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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 ANNUAL RESULTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Qian Xun Technology Limited (the “**Company**”) announces the audited consolidated annual results (the “**Annual Results**”) of the Company and its subsidiaries (together, the “**Group**”, “**our**” or “**we**”) for the year ended 31 December 2025 (the “**Reporting Period**”) prepared under the IFRS Accounting Standards, together with the comparative figures for the corresponding period in 2024.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>Revenue</b>	4	<b>1,493,577</b>	356,833
Cost of revenue	9	<u>(1,447,294)</u>	<u>(334,337)</u>
<b>Gross profit</b>		<b>46,283</b>	22,496
Other incomes, gains and losses	5	<b>64,427</b>	7,596
Selling and marketing expenses		<b>(12,091)</b>	(5,978)
Administrative expenses		<b>(30,010)</b>	(17,109)
Finance costs	6	<b>(12,350)</b>	(4,915)
Impairment of inventories		<b>(13,691)</b>	–
Provision for loss allowances of financial assets	7	<u>(54,666)</u>	<u>(125,150)</u>
<b>Loss before tax</b>		<b>(12,098)</b>	(123,060)
Income tax expenses	8	<u>(392)</u>	<u>(651)</u>
<b>Loss for the year</b>	9	<u><b>(12,490)</b></u>	<u>(123,711)</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>1,737</u>	–
<b>Total comprehensive loss for the year</b>		<u><b>(10,753)</b></u>	<u>(123,711)</u>
Total comprehensive loss for the year attributable to:			
Owners of the Company		<b>(10,753)</b>	(123,702)
Non-controlling interests		<u>–</u>	<u>(9)</u>
		<u><b>(10,753)</b></u>	<u>(123,711)</u>
Loss for the year attributable to:			
Owners of the Company		<b>(12,490)</b>	(123,702)
Non-controlling interests		<u>–</u>	<u>(9)</u>
		<u><b>(12,490)</b></u>	<u>(123,711)</u>
<b>Loss per share attributable to the owners of the Company</b>			
Basic and diluted (RMB cents)	11	<u><b>(2.23)</b></u>	<u>(25.81)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Plant and equipment		<b>1,505</b>	387
Right-of-use assets		<b>6,525</b>	–
Intangible assets		<b>25,076</b>	28,001
Deferred tax assets		<b>15,221</b>	15,629
Goodwill		<b>67,477</b>	67,477
		<u><b>115,804</b></u>	<u>111,494</u>
<b>Current assets</b>			
Inventories		<b>91,451</b>	9,354
Trade receivables, prepayments and other receivables	<i>12</i>	<b>367,289</b>	304,215
Amounts due from related companies		–	157
Cash and cash equivalents		<b>51,653</b>	33,966
		<u><b>510,393</b></u>	<u>347,692</u>
<b>Total assets</b>		<u><b>626,197</b></u>	<u>459,186</u>
<b>Capital and reserves</b>			
Share capital		<b>5,043</b>	5,043
Reserves		<b>174,285</b>	148,779
<b>Equity attributable to owners of the Company</b>		<b>179,328</b>	153,822
<b>Non-controlling interests</b>		–	(25)
		<u><b>179,328</b></u>	<u>153,797</u>

	<i>Note</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	<b>191,255</b>	136,811
Contingent consideration payable		–	28,797
Amount due to a director		–	14,673
Tax payables		<b>1,944</b>	1,692
Contract liabilities		<b>15,682</b>	34,448
Bank and other borrowings		<b>305</b>	80,000
Deferred tax liabilities		<b>6,267</b>	6,997
Convertible bonds		<b>205,232</b>	–
Lease liabilities		<b>2,807</b>	–
		<hr/> <b>423,492</b>	<hr/> 303,418
<b>Non-current liabilities</b>			
Other borrowings		<b>19,000</b>	1,971
Lease liabilities		<b>4,377</b>	–
		<hr/> <b>23,377</b>	<hr/> 1,971
<b>Total liabilities</b>		<hr/> <b>446,869</b>	<hr/> 305,389
<b>Total equity and liabilities</b>		<hr/> <b>626,197</b>	<hr/> 459,186

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 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 was changed from 1716-01, 15th Floor, No. 32 Liangmaqiao Road, Chaoyang District, Beijing, the People’s Republic of China, to Unit 25B02 on 25th Floor, Far East Finance Center, 16 Harcourt Road, Hong Kong on 16 July 2025.

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

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

The 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**”.

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

### Amendments to an IFRS Accounting Standard that are effective for the current year

In the current year, the Group has applied, for the first time, the following amendments to an IFRS Accounting Standard issued by the International Accounting Standards Board (the “**IASB**”) which are effective for the Group’s financial year beginning 1 January 2025.

Amendments to IAS 21	Lack of exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no any material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Annual Improvements to IFRS Accounting Standards-Volume 11	Amendments to IFRS Accounting Standards <sup>1</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
IFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to IFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provides disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's 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 service and other services; and
- Pre-owned E-commerce segment – Pre-owned E-commerce business of pre-owned 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		Pre-owned E-commerce		Total	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Segment revenue	<u>45,964</u>	<u>107,646</u>	<u>1,447,613</u>	<u>249,187</u>	<u>1,493,577</u>	<u>356,833</u>
Segment results	<u>(55,047)</u>	<u>(124,485)</u>	<u>15,137</u>	<u>6,641</u>	<u>(39,910)</u>	<u>(117,844)</u>
Gain on disposal of a subsidiary					1,630	9,304
Corporate and unallocated incomes					203	198
Corporate and unallocated expenses					(6,607)	(9,803)
Gain on deconsolidation of a subsidiary					44,936	–
Finance costs					<u>(12,350)</u>	<u>(4,915)</u>
Loss before tax					<u>(12,098)</u>	<u>(123,060)</u>

### Geographical information

#### (a) Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Mainland China	777,495	182,752
Other regions/countries	<u>716,082</u>	<u>174,081</u>
	<u>1,493,577</u>	<u>356,833</u>

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

#### (b) Non-current assets

As at 31 December 2025 and 2024, over 90% of the non-current assets were located in PRC.

## Information about the major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A <sup>1</sup>	N/A <sup>3</sup>	75,536
Customer B <sup>1</sup>	N/A <sup>3</sup>	52,456
Customer C <sup>2</sup>	N/A <sup>3</sup>	44,314
Customer D <sup>1</sup>	N/A <sup>3</sup>	36,811
Customer E <sup>1</sup>	<u>565,357</u>	<u>N/A<sup>3</sup></u>

<sup>1</sup> Revenue from Pre-owned E-commerce business of pre-owned electronic products

<sup>2</sup> Revenue from advertising services and other services

<sup>3</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group

## 4. REVENUE

### Disaggregation of revenue from contracts with customers

Revenue represents revenue arising from rendering advertising and other services, and Pre-owned E-commerce business. An analysis of the Group's revenue for the year is as follows:

#### Types of goods and services

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Advertising and other services	45,964	107,646
Pre-owned E-commerce business	<u>1,447,613</u>	<u>249,187</u>
	<u>1,493,577</u>	<u>356,833</u>

#### Time of revenue recognition

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Over time	50,139	110,673
At a point in time	<u>1,443,438</u>	<u>246,160</u>
	<u>1,493,577</u>	<u>356,833</u>

## 5. OTHER INCOMES, GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income on bank deposits	281	258
Gain on disposal of a subsidiary	1,630	9,304
Gain on deconsolidation of a subsidiary ( <i>Note (i)</i> )	44,936	–
Fair value change of contingent consideration payable	16,177	(2,412)
Others	1,403	446
	<u>64,427</u>	<u>7,596</u>

### *Note:*

- (i) On 19 February 2025, Lingyu (Beijing) Culture Media Co., Ltd.\* (領育(北京)文化傳媒有限公司) (“**Lingyu**”), 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 RMB44,936,000.

## 6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	2,367	4,555
Guarantee fees on bank borrowings	–	360
Interest on convertible bonds	9,797	–
Interest on lease liabilities	186	–
	<u>12,350</u>	<u>4,915</u>

## 7. PROVISION FOR LOSS ALLOWANCES OF FINANCIAL ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Provision for loss allowances of:		
– Trade receivables	6,743	80,240
– Prepayments and other receivables	47,923	45,855
	<u>54,666</u>	<u>126,095</u>
Reversal of loss allowances of:		
– Contract assets	–	(945)
Total provision for loss allowances	<u>54,666</u>	<u>125,150</u>

## 8. INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax expenses		
Current year	1,122	928
Under-provision in prior year	–	28
Deferred taxation	(730)	(305)
Income tax expenses	<u>392</u>	<u>651</u>

Pursuant to the Law of the PRC on Enterprise Income Tax (“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. Ministry of Finance in PRC issued 2020 notice no. 23 to extend the tax concession period to 31 December 2030. As such, the EIT rate for Xizang Wanmei is 15% for both years.

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 imposed 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 profits 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%.

## 9. LOSS FOR THE YEAR

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the year has been arrived at after charging:		
Cost of revenue		
Cost of inventories sold	1,403,344	236,676
Cost of services incomes	43,950	97,661
	<u>1,447,294</u>	<u>334,337</u>
Staff Costs		
Directors' and chief executive's emoluments	1,458	1,480
Salaries, wages, allowances and other benefits	20,271	8,186
Contributions to retirement benefits scheme (excluding directors', chief executive's and supervisors' emoluments)	1,688	1,533
	<u>23,417</u>	<u>11,199</u>
Total staff costs	<u>23,417</u>	<u>11,199</u>
Amortisation of intangible assets	2,925	1,222
Depreciation of plant and equipment	514	31
Depreciation of right-of-use assets	1,889	–
	<u>5,328</u>	<u>1,253</u>
Total depreciation and amortisation	<u>5,328</u>	<u>1,253</u>
Auditors' remuneration	957	950
Expenses relating to short-term leases	169	1,152
	<u>1,126</u>	<u>2,102</u>

## 10. DIVIDENDS

No final dividend has been proposed by the Group for the year ended 31 December 2025 and 2024.

## 11. LOSS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Loss for the year</b>		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(12,490)</u>	<u>(123,702)</u>
<b>Number of shares</b>	<b>2025 '000</b>	<b>2024 '000</b>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>560,000</u>	<u>479,344</u>
<b>Loss per share</b>	<b>2025</b>	<b>2024</b>
Basic and diluted (RMB cents)	<u>(2.23)</u>	<u>(25.81)</u>

The computation of diluted loss per share for the year ended 31 December 2025 did not assume the conversion of convertible bonds since the assumed conversion would be anti-dilutive which result in a decrease in loss per share. There was no other potential ordinary shares in existence during the years ended 31 December 2025 and 2024.

## 12. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Receivables at amortised cost comprise:		
Trade receivables – contracts with customers	310,452	222,884
Less: loss allowance for trade receivables	<u>(136,518)</u>	<u>(141,841)</u>
	<u>173,934</u>	<u>81,043</u>
Rental and other deposits	6,461	6,104
Deductible value-added tax	9,322	2,852
Prepayments and other receivables	<u>236,847</u>	<u>260,047</u>
	<u>252,630</u>	<u>269,003</u>
Less: loss allowance for prepayments and other receivables	<u>(59,275)</u>	<u>(45,831)</u>
	<u>193,355</u>	<u>223,172</u>
Total	<u>367,289</u>	<u>304,215</u>

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

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

	<b>2025</b> <i><b>RMB'000</b></i>	2024 <i>RMB'000</i>
0 – 30 days	<b>23,075</b>	889
31 – 90 days	<b>94,745</b>	6,972
91 – 180 days	<b>89</b>	2,412
181 – 365 days	<b>1,675</b>	36,432
Over 365 days	<b>54,350</b>	34,338
	<b>173,934</b>	81,043

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate net carrying amount of approximately RMB150,859,000 (2024: RMB81,043,000), which are past due as at the reporting date. The Group does not hold any collateral over these balances or charge any interest thereon.

### 13. TRADE AND OTHER PAYABLES

	<b>2025</b> <i><b>RMB'000</b></i>	2024 <i>RMB'000</i>
Trade payables	<b>107,323</b>	97,873
Staff cost payables	<b>5,552</b>	7,228
Other tax payables	<b>822</b>	177
Listing expenses payables	<b>756</b>	756
Interest payables	<b>1,875</b>	665
Accrued expenses	<b>1,823</b>	1,903
Other payables	<b>73,104</b>	28,209
Total	<b>191,255</b>	136,811

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
0 – 30 days	<b>5,801</b>	8,780
31 – 90 days	<b>27</b>	21,841
Over 90 days	<b>101,495</b>	67,252
	<b><u>107,323</u></b>	<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.

#### **14. EVENTS AFTER THE REPORTING PERIOD**

On 26 February 2026, the Company received various conversion notices from the subscribers of the convertible bonds exercising their right to convert the convertible bonds in the aggregate principal amount of HK\$102,000,000 into aggregate 39,230,768 conversion shares of the Company (the “**Conversion Shares**”) at the conversion price of HK\$2.6 per conversion Share. As a result, 39,230,768 Conversion Shares in aggregate have been allotted and issued which rank pari passu in all respects among themselves and with all other existing ordinary shares of the Company in issue and they represent approximately 7.01% of the total issued share capital of the Company before the conversions and approximately 6.55% of the total issued share capital of the Company as enlarged by the allotment and issue of the 39,230,768 Conversion Shares in aggregate upon the conversions.

Further details are set out in the announcement of the Company dated 26 February 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market overview

For the year ended 31 December 2025 (the “**Year**”), the Group’s business transformation has shown success. The traditional advertising business has been strategically scaled back, while the pre-owned 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 since May 2025 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 pre-owned e-commerce business in Mainland China and other countries. During the Year, the pre-owned e-commerce business contributed revenue of approximately RMB1,447.6 million, represented a significant growth of RMB1,198.4 or 480.9% as compared to the year ended 31 December 2024 (the “**Corresponding Year**”). 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.

In December 2025, the Company has officially launched PayKet, a global digital currency financial services platform based on compliant stablecoins. The launch of PayKet marks the Group’s further expansion into the field of digital currency financial services on the basis of deepening its strategy of “AI technology+SaaS platform+supply chain”, aiming to build a cross-border trade financial service ecosystem driven by AI technology and a transaction platform of Web3.

The Board believes that relying on the existing annual transaction volume of more than one million second-hand mobile phones overseas, it can effectively help the promotion and use of PayKet through pre-installation and in-store guidance for activation. The launch of PayKet marks the upgrade of the Group from a single “circular economy transaction service provider” to a “financial technology service provider for digital currency”, and is an important step for the Group to realize the vision of “Caifutong for cross-border trade”. The Board believes that these new technologies will enable us to deliver competitive services to our customers.

## **Financial Review**

During the Year, the Group recorded revenue of approximately RMB1,493.6 million, representing an increase of approximately 318.6% from approximately RMB356.8 million for the Corresponding Year.

Revenue details for the Reporting Period are as follows:

- (1) The Group’s pre-owned e-commerce business generated sales turnover the amount of approximately RMB1,447.6 million as compared to 249.2 million on the Corresponding Year and recognized segment profit in the amount of approximately RMB15.1 million for the Year as compared to RMB6.6 million in the Corresponding Year to the Group.
- (2) During the Year, revenue from advertising and other services was approximately RMB46.0 million, representing a decrease of approximately 57.2% from approximately RMB107.6 million for the Corresponding Year. Due to the fierce competition and increased costs in the advertising industry, the Company reduced its placement on the more profitable other advertising, in order to maximise the profitability of its business, which resulted in a decrease in revenue attributable to other advertising services.

During the Year, the loss attributable to the owner of the Company was approximately RMB12.5 million, while the loss attributable to the owners of the Company for the Corresponding Year were approximately RMB123.7 million.

## **Gross profit and gross profit margin during the Reporting Period**

During the Year, the Group recorded gross profit and gross profit margin of approximately RMB46.3 million and approximately 3.1%, respectively. The Group’s gross profit and gross profit margin for the Corresponding Year were approximately RMB22.5 million and approximately 6.3%, respectively. The drop in gross profit margin was due to intense competition in pre-owned e-commerce business and decline in the unit price of used mobile phones.

## **Other incomes, gains and losses**

During the Year, other incomes, gains and losses of the Group amounted to approximately RMB64.4 million, representing an increase of 747.4% from approximately RMB7.6 million for the Corresponding Year. During the Year, other incomes, gains and losses were mainly attributed from the gain on deconsolidation of a subsidiary and fair value change of contingent consideration payable.

## **Selling and marketing expenses**

During the Year, selling and marketing expenses of the Group amounted to approximately RMB12.1 million, representing an increase of approximately 101.7% from approximately RMB6.0 million for the Corresponding Year. The main reason for the increase in selling and marketing expenses of the Group was due to the impact of increase in sales channel for pre-owned e-commerce business.

## **Administrative expenses**

During the Year, the Group's administrative expenses were approximately RMB30.0 million, representing an increase of approximately 75.4% from approximately RMB17.1 million in the Corresponding Year. The main reason for the increase in administrative expenses of the Group was due to the increase in sales channel for pre-owned e-commerce business.

## **Finance costs**

During the Year, finance costs of the Group amounted to approximately RMB12.4 million (Corresponding Year: approximately RMB4.9 million), representing an increase of 153.1%, which was mainly due to the issuance of 5% per annum interest rate convertible bonds in the principal amount of HK\$256,630,000 on 27 February 2025.

## **Provision for loss allowances of financial assets**

During the Year, the Group recorded provision for loss allowances of financial assets of approximately RMB54.7 million (Corresponding Year: provision for loss allowances of financial assets of approximately RMB125.2 million), which was due to the decrease of Group's accounts receivable turnover rate.

## **Income tax expenses**

During the Year, the Group's income tax expenses were approximately RMB0.4 million (Corresponding Year: income tax expenses of approximately RMB0.7 million).

## **Loss for the year**

The Group's loss for the Year was approximately RMB12.5 million (Corresponding Year: loss of approximately RMB123.7 million). Save for the influences from the aforesaid factors, it can be attributed to the decrease in the provision for loss allowances of financial assets, increase in gross profit and increase in other income, gains and losses, offset against the increase in administrative expenses and increase in selling and marketing expenses in the Year.

## **Deferred tax assets**

As at 31 December 2025, the deferred tax assets were approximately RMB15.2 million (31 December 2024: approximately RMB15.6 million).

## **Trade receivables, prepayments and other receivables**

As at 31 December 2025, the Group's trade receivables, prepayments and other receivables amounted to approximately RMB367.3 million (31 December 2024: approximately RMB304.2 million), representing an increase of approximately 20.7% as compared to the Corresponding Year. The increase in trade receivables was mainly due to the increase in revenue from the pre-owned e-commerce business.

## **Trade and other payables**

As at 31 December 2025, trade and other payables amounted to approximately RMB191.3 million (31 December 2024: approximately RMB136.8 million), representing a year-on-year increase of 39.8%. The increase in trade and other payables was mainly attributed from the pre-owned e-commerce business.

## **Tax payables**

As at 31 December 2025, tax payables amounted to approximately RMB1.9 million (31 December 2024: approximately RMB1.7 million).

## **Liquidity and financial resources**

As at 31 December 2025, cash and cash equivalents amounted to approximately RMB51.7 million (31 December 2024: approximately RMB34.0 million) of which, substantially was in HK\$.

As at 31 December 2025, the Group's total assets was approximately RMB626.2 million, of which equity attributable to the owners of the Company was approximately RMB179.3 million.

## **Capital expenditure**

During the Year, the Group did not have any other significant capital expenditure.

## **Contingent liabilities**

As at 31 December 2024, the Group incurred contingent liabilities in the amount of approximately RMB28.8 million which are from contingent consideration payable of the acquisition of a subsidiary of the Company.

As at 31 December 2025, the managements of the Company have remeasured the contingent consideration payable as approximately RMB Nil.

Other than disclosed above, the Group did not have any other contingent liabilities.

## **Gearing ratio**

The Group's gearing ratio increased from approximately 53.3% as at 31 December 2024 to approximately 125.2% as at 31 December 2025. 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%.

## **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 did not engage 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 lease liabilities. The Group's policy is to maintain short-term borrowings at prevailing market rates so as to minimise the fair value interest rate risk.

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

### **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 places to subscribe for the convertible bonds in the aggregate principal amount of up to HK\$300,001,000. (the "**Subscription**")

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 places. 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.

## **USE OF PROCEEDS**

### **Use of Proceeds from the placing of convertible bonds**

The completion of subscription took place on 28 February 2025. 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.

### **Performance Target of the Target Group in relation to the Acquisition of Pre-owned 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, if the net profit before tax of the Target Group for the year ended 31 December 2024 (the “**2024 Performance Target**”) is not less than HK\$5,000,000, the Group will pay an amount of HK\$14,600,000 to the Vendor. As of 31 March 2025, the audited net profit exceeded the 2024 Performance Target, and the Company paid the Vendor HK\$14,600,000.

For the remaining portion of the Ultimate Performance Target, if the net profit before tax of the Target Group for the years ended 31 December 2025 (the “**2025 Performance Target**”) and 31 December 2026 (the “**2026 Performance Target**”) meets the thresholds of HK\$25,000,000 and HK\$40,000,000, respectively, the Group will pay an amount of HK\$10,000,000 to the Vendor each year.

However, based on the actual operating performance of the Target Group, it has been confirmed that the Target Group did not achieve the agreed 2025 Performance Target. Consequently, no payment was made by the Company to the Vendor for the contingent consideration in accordance with the Agreement.

Save as disclosed above, the Group had no significant subsequent events which needs to be disclosed as at 31 December 2025 and up to the date of this announcement.

## **SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**

### **Conversion of Convertible Bonds**

On 26 February 2026, the Company received various conversion notices from the subscribers of the convertible bonds exercising their right to convert the convertible bonds in the aggregate principal amount of HK\$102,000,000 into aggregate 39,230,768 conversion shares of the Company (the “**Conversion Shares**”) at the conversion price of HK\$2.6 per conversion Share. As a result, 39,230,768 Conversion Shares in aggregate have been allotted and issued which rank pari passu in all respects among themselves and with all other existing ordinary shares of the Company in issue and they represent approximately 7.01% of the total issued share capital of the Company before the conversions and approximately 6.55% of the total issued share capital of the Company as enlarged by the allotment and issue of the 39,230,768 Conversion Shares in aggregate upon the conversions.

For further details, please refer to the announcement of the Company dated 26 February 2026.

## **Industry and Group outlook**

With the improvement in macro-economic conditions and market environment, the Group expects the advertising business to have a brighter outlook in 2026. The Group will continue to expand the cooperation with platforms that have high-quality traffic. The Group aims to realise the precise advertising effect of “Quality and Effectiveness in One” of its brand partners through AI technology to satisfy the advertisers’ demand for both broad and deep advertising reach. At the same time, we will continue to reduce cost and enhance efficiency to improve the overall operating efficiency within the Group.

In March 2025, the Group officially launched the industry’s first second-hand 3C intelligent decisionmaking 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.

In December 2025, the Company has officially launched PayKet, a global digital currency financial services platform based on compliant stablecoins. The launch of PayKet marks the Group’s further expansion into the field of digital currency financial services on the basis of deepening its strategy of “AI technology+SaaS platform+supply chain”, aiming to build a cross-border trade financial service ecosystem driven by AI technology and a transaction platform of Web3.

In 2026, we aim to further strengthen our position in the pre-owned e-commerce business while diversifying our revenue streams to mitigate challenges in the advertising sector. Our focus will be on enhancing operational efficiency through ongoing cost restructuring and advanced AI-driven supply chain optimizations.

In 2026, we plan to intensify our investment in technology and innovation, which will play a crucial role in streamlining our processes and improving service delivery. Furthermore, we will explore strategic partnerships to amplify our market presence and leverage complementary strengths.

Long-term, we are committed to refining our triangular framework of “Technology + Supply Chain + Finance” to reinforce our leadership in the circular economy. By embracing sustainability and innovation, we aim to position the Group as a benchmark enterprise in this evolving landscape, ensuring robust growth and value creation for our stakeholders.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s securities during the Reporting Period.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) during the Reporting Period.

## **DIVIDENDS**

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (year ended 31 December 2024: Nil).

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE 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 during the Reporting Period.

## **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 Reporting Period.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) currently comprises three independent non-executive Directors, namely, Ms. Lam Hoi Yan Karen (the Chairlady), Mr. Niu Zhongjie and Mr. Wong Sincere. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors, review of the Company’s financial information, and oversight of the Company’s financial reporting system, risk management and internal control procedures.

The Audit Committee has reviewed the Group’s audited consolidated financial statements for the year ended 31 December 2025. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

## **SCOPE OF WORK OF PRISM HONG KONG LIMITED**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 have been agreed by the Company's auditor, Prism Hong Kong Limited ("**Prism**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Prism in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Prism on this annual results announcement.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

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

The annual report of the Company for the year ended 31 December 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, China, 30 March 2026

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