trust in the Group. We will move forward with you hand-in-hand, not be afraid of difficulties, forge ahead with determination, and create a brighter future together.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares) for the six months ended 30 June 2025.

As at 30 June 2025, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE PROVISIONS CONTAINED IN APPENDIX C1 TO THE LISTING RULES

The Company is committed to maintaining a high standard of corporate governance practices. The Company has complied with the required code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules for the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having been made specific enquiry, the Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

DIVIDENDS

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

REVIEW OF UNAUDITED INTERIM RESULTS

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in accordance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control system of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

The Group’s interim results for the six months ended 30 June 2025 have not been audited by the auditor of the Company. The Audit Committee comprises of three independent non-executive Directors, namely Ms. Lam Hoi Yan Karen (Chairlady), Mr. Wong Sincere and Mr. Niu Zhongjie. The Audit Committee has reviewed the Company’s unaudited interim results for the six months ended 30 June 2025 and confirmed that it has complied all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of financial reporting.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fprice.cn).

The interim report of the Company for the six months ended 30 June 2025 containing all information required by the Listing Rules will be available on the above websites in due course.

By Order of the Board
Qian Xun Technology Limited
Sun Changpeng
Chairman and Executive Director

Hong Kong, 27 August 2025

As at the date of this announcement, the executive directors are Mr. Sun Changpeng, Mr. Leng Xuejun and Mr. Li Tianzi, and the independent non-executive directors are Ms. Lam Hoi Yan Karen, Mr. Wong Sincere and Mr. Niu Zhongjie.