Powerwin Tech Group Limited
力盟科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2405)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board (the "**Board**") of directors (the "**Directors**") of Powerwin Tech Group 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 June 30, 2026 (the "**Interim Results**"), together with the comparative figures for the corresponding period in 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

*(Expressed in US dollars ("**USD**"))*

		Six months ended 30 June	
	Note	**2026**	2025
		USD'000	*USD'000*
Revenue	*3*	**755**	3,250
Cost of sales		**(964)**	(992)
Gross (loss) / profit		**(209)**	2,258
Marketing expenses		**(139)**	(231)
Administrative expenses		**(1,612)**	(2,193)
Expected credit losses on trade receivables		**(192)**	(2,409)
Other income		**260**	193
Loss from operations		**(1,892)**	(2,382)
Finance costs	*4(a)*	**(70)**	(1,871)
Changes in fair value of financial assets		**105**	104
Loss before taxation	*4*	**(1,857)**	(4,149)
Income tax	*5*	**309**	391
Loss for the period		**(1,548)**	(3,758)
Other comprehensive income for the period (after tax)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial information of entities not using USD as functional currency		**45**	(1)
Other comprehensive income for the period		**45**	(1)
Total comprehensive income for the period attributable to equity shareholders of the Company		**(1,503)**	(3,759)
Loss per share			
Basic and diluted (cents)	*6*	**(0.19)**	(0.47)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

(Expressed in USD)

	Note	**At 30 June 2026** *USD'000*	At 31 December 2025 *USD'000*
Non-current assets			
Property, plant and equipment		**88**	104
Right-of-use assets	*7*	**617**	800
Intangible assets		**1,408**	1,617
Other non-current assets		**173**	–
Financial assets measured at fair value through profit or loss		**4,816**	4,753
Deferred tax assets		**583**	266
		7,685	7,540
Current assets			
Trade and other receivables	*8*	**2,825**	2,139
Cash and cash equivalents		**17,100**	19,808
		19,925	21,947
Current liabilities			
Trade and other payables	*9*	**1,219**	1,342
Contract liabilities		**65**	49
Lease liabilities		**500**	518
Current taxation		**14**	15
		1,798	1,924
Net current assets		**18,127**	20,023
Total assets less current liabilities		**25,812**	27,563

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2026 – unaudited

(Expressed in USD)

	Note	**At 30 June 2026** *USD'000*	At 31 December 2025 *USD'000*
Non-current liabilities			
Other payables	*9*	**1,618**	1,682
Lease liabilities		**137**	321
		1,755	2,003
Net assets		**24,057**	25,560
CAPITAL AND RESERVES	*10*		
Share capital		**8,000**	8,000
Reserves		**16,057**	17,560
TOTAL EQUITY		**24,057**	25,560

NOTES

(Expressed in USD unless otherwise indicated)

1 BASIS OF PREPARATION

The interim financial information set out in this announcement does not constitute the interim financial report of the Group for the six months ended 30 June 2026 but is extracted from that interim financial report which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 26 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The financial information relating to the financial year ended 31 December 2025 that is included in this announcement of the interim results and in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group. The Group has assessed the impact of the adoption of the amendments and considered that none of the amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group have a material effect to the Group's results and financial position prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effected for the current accounting period.

3 REVENUE AND SEGMENT INFORMATION

(a) Revenue

The principal activities of the Group are the provisions of cross-border digital marketing services, cross-border online-shop SaaS solutions and AI computing IT services.

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by major service lines is as follows:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Cross-border digital marketing services		
Standardized digital marketing	**–**	1,491
Customized digital marketing	**–**	549
SaaS-based digital marketing	**565**	911
	565	2,951
Cross-border online-shop SaaS solutions	**190**	299
AI computing IT services	**– ***	–
	755	3,250

* The balance represents amount less than USD500.

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Disaggregated by timing of revenue recognition		
– Point in time	**565**	2,951
– Over time	**190**	299
	755	3,250

The Group's operations are not subject to significant seasonal factors.

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Revenue (continued)

There are two customers (2025: two) with whom transactions have exceeded 10% of the Group's revenues for the six months ended 30 June 2026. Revenue from these customers are set out below:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Customer I	**495**	N/A*
Customer II	**131**	680
Customer III	**N/A***	1,234

* This represents that the revenue from that customer is less than 10% of the Group's revenue of that period.

(b) Segment information

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has only one single reportable segment.

For the six months ended 30 June 2026 and 2025, the Group's revenue are predominantly attributable to a single geographical region, which is Hong Kong. Therefore, no revenue analysis by geographical regions is presented.

The following table sets out information about the geographical locations of the Group's specified non-current assets. Specified non-current assets exclude financial assets measured at fair value through profit or loss and deferred tax assets. The geographical locations of the specified non-current assets are based on the physical locations or the location of operations of the assets.

	At 30 June 2026	At 31 December 2025
	USD'000	*USD'000*
Hong Kong	**1,911**	2,133
Chinese Mainland	**375**	388
	2,286	2,521

4 LOSS BEFORE TAXATION

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

(a) Finance costs:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Interest on bank loans and other payables	**50**	1,863
Interest on lease liabilities	**20**	8
	70	1,871

(b) Staff costs:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Salaries, wages and other benefits	**1,449**	1,759
Retirement scheme contributions	**123**	123
	1,572	1,882

(c) Other items:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Gains from changes in fair value of financial assets	**(105)**	(104)
Research and development costs *(note (a))*	**538**	524
Amortisation cost of intangible assets	**209**	209
Depreciation		
– property, plant and equipment	**20**	13
– right-of-use assets *(note 7)*	**266**	303

Note:

(a) Research and development costs include staff costs of employees in the research and development department, of which USD 538,000 (the six months ended 30 June 2025: USD 524,000) are included in the staff costs as disclosed above.

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Current tax		
Provision for the period	**7**	19
	7	19
Deferred tax		
Origination and reversal of temporary differences	**(316)**	(410)
	(309)	(391)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025:16.5%) to the six months ended 30 June 2026, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first Hong Kong Dollars ("**HKD**") 2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

The statutory income tax rate for the subsidiaries in the Chinese Mainland is 25% (2025:25%), except for certain subsidiaries which met the criteria required for preferential income tax rate granted to small and low profit-making enterprise in the Chinese Mainland and were entitled for a preferential income tax rate of 5% of taxable income for the first RMB3,000,000.

6 LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of USD1,548,000 (the six months ended 30 June 2025: USD3,758,000) and the weighted average of 800,000,000 shares (the six months ended 30 June 2025: 800,000,000 shares) in issue during the interim period.

There were no dilutive potential ordinary shares for the six months ended 30 June 2026 and 2025; therefore, diluted loss per share are the same as basic loss per share.

7 RIGHT-OF-USE ASSETS

	2026	2025
	USD'000	*USD'000*
Net book value, as at 1 January	**800**	360
Additions	**48**	740
Lease modification	**26**	–
Depreciation charge for the period	**(266)**	(303)
Exchange adjustments	**9**	1
Net book value, as at 30 June	**617**	798

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2026	At 31 December 2025
	USD'000	*USD'000*
Trade receivables-third parties	**2,356**	1,648
Less: loss allowance on trade receivables	**(213)**	(21)
	2,143	1,627
Prepayments	**170**	–
Amounts due from related parties	**21**	14
Amounts due from third parties	**491**	498
	2,825	2,139

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

8 TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	At 30 June 2026	At 31 December 2025
	USD'000	*USD'000*
Within 1 month	**132**	54
Over 1 month but within 2 months	**144**	165
Over 2 months but within 3 months	**119**	181
Over 3 months but within 6 months	**316**	721
Over 6 months but within 12 months	**1,118**	527
Over 12 months	**527**	–
	2,356	1,648

Trade debtors are due within 30 to 60 days (2025: 30 to 60 days) from the date of billing.

9 TRADE AND OTHER PAYABLES

	At 30 June 2026	At 31 December 2025
	USD'000	*USD'000*
Current		
Trade payables – third parties	**1**	217
Value-added taxes and other taxes payable	**57**	57
Payroll payable	**214**	147
Other payable to a disposed subsidiary *(note (a))*	**325**	220
Other payables and accruals	**622**	701
	1,219	1,342

9 TRADE AND OTHER PAYABLES (CONTINUED)

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Non-current		
Other payable to a disposed subsidiary *(note (a))*	**1,618**	1,682
	1,618	1,682
Total	**2,837**	3,024

Except for the non-current portion of other payable to a disposed subsidiary (note (a)), all trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Within 1 month	**1**	–
Over 1 month but within 3 months	**–**	217
	1	217

9 TRADE AND OTHER PAYABLES (CONTINUED)

Note:

(a) The Group disposed of an indirectly controlled subsidiary (the "**Disposed subsidiary**") to an independent third party in the second half of 2025. On the date of disposal, the Disposed subsidiary had outstanding bank loans of USD1,857,000. The Group and the Disposed subsidiary entered into an agreement that the Disposed subsidiary would assume responsibility for repaying the bank loans, and the Group would subsequently reimburse the Disposed subsidiary. Consequently, the Group recorded the payable to the Disposed subsidiary and derecognised bank loans of USD1,857,000 on the date of disposal. As of 30 June 2026, payable to the Disposed subsidiary amounted to USD1,943,000.

At 30 June 2026, the bank loans of USD1,748,000 held by the Disposed subsidiary were guaranteed by the Company and secured by a portion of financial assets measured at fair value through profit or loss, which amounted to USD2,965,000.

The analysis of the repayment schedule of payable to the Disposed subsidiary is as follows:

	At 30 June 2026 *USD'000*	At 31 December 2025 *USD'000*
Within 1 year or on demand	**325**	220
After 1 year but within 2 years	**133**	129
After 2 years but within 5 years	**46**	114
After 5 years	**1,439**	1,439
Sub-total	**1,618**	1,682
Total	**1,943**	1,902

10 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

No dividend was declared for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

No dividend was paid for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Share capital

As at 30 June 2026 and 31 December 2025, the authorized share capital of the Company comprises 2,000,000,000 ordinary shares with par value of USD0.01 per share and the issued share capital of the Company comprises 800,000,000 ordinary shares.

(c) Share premium

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

(d) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from translation of financial information of entities not using USD as functional currency.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a cross-border digital marketing service provider dedicated to empowering China-based marketers in user acquisition to better promote and connect themselves to customers worldwide while collaborating with major and well-known media publishers in helping them explore monetization opportunities. We provide SaaS-based solutions to address China-based marketers' needs for cross-border marketing endeavors. We also provide cross-border online-shop SaaS solutions which enables cross-border e-commerce merchants to build, operate, manage and market their own standalone online shops.

Following the disposal (the "**Disposal**") of Powerwin Media Group Co., Limited (the "**Disposed Subsidiary**") in July 2025, the Group's business profile has changed significantly. The Group has ceased its standardised cross-border digital marketing services business and has integrated its customised digital marketing services into its SaaS-based digital marketing services delivered through the Adorado platform. The Group is progressively transitioning towards SaaS-based and AI-enabled services, with the development of PowerTokens, its proprietary AI computing IT services platform, representing the Group's principal new business direction.

As a result of this transition, the Group's revenue decreased by 76.8% to US$0.8 million for the six months ended June 30, 2026 from US$3.3 million for the six months ended June 30, 2025, reflecting the cessation of the standardised digital marketing services business and challenging market conditions in the digital marketing services industry. Notwithstanding the near-term revenue reduction, the Board considers that the Group's strategic transition positions it to capitalise on the growing global demand for AI-enabled services.

As such, amid the rapid expansion of artificial intelligence (AI) technologies, we have independently developed PowerTokens, our proprietary all-in-one SaaS platform. This bolsters the operational efficiency and business growth of our existing customers. Additionally, it functions as a centralized marketplace that aggregates China-developed large language models (LLMs) and multimodal AI applications, granting seamless access to global developers and enterprises worldwide.

BUSINESS REVIEW

SaaS-based digital marketing services

Our SaaS-based digital marketing services include optimization and implementation of marketing campaigns in a more intelligent and automated manner through our Adorado SaaS platform, comprising a basic version mainly for small and medium-sized marketers and an advanced version mainly for large-scale marketers.

Cessation of standardized cross-border digital marketing services

Following the Disposal, the Group has gradually scaled down the provision of cross-border standardized digital marketing services and has ceased to provide such services for the six months ended June 30, 2026.

The decision to scale down the provision of standardized digital marketing services was made in light of several factors, in particular:

(i) the cross-border digital marketing service sector has been significantly affected by economic volatility and geopolitical uncertainty, including trade tensions, regional conflicts and evolving regulatory landscapes in key jurisdictions. These factors have led to reduced digital advertising budgets as businesses prioritise capital preservation over discretionary marketing expenditure, intensifying market competition and compressing industry profit margins; and

(ii) the Group is required to place significant amounts of gross spending with media publisher platforms, the Group has historically entered into factoring arrangements with a bank, under which the Group obtained prepayment in respect of the invoice amounts owed by certain customers, to support the placing of gross spending with media publishers. These factoring arrangements were essential to bridge the timing mismatch between the Group's payment obligations to media publishers and the collection of receivables from marketers. The reduction in bank loans and finance costs following the Disposal has materially strengthened the Group's balance sheet and reduced its exposure to interest rate risk.

Furthermore, since the Group charges gross billing to its marketers and places gross spending with media publishers, the trade receivables and trade payables of the Group were significantly higher prior to the Disposal. The substantial reduction in trade receivables and trade payables has significantly improved the Group's working capital position, reduced its exposure to credit risk associated with marketer default, and simplified the Group's treasury and cash management operations.

Integration of customized digital marketing services to SaaS-based digital marketing services

The Group provided customized cross-border digital marketing services to its customers in the past. These services involved the provision of bespoke marketing solutions tailored to the specific requirements of individual marketers, encompassing campaign design, creative content development, targeted audience identification and performance optimization. In light of the challenging market conditions, evolving industry dynamics and the strategic imperative to allocate resources more efficiently, the Group has decided to integrate its customized digital marketing services into its SaaS-based digital marketing services.

The customized digital marketing services are delivered manually by the Group's integrated marketing experts, requiring substantial staff costs. In contrast, the SaaS-based digital marketing services delivered through the Adorado platform achieve operational efficiencies through automated delivery, monitoring and optimization. Given intensified market competition, the Group has integrated its customized services into the SaaS-based platform to reduce costs and improve margins.

Cross-border Online-shop SaaS Solutions

We provide cross-border online-shop SaaS solutions to customers through Powershopy, our proprietary SaaS platform launched in November 2021 which serves cross-border e-commerce merchants in China for the set-up, operation and digital marketing of their own standalone online shops as opposed to online shops operated on third-party e-commerce platforms. We generate revenue from cross-border online-shop SaaS solutions by charging our customers: (i) a fixed amount of a monthly subscription fee for the use of our platform; and/or (ii) a commission representing a pre-determined percentage of the gross merchandise volume generated by our customers through our Powershopy platform.

AI Computing IT Services — PowerTokens

PowerTokens, the Group's proprietary all-in-one SaaS platform aggregating China-developed large language models and multimodal AI applications for global developers and enterprises, completed its pilot launch on May 15, 2026 and commenced external market promotion, user acquisition and early commercialization activities on June 18, 2026. As at June 30, 2026, the PowerTokens business remained at an early stage of commercialization.

As at June 30, 2026, the PowerTokens platform had recorded approximately 4,200 registered accounts and approximately 1,800 accounts with recharge records. We consider these metrics to be reflective of the early-stage nature of the business and will continue to monitor user growth, recharge conversion and platform engagement as the business develops.

The Group continued to advance the commercialization of the PowerTokens platform. As at the date of this announcement, PowerTokens continues to iterate and optimize based on user feedback, upstream interface updates, system stability requirements and market demand. The Group has maintained its commercial arrangements with its existing AI model and technology service suppliers and continues to expand and optimize the platform's model capabilities and service scope.

EMPLOYEES AND REMUNERATION POLICY

Our Group had 43 full-time employees as of June 30, 2026 (as of June 30, 2025: 60). Our staff cost included in cost of sales and the expenses of other staff in aggregate amounted to US$1.57 million for the six months ended June 30, 2026. Employees' remuneration package includes salary, performance bonus and other welfare subsidies. The remuneration of employees is determined in accordance with our Group's remuneration policy, the employees' position, performance, company profitability, industry level and market environment. A remuneration committee was set up for reviewing and making recommendations to the Directors on the structure concerning remuneration of the Directors and senior management, having regard to our Group's operating results, individual performance of the Directors and senior management and comparable market practices.

OUTLOOK

Looking ahead, the long-term positive fundamentals of the artificial intelligence industry remain intact. Technological autonomy and controllability, alongside industrial digital and intelligent transformation, will continue to represent key development trends. In the second half of the year, the Group will uphold its development philosophy of innovation-driven growth, ecosystem empowerment and open collaboration. It will continuously iterate and enhance SaaS platform performance, expand the ecosystem matrix of domestic LLMs and multimodal AI, and deepen its global market presence. Meanwhile, the Group will further refine operational management, enhance operational efficiency and strengthen its risk control framework. By leveraging our core technologies to hedge against industry cycles and capitalizing on industry opportunities through a comprehensive ecosystem, we are well-positioned to achieve steady, high-quality, and sustainable development.

FINANCIAL REVIEW

Revenue

Our revenue decreased by 76.8% to US$0.8 million for the six months ended June 30, 2026 from US$3.3 million for the six months ended June 30, 2025, primarily attributable to (i) the cessation of standardized digital marketing services; (ii) the integration of the Group's digital marketing services; and (iii) the challenging market conditions in the digital marketing services industry.

Revenue from cross-border digital marketing

- **Standardized digital marketing.** The Group did not generate any revenue from standardized digital marketing services for the six months ended June 30, 2026, compared to US$1.5 million for the six months ended June 30, 2025, as the Company has ceased providing standardized digital marketing services for the six months ended June 30, 2026 following the Disposal.

- **Customized digital marketing.** The Group did not generate any revenue from customized digital marketing services for the six months ended June 30, 2026, compared to US$0.5 million for the six months ended June 30, 2025, which was primarily attributable to (i) the integration of the Group's customized digital marketing services into SaaS-based digital marketing services; and (ii) the significant reduction in clients' digital advertising budgets in response to the global economic volatility and geopolitical situation.

- **SaaS-based digital marketing.** Revenue from SaaS-based digital marketing services decreased by 38.0% to US$0.6 million for the six months ended June 30, 2026 from US$0.9 million for the six months ended June 30, 2025, which was primarily attributable to the Group's SaaS-based digital marketing customers having significantly reduced their advertising budgets.

Revenue from cross-border online-shop SaaS solutions

Revenue from cross-border online-shop SaaS solutions decreased by 36.5% to US$0.2 million for the six months ended June 30, 2026 from US$0.3 million for the six months ended June 30, 2025, due to a decrease in subscription fees and commission income received by the Group. Global economic volatility and geopolitical uncertainties continued to adversely affect the cross-border e-commerce industry. Against a challenging market backdrop, the Group's merchant clients curtailed cross-border operations, delayed online store expansion and rationalised SaaS spending, resulting in lower transaction volumes, diminished platform commission income and a year-on-year fall in subscription revenue.

Cost of Sales

Our cost of sales remained stable at US$1.0 million for the six months ended June 30, 2025 and 2026.

Gross Profit and Gross Profit Margin

The Group recorded a gross loss of US$0.2 million for the six months ended June 30, 2026, as compared to a gross profit of US$2.3 million for the six months ended June 30, 2025. The gross loss was primarily due to the significant decrease in revenue following the Disposal while certain fixed costs of sales remained. The gross profit margin decreased to negative 27.7% for the six months ended June 30, 2026 from 69.5% for the six months ended June 30, 2025, which was mainly due to the significant decrease in revenue following the Disposal while certain fixed costs of sales remained.

Marketing Expenses

Our marketing expenses decreased to US$0.1 million for the six months ended June 30, 2026 from US$0.2 million for the six months ended June 30, 2025.

Administrative Expenses

Our administrative expenses decreased to US$1.6 million for the six months ended June 30, 2026 from US$2.2 million for the six months ended June 30, 2025, due to the decrease in the cost of trade credit insurance and amortization cost of intangible assets.

Expected Credit Losses on Trade Receivables

Our expected credit losses on trade receivables decreased to US$0.2 million for the six months ended June 30, 2026 from US$2.4 million for the six months ended June 30, 2025, which was due to the decrease in total accounts receivables for the six months ended June 30, 2026 compared to that of the six months ended June 30, 2025. We remain active in our collection efforts.

Finance Costs

Our finance costs decreased significantly to US$0.07 million for the six months ended June 30, 2026 from US$1.9 million for the six months ended June 30, 2025, as a result of the decrease in the amount of interest bearing borrowings following the Disposal. Finance costs for the six months ended June 30, 2026 comprised interest on other payables of US$50,000 and interest on lease liabilities of US$20,000.

Income Tax Credit

The Group recorded an income tax credit of US$0.3 million for the six months ended June 30, 2026 compared to an income tax credit of US$0.4 million for the six months ended June 30, 2025. The income tax credit was primarily due to the recognition of deferred tax assets. Our effective income tax rate was 16.6% and 9.4% for the six months ended June 30, 2026 and 2025, respectively.

Loss for the Period

As a result of the foregoing, the Group recorded a loss of US$1.5 million for the six months ended June 30, 2026, as compared to a loss of US$3.8 million for the six months ended June 30, 2025.

Trade Receivables

Our trade receivables (net of loss allowance) increased to US$2.1 million as of June 30, 2026 from US$1.6 million as of December 31, 2025, which was primarily due to lengthened payment collection cycles.

Trade and Other Payables

Our trade and other payables decreased to US$2.8 million as of June 30, 2026 from US$3.0 million as of December 31, 2025, which was primarily due to the decrease in trade payables from US$0.2 million to US$1,000 and the decrease in other payables and accruals.

Liquidity and Financial Resources

Our cash and cash equivalents were primarily denominated in U.S. dollars. As of December 31, 2025 and June 30, 2026, we had cash and cash equivalents of US$19.8 million and US$17.1 million, respectively. Such decrease in cash and cash equivalents was primarily because of net cash used in operating activities of US$2.3 million. The Board considers that the Group's existing cash resources and operating cash flows are sufficient to fund the development and early-stage commercialization of the PowerTokens platform without the need for external financing in the near term.

Our net current assets decreased to US$18.1 million as of June 30, 2026 from US$20.0 million as of December 31, 2025, primarily due to the decrease in cash and cash equivalents.

After the Disposal, the Group no longer requires significant financial resources supported through bank loans to maintain its standardized cross-border service offerings. The Group's total borrowings as of June 30, 2026 comprise the payable to the Disposed Subsidiary of US$1.9 million.

Interim Dividend

The Board did not recommend any interim dividend for the six months ended June 30, 2026.

Gearing Ratio

Our gearing ratio, being calculated by dividing total borrowings (consisting of other payables to the Disposed Subsidiary as described in "Pledge of Assets" below) by total equity as of the date indicated and multiplied by 100%, increased to 8.1% as of June 30, 2026 from 7.4% as of December 31, 2025, primarily due to the slight increase in total borrowings (being the payable to the Disposed Subsidiary) and the decrease in total equity.

Debt to Equity Ratio

Our debt to equity ratio was calculated by dividing total borrowings net of cash and cash equivalents by total equity as of the date indicated and multiplied by 100%, and the Group was in a net cash position (as of December 31, 2025: net cash position). The net cash position is because the Group's cash and cash equivalents of US$17.1 million significantly exceeded its total borrowings of US$1.9 million.

Contingent Liabilities

As of December 31, 2025 and June 30, 2026, we did not have any material contingent liabilities.

Pledge of Assets

Save as disclosed below, none of our Group's assets were pledged as of June 30, 2026.

As of June 30, 2026, the bank loans of US$1,748,000 held by the Disposed Subsidiary were guaranteed by the Company and secured by a portion of financial assets measured at fair value through profit or loss, which amounted to US$2,965,000.

Treasury Policies

We have adopted a prudent financial management approach towards our treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. Our Board closely monitors our liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

Interest Rate Risks

Our interest rate risks arise primarily from the payable to the Disposed Subsidiary (which bears interest based on the underlying bank loan rates) and lease liabilities that expose us to cash flow interest rate risk. Our finance costs decreased significantly to US$0.07 million for the six months ended June 30, 2026 from US$1.9 million for the six months ended June 30, 2025. We will keep monitoring the risk exposure regularly to mitigate the interest risk.

Foreign Exchange Exposure

Our Group operates in Hong Kong with most of our monetary assets and liabilities and transactions principally denominated in U.S. dollars. We do not have significant exposure to foreign currency risks.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

We did not have any significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended June 30, 2026. As of June 30, 2026, we did not have any plans for any material investments or capital assets.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on March 31, 2023 and the net proceeds raised from this initial public offering after deducting underwriting fees and commissions and other related listing expenses amounted to approximately HK$96.8 million (the "**Net Proceeds**").

As of June 30, 2026, the utilization of the Net Proceeds is detailed as follows:

	Approximate percentage of Net Proceeds	Allocation of Net proceeds *(HK$ million)*	Unutilized amount of Net Proceeds as of December 31, 2025 *(HK$ million)*	Utilized amount of Net Proceeds during the six months ended June 30, 2026 *(HK$ million)*	Unutilized amount of Net Proceeds as of June 30, 2026 *(HK$ million)*	Expected timeline for the use of unutilized Net Proceeds *(Note)*
Strengthen the research and development capabilities of the Group	41.7%	40.3	7.7	2.6	5.1	end of 2028
Market the Group's cross-border online-shop SaaS solutions business	13.3%	12.9	12.9	–	12.9	end of 2028
Upgrade the Group's business and internal management systems to cater to its increasing business scale	10.0%	9.7	9.7	–	9.7	end of 2028
Strengthen the Group's capabilities in providing localized services in overseas countries and regions to meet customers' growing demand for overseas presence and expansion and deepen the Group's global footprint	15.0%	14.5	14.5	–	14.5	end of 2028
Pursue strategic cooperation or investment opportunities from upstream and downstream industry participants that will complement or enhance the Group's existing business and product functions and have synergy with the Group	10.0%	9.7	9.7	–	9.7	end of 2028
Working capital and general corporate purposes	10.0%	9.7	–	–	–	N/A
Total		96.8	54.5	2.6	51.9	

Note:

During the six months ended June 30, 2026, the Net Proceeds had been used according to the purposes as stated in the prospectus of the Company dated March 21, 2023 (the "**Prospectus**"), and save as disclosed in the annual results announcement of the Company dated March 26, 2026 (the "**Announcement**"), there was no material change or delay in the use of the Net Proceeds.

The Group will continue to utilize the Net Proceeds from the initial public offering as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus and as amended by the Announcement in the section headed "Use of Proceeds from the Initial Public Offering".

EVENTS AFTER THE REPORTING PERIOD

There were no other material subsequent events relating to the Group after June 30, 2026 and up to the date of this announcement.

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 listed securities (including sale of treasury shares) during the six months ended June 30, 2026. As of June 30, 2026, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE PROVISIONS CONTAINED IN PART 2 OF APPENDIX C1 TO THE LISTING RULES

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Company has adopted and, save as disclosed below, complied with the code provisions stated in the Corporate Governance Code contained in Part 2 of Appendix C1 (the "**CG Code**") to the Listing Rules during the six months ended June 30, 2026.

Pursuant to provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Li Xiang is the chairman of the Board and the chief executive officer of the Company. With extensive experience in business management, Mr. Li is responsible for the overall strategic and direction planning, business development and management of the Group and is instrumental to the growth and business expansion since the Group's establishment. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-caliber individuals. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.

The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

COMPLIANCE WITH THE 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 June 30, 2026.

REVIEW OF UNAUDITED INTERIM RESULTS

The Interim Results represent an extract from the interim financial report, which is unaudited but has been reviewed by the Company's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Interim Results have also been reviewed by the audit committee of the Board.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.empowerwin.com**).

The interim report of the Company for the six months ended June 30, 2026 containing all information required by the Listing Rules will be available on the above websites in due course.

By order of the Board
Powerwin Tech Group Limited
Li Xiang
Chairman, Chief Executive Officer and Executive Director

Hong Kong, August 26, 2026

As of the date of this announcement, the Board comprises Mr. Li Xiang and Ms. Yu Lu as executive Directors; and Ms. Zhao Yan, Mr. Gong Peiyue and Mr. Li Kwok Tai James as independent non-executive Directors.