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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)

MAJOR TRANSACTION
DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

On July 28, 2025, the Vendor, a wholly owned subsidiary of the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing the entire issued share capital of the Target Company, at a consideration of US$1,950,000.

Upon Completion, the Group will cease to hold any interests in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As none of the Directors has any material interest in the Disposal and the transactions contemplated thereunder, none of the Directors is required to abstain from voting on the board resolutions approving the Disposal and the transactions contemplated thereunder.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Company has obtained written approval from Lucky Linkage, Total Best, Wealth Express, Common Excellence and Into One, being a closely allied group of Shareholders interested in 536,000,000 shares of the Company (representing approximately 67% of the issued share capital of the Company) as at the date of this announcement. As at the date of this announcement, (i) each of Total Best and Wealth Express is wholly-owned by Mr. Li Xiang; (ii) Lucky Linkage is wholly-owned by Ms. Yu Lu; (iii) Common Excellence is indirectly wholly-owned by Tranquil Trust, a discretionary trust established by Ms. Yu Lu as the settlor with Mr. Li Xiang and family members of Ms. Yu Lu as beneficiaries; (iv) Into One is indirectly wholly-owned by the Imperial Trust, a discretionary trust established by Mr. Li Xiang as the settlor with Ms. Yu and family members of Mr. Li Xiang as beneficiaries; and (v) Mr. Li Xiang and Ms. Yu Lu are spouses. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing further information of the Disposal and other information as required under the Listing Rules is required to be despatched to the Shareholders within 15 business days after publication of this announcement. A circular containing the information as required under the Listing Rules is expected to be despatched to the Shareholders on or before August 15, 2025 in accordance with the Listing Rules.

Completion is subject to the satisfaction and/or waiver of the conditions precedent under the Sale and Purchase Agreement as set out in the paragraph headed "THE SALE AND PURCHASE AGREEMENT – Conditions Precedent" of this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

On July 28, 2025, the Vendor, a wholly owned subsidiary of the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing the entire issued share capital of the Target Company, at a consideration of US$1,950,000.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date

July 28, 2025

Parties

(i) the Vendor, a direct wholly-owned subsidiary of the Company; and

(ii) the Purchaser.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the Sale Shares, being 1,000,000 shares of the Target Company and representing the entire issued share capital of the Target Company.

As at the date of this announcement and immediately prior to Completion, the Vendor is the sole legal and beneficial owner of the entire issued share capital of the Target Company.

Upon Completion, the Company will cease to hold any shares in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

Consideration

The Consideration in the aggregate amount of US$1,950,000 shall be settled in full by the Purchaser two Business Days prior to the Completion Date.

The Consideration was arrived at after arm's length commercial negotiations between the Vendor and the Purchaser and was determined with reference to an agreed premium over the net asset value of the Target Company as at June 30, 2025, being approximately US$1.5 million.

Conditions Precedent

Completion is subject to the following conditions being fulfilled and satisfied (or waived, if applicable):

(a) the warranties to be given by the Vendor remaining true and accurate in all respects;

(b) the warranties to be given by the Purchaser remaining true and accurate in all respects; and

(c) all necessary approval(s), consent(s), waiver(s) and/or permission(s) from any government or regulatory authorities which may be required to be obtained on the part of the Vendor and the shareholders of the Vendor in respect of the Sale and Purchase Agreement and the transactions contemplated hereby having been obtained and remain in full force and effect, including but not limited to the Sale and Purchase Agreement and the transactions contemplated having been approved by the Shareholders by way of ordinary resolution in an extraordinary general meeting or written approval.

The Purchaser may waive the condition precedent set out in (a) above. The Vendor may waive the condition precedent set out in (b) above. The condition precedent set out in (c) above is not waivable by both parties.

The Vendor and the Purchaser shall use (to the extent they are able) their respective reasonable endeavours to procure the fulfillment of the above conditions on or before the Long Stop Date. If any of the conditions precedent referred to above has not been fulfilled (or waived, where applicable) on or before the Long Stop Date, the Sale and Purchase Agreement shall be terminated automatically.

Completion

Upon fulfillment (or waiver) of all the conditions precedent to the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

Upon Completion, the Vendor will cease to hold any shares in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

INFORMATION ON THE PURCHASER

The Purchaser is principally engaged in investment holding and a company incorporated in the BVI. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

INFORMATION ON THE COMPANY

The Group is a cross-border digital marketing service provider in China and 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.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability. The Target Company is principally engaged in the business of standardized cross-border digital marketing services.

The table below sets out certain unaudited financial information of the assets of the Target Company which are the subject of the Disposal for the years ended December 31, 2023 and 2024:

	For the year ended December 31, 2023	**For the year ended December 31, 2024**
	US$'000	*US$'000*
Profit/(loss) before taxation	1,517	(4,786)
Profit/(loss) after taxation	1,274	(4,399)

The net asset value of the assets of the Target Company which are the subject of the Disposal extracted from its unaudited financial information as at June 30, 2025 was approximately US$1.5 million.

REASONS FOR AND BENEFITS OF THE DISPOSAL

With the complex global landscape marked by economic volatility and geopolitical uncertainty, the Group had suffered a drop in profit since 2024. The Directors have been actively reviewing and considering to make adjustments to the existing businesses of the Group, so as to streamline the operations and improve the financial performance of the Group in the future. The Disposal allows the Group to devote more resources and efforts to focus on other core lines of business for future development.

The Directors (including all independent non-executive Directors) consider that the Disposal, the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Upon Completion, the Company will cease to hold any shares in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

Based on the preliminary assessment, the Group expects to recognize a gain of approximately US$0.45 million arising from the Disposal, calculated based on the Consideration and the net asset value of the Target Company as at June 30, 2025. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group may be different from the above and will be subject to the audit of the auditors of the Group.

Net proceeds from the Disposal, which have deducted expenses in relation to the Disposal, are estimated to be approximately US$1.8 million. The Company intends to use the net proceeds from the Disposal for (a) strengthening the research and development capabilities of the Group; and (b) replenishing the Group's general working capital.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As none of the Directors has any material interest in the Disposal and the transactions contemplated thereunder, none of the Directors is required to abstain from voting on the board resolutions approving the Disposal and the transactions contemplated thereunder.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Company has obtained written approval from Lucky Linkage, Total Best, Wealth Express, Common Excellence and Into One, being a closely allied group of Shareholders interested in 536,000,000 shares of the Company (representing approximately 67% of the issued share capital of the Company) as at the date of this announcement. As at the date of this announcement, (i) each of Total Best and Wealth Express is wholly-owned by Mr. Li Xiang; (ii) Lucky Linkage is wholly-owned by Ms. Yu Lu; (iii) Common Excellence is indirectly wholly-owned by Tranquil Trust, a discretionary trust established by Ms. Yu Lu as the settlor with Mr. Li Xiang and family members of Ms. Yu Lu as beneficiaries; (iv) Into One is indirectly wholly-owned by the Imperial Trust, a discretionary trust established by Mr. Li Xiang as the settlor with Ms. Yu and family members of Mr. Li Xiang as beneficiaries; and (v) Mr. Li Xiang and Ms. Yu Lu are spouses. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing further information of the Disposal and other information as required under the Listing Rules is required to be despatched to the Shareholders within 15 Business Days after publication of this announcement. A circular containing the information as required under the Listing Rules is expected to be despatched to the Shareholders on or before August 15, 2025 in accordance with the Listing Rules.

DEFINITIONS

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

"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than any Saturday or Sunday) on which banks in Hong Kong are generally open for business throughout their normal business hours
"BVI"	the British Virgin Islands
"Common Excellence"	Common Excellence International Group Limited, a company with limited liability incorporated under the laws of BVI and one of our controlling Shareholders
"Company"	Powerwin Tech Group Limited (stock code: 2405), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Stock Exchange
"Completion"	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date falling on the second Business Day after the fulfilment (or waived, where applicable) of the conditions precedent (or such later date as the Vendor and the Purchaser may agree in writing)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the total consideration of US$1,950,000 for the Sale Shares payable by the Purchaser to the Vendor under the Sale and Purchase Agreement

"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
"Group"	collectively, the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Imperial Trust"	the family trust established by Mr. Li Xiang as settlor and constituted by the trust deed dated January 4, 2022 and entered into between Mr. Li and HSBC International Trustee Limited as trustee
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Into One"	Into One International Group Limited, a company with limited liability incorporated under the laws of BVI and one of the controlling Shareholders
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	August 8, 2025, or such later date as the Vendor and the Purchaser may agree in writing
"Lucky Linkage"	Lucky Linkage International Holdings Limited (福聯國際控股有限公司), a company with limited liability incorporated under the laws of BVI and one of the controlling Shareholders
"PRC"	the People's Republic of China
"Purchaser"	Chinalink International Development Limited, a company incorporated under the laws of BVI with limited liability and the ultimate beneficial owner is Wang Daliang

"Sale and Purchase Agreement"	the agreement dated July 28, 2025 entered into between the Vendor and the Purchaser in respect of the Disposal
"Sale Share(s)"	1,000,000 shares of the Target Company, representing the entire issued share capital of the Target Company as at the date of this announcement and immediately prior to Completion
"Share(s)"	ordinary share(s) with a nominal value of US$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Powerwin Media Group Co., Limited 力盟傳媒集團有限公司, a company incorporated in the Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Total Best"	Total Best International Group Limited (匯好國際集團有限公司), a company with limited liability incorporated under the laws of BVI and one of the controlling Shareholders
"Tranquil Trust"	the family trust established by Ms. Yu Lu as settlor and constituted by the trust deed dated January 4, 2022 and entered into between Ms. Yu Lu and HSBC International Trustee Limited as trustee
"US$"	United States dollars, the lawful currency of the United States of America
"Vendor"	Able Best Investment Group Limited, a company incorporated under the laws of BVI with limited liability and a direct wholly-owned subsidiary of the Company

"Wealth Express"	Wealth Express International Investment Limited (向財國際投資有限公司), a company with limited liability incorporated under the laws of BVI and one of the controlling Shareholders
"%"	per cent

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

Hong Kong, July 28, 2025

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.