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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)

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

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, 2025 (the "**Interim Results**"), together with the comparative figures for the corresponding period in 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited
*(Expressed in US dollars ("**USD**"))*

	Note	Six months ended 30 June	
		2025	2024
		USD'000	*USD'000*
Revenue	*3*	**3,250**	7,368
Cost of sales		**(992)**	(1,139)
Gross profit		**2,258**	6,229
Marketing expenses		**(231)**	(296)
Administrative expenses		**(2,193)**	(1,763)
Expected credit losses on trade receivables		**(2,409)**	(1,576)
Other income		**193**	328
(Loss)/profit from operations		**(2,382)**	2,922
Finance costs	*4(a)*	**(1,871)**	(2,680)
Changes in fair value of financial assets		**104**	55
(Loss)/profit before taxation	*4*	**(4,149)**	297
Income tax	*5*	**391**	41
(Loss)/profit for the period		**(3,758)**	338
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		**(1)**	25
Other comprehensive income for the period		**(1)**	25
Total comprehensive income for the period attributable to equity shareholders of the Company		**(3,759)**	363
(Loss)/earnings per share			
Basic and diluted (cents)	*6*	**(0.47)**	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited

(Expressed in USD)

	Note	**At 30 June 2025** *USD'000*	At 31 December 2024 *USD'000*
Non-current assets			
Property, plant and equipment		**59**	67
Right-of-use assets	*7*	**798**	360
Intangible assets		**1,827**	2,036
Financial assets measured at fair value through profit or loss		**4,689**	4,627
Deferred tax assets		**1,497**	1,087
		8,870	8,177
Current assets			
Trade and other receivables	*8*	**183,407**	222,373
Cash and cash equivalents		**16,276**	34,393
Prepaid income tax		**1,221**	1,221
		200,904	257,987
Current liabilities			
Trade and other payables	*9*	**164,252**	129,032
Contract liabilities		**3,411**	4,071
Bank loans	*10*	**13,126**	100,638
Lease liabilities		**478**	326
Current taxation		**14**	13
		181,281	234,080
Net current assets		**19,623**	23,907
Total assets less current liabilities		**28,493**	32,084

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2025 – unaudited

(Expressed in USD)

	Note	**At 30 June 2025** *USD'000*	At 31 December 2024 *USD'000*
Non-current liabilities			
Bank loans	*10*	**1,808**	1,920
Lease liabilities		**349**	69
		2,157	1,989
Net assets		**26,336**	30,095
CAPITAL AND RESERVES	*11*		
Share capital		**8,000**	8,000
Reserves		**18,336**	22,095
TOTAL EQUITY		**26,336**	30,095

NOTES

(Expressed in USD unless otherwise indicated)

1 BASIS OF PREPARATION

The condensed interim consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 28 August 2025.

The condensed interim consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial statements for the current accounting period. The amendments do not have a material impact on this interim financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective 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 and cross-border online-shop SaaS solutions.

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

	Six months ended 30 June	
	2025	2024
	USD'000	*USD'000*
Cross-border digital marketing services		
Standardized digital marketing	**1,491**	3,221
Customized digital marketing	**549**	1,549
SaaS-based digital marketing	**911**	1,225
	2,951	5,995
Cross-border online-shop SaaS solutions	**299**	1,373
	3,250	7,368

	Six months ended 30 June	
	2025	2024
	USD'000	*USD'000*
Disaggregated by timing of revenue recognition		
– Point in time	**2,951**	5,995
– Over time	**299**	1,373
	3,250	7,368

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

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Revenue (continued)

There are two and three customers with whom transactions have exceeded 10% of the Group's revenues for the six months ended 2025 and 2024, respectively. Revenue from these customers are set out below:

	Six months ended 30 June	
	2025	2024
	USD'000	*USD'000*
Customer I	**1,234**	2,935
Customer II	**680**	2,363
Customer III	**N/A***	1,024

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

(b) Segment information

For the six months ended 30 June 2025 and 2024, the geographical information on the total revenue based on the location of the respective entities of the Group rendering of the services is as follows:

	Six months ended 30 June	
	2025	2024
	USD'000	*USD'000*
Hong Kong	**3,248**	7,367
Chinese mainland	**2**	1
	3,250	7,368

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 2025	At 31 December 2024
	USD'000	*USD'000*
Hong Kong	**2,531**	2,194
Chinese mainland	**153**	269
	2,684	2,463

4 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs:

	Six months ended 30 June	
	2025	2024
	USD'000	*USD'000*
Interest on bank loans	**1,863**	2,664
Interest on lease liabilities	**8**	16
	1,871	2,680

(b) Staff costs:

	Six months ended 30 June	
	2025	2024
	USD'000	*USD'000*
Salaries, wages and other benefits	**1,759**	1,803
Retirement scheme contributions	**123**	111
	1,882	1,914

(c) Other items:

	Six months ended 30 June	
	2025	2024
	USD'000	*USD'000*
Gains from changes in fair value of financial assets	**(104)**	(55)
Research and development costs *(note (a))*	**524**	614
Amortisation cost of intangible assets	**209**	3
Depreciation		
– property, plant and equipment	**13**	15
– right-of-use assets *(note 7)*	**303**	302

Note:

(a) Research and development costs include staff costs of employees in the research and development department, of which USD524,000 (the six months ended 30 June 2024: USD614,000) 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	
	2025	2024
	USD'000	*USD'000*
Current tax		
Provision for the period	**19**	220
	19	220
Deferred tax		
Origination and reversal of temporary differences	**(410)**	(261)
	(391)	(41)

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% (2024: 16.5%) to the six months ended 30 June 2025, 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 2024.

The statutory income tax rate for the subsidiaries in the People's Republic of China is 25% (2024: 25%).

6 (LOSS)/EARNINGS PER SHARE

The calculation of basic loss/earnings per share is based on the loss attributable to equity shareholders of the Company of USD3,758,000 (six months ended 30 June 2024: profit of USD338,000) and the weighted average of 800,000,000 shares (2024: 800,000,000 shares) in issue during the interim period.

There were no dilutive potential ordinary shares for the six months ended 30 June 2025 and 2024; therefore, diluted loss/earnings per share are the same as basic loss/earnings per share.

7 RIGHT-OF-USE ASSETS

	2025	2024
	USD'000	*USD'000*
Net book value, as at 1 January	**360**	838
Additions	**740**	48
Lease modification	**–**	(31)
Depreciation charge for the period	**(303)**	(302)
Exchange adjustments	**1**	(1)
Net book value, as at 30 June	**798**	552

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2025	At 31 December 2024
	USD'000	*USD'000*
Trade receivables-third parties	**192,376**	228,934
Less: loss allowance on trade receivables	**(9,786)**	(7,378)
	182,590	221,556
Amounts due from related parties	**8**	13
Amounts due from third parties	**809**	804
	183,407	222,373

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

The Group has entered into certain factoring arrangements with banks on a with-recourse basis, under which the Group obtained prepayment in respect of the invoice amounts owed from certain customers. Under these arrangements, the banks pay the Group agreed portion of the amounts owed from the customers on the original due dates, and then the Group settles the prepayment no more than 90 days later.

As at 30 June 2025, the amount of trade receivables under factoring arrangements was USD14,295,000 (31 December 2024: USD126,112,000).

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 2025 *USD'000*	At 31 December 2024 *USD'000*
Within 1 month	**39,057**	62,614
Over 1 month but within 2 months	**27,831**	64,694
Over 2 months but within 3 months	**17,747**	13,698
Over 3 months but within 6 months	**14,294**	17,404
Over 6 months but within 12 months	**47,723**	52,487
Over 12 months	**45,724**	18,037
	192,376	228,934

Trade debtors are due within 30 to 300 days (2024: 30 to 300 days) from the date of billing.

9 TRADE AND OTHER PAYABLES

	At 30 June 2025 *USD'000*	At 31 December 2024 *USD'000*
Trade payables – third parties	**163,649**	128,459
VAT and other taxes payable	**95**	21
Payroll payable	**280**	265
Other payables and accruals	**228**	287
	164,252	129,032

All trade and other payables are expected to be settled within one year or are repayable on demand.

9 TRADE AND OTHER PAYABLES (CONTINUED)

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 2025	At 31 December 2024
	USD'000	*USD'000*
Within 1 month	**41,985**	62,236
Over 1 month but within 3 months	**67,885**	66,223
Over 3 months but within 6 months	**53,779**	–
	163,649	128,459

10 BANK LOANS

(a) The analysis of the repayment schedule of bank loans is as follows:

	At 30 June 2025	At 31 December 2024
	USD'000	*USD'000*
Within 1 year or on demand	**13,126**	100,638
After 1 year but within 2 years	**189**	221
After 2 years but within 5 years	**180**	260
After 5 years	**1,439**	1,439
Sub-total	**1,808**	1,920
Total	**14,934**	102,558

10 BANK LOANS (CONTINUED)

(b) Assets pledged as security

As of the end of the reporting period, the bank loans were secured as follows:

	At 30 June 2025	At 31 December 2024
	USD'000	*USD'000*
Secured bank loans	**14,934**	102,558

At 30 June 2025, bank loans of USD2,069,000 (31 December 2024: USD2,212,000) were guaranteed by the Group and secured by financial assets measured at fair value through profit or loss.

At 30 June 2025, bank loans of USD12,865,000 (31 December 2024: USD57,872,000) were both guaranteed by the Group and secured by trade receivables according to the factoring arrangements.

At 30 June 2025, no bank loans (31 December 2024: USD42,474,000) were only secured by trade receivables according to the factoring arrangements.

11 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 2025 (six months ended 30 June 2024: 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 2025 (six months ended 30 June 2024: Nil).

11 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital

As at 30 June 2025 and 31 December 2024, 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.

12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Able Best Investment Group Limited (the "**Vendor**"), a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement with Chinalink International Development Limited (the "**Purchaser**") on 28 July 2025. The Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Group and its connected persons. Pursuant to the sale and purchase agreement, the Vendor conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire 1,000,000 shares of Powerwin Media Group Co., Limited ("**Powerwin Media**"), representing the entire issued share capital of the Powerwin Media (the "**Disposal**").

The total consideration payable by the Purchaser to the Vendor under the sale and purchase agreement is USD1.95 million. The Group expects to recognize a gain of approximately USD0.45 million arising from the Disposal, calculated based on the consideration and the net asset value of Powerwin Media as at 30 June 2025.

The Disposal was completed up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a cross-border digital marketing service provider in China. Over the years, we have been 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. Our cross-border digital marketing services consist of standardized, customized and 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.

BUSINESS REVIEW

Cross-border Digital Marketing Services

Capitalizing on our deep understanding of marketers' evolving needs and prompted by the cross-border digital marketing spending along with the growing demand of China-based enterprises to expand overseas business, we had served more than 3,000 marketers as of June 30, 2025, covering a variety of industry verticals of e-commerce, online games and apps. We had, as of June 30, 2025, curated and collaborated with 20 major and well-known media publishers globally, including major media publishers such as Meta, a leading online social media platform operator and a dominant digital media content provider established in 2004 in the United States, Google, X, TikTok, LinkedIn, YouTube and Snapchat, covering social networking, instant messaging, search engine and short-video media platforms, as well as more than 50 industry-specific media publishers each focusing on a specific niche market.

Depending on marketers' needs and the depths of our services, our cross-border digital marketing services can be categorized into three service types, namely:

- **standardized digital marketing services,** mainly including basic services, such as procurement of media resources (being the ad inventories from the media publishers' platforms), opening and top-up of media accounts and implementation of marketing campaigns (without customized marketing strategies or optimization) on media publishers' platforms;

- **customized digital marketing services**, mainly including targeted marketing strategies and plan, marketing campaign content design, customized marketing campaign optimization, online shops optimization, campaign monitoring and management and execution of overall user acquisition; and

- **SaaS-based digital marketing services**, mainly including 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.

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.

EMPLOYEES AND REMUNERATION POLICY

Our Group had 60 full-time employees as of June 30, 2025 (as of June 30, 2024: 76). Our staff cost included in cost of sales and the expenses of other staff in aggregate amounted to US$1.9 million for the six months ended June 30, 2025. 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

The geopolitical uncertainties and the volatility of global economies created much challenges to the digital marketing industry, which have led to a decline of the Group's profit since 2024. We will work closely with our customers to provide more customized services as well as working with our media partners on more specific audience targeting. We shall strive to maintain growth of our cross-border digital marketing business, while closely monitoring any emerging cross-border industries that can help our customers to further expand to global markets.

With the influence of artificial intelligence and hyper-personalization, it is expected the advertising spending will incline towards digital channels such as social media, search engines and retail media. We will leverage such influence into our Adorado SaaS and Powershopy platforms and help our customers on campaign optimization and provide highly tailored experience through real-time data. We will continue to assess opportunities on strategic collaboration and investment in order to better serve our customers.

FINANCIAL REVIEW

Revenue

Our revenue decreased by 55.9% to US$3.3 million for the six months ended June 30, 2025 from US$7.4 million for the six months ended June 30, 2024, primarily attributable to complex factors such as global economic volatility and geopolitical uncertainties which led to the significant decrease in the digital advertising budgets of clients of the Group.

Revenue from cross-border digital marketing

- **Standardized digital marketing**. Revenue from standardized digital marketing services decreased by 53.7% to US$1.5 million for the six months ended June 30, 2025 from US$3.2 million for the six months ended June 30, 2024 as a result of complex factors such as global economic volatility and geopolitical uncertainties which led to the significant decrease in the digital advertising budgets of clients of the Group.

- **Customized digital marketing**. Revenue from customized digital marketing services decreased by 64.6% to US$0.5 million for the six months ended June 30, 2025 from US$1.5 million for the six months ended June 30, 2024, which was primarily attributable to the Group's customized digital marketing customers having significantly reduced their advertising budgets.

- **SaaS-based digital marketing**. Revenue from SaaS-based digital marketing services decreased by 25.6% to US$0.9 million for the six months ended June 30, 2025 from US$1.2 million for the six months ended June 30, 2024, 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 78.2% to US$0.3 million for the six months ended June 30, 2025 from US$1.4 million for the six months ended June 30, 2024, which was primarily attributable to a decrease in commission income received by the Group.

Cost of Sales

Our cost of sales decreased to US$1.0 million for the six months ended June 30, 2025 from US$1.1 million for the six months ended June 30, 2024, which was primarily attributable to the decrease in revenue, as well as staff cost as a result of the Group's staff structure optimization.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 63.8% to US$2.3 million for the six months ended June 30, 2025 from US$6.2 million for the six months ended June 30, 2024. The decrease was primarily due to a decrease in revenue resulted from the intensifying competition in the digital marketing services, which the Group has responded by rolling out certain promotional measures. Our overall gross profit margin decreased to 69.5% for the six months ended June 30, 2025 from 84.5% for the six months ended June 30, 2024, which was mainly due to the rolling out of certain promotional measures in light of the intensifying competition as aforementioned which has led to a decrease in the Group's revenue. While the Group has also optimized its cost structure which has led to a decrease in its cost of sales, the decrease in the cost of sales did not offset the decrease in gross profit margin caused by the decrease in the Group's revenue.

Marketing Expenses

Our marketing expenses decreased slightly to US$0.2 million for the six months ended June 30, 2025 from US$0.3 million for the six months ended June 30, 2024.

Administrative Expenses

Our administrative expenses increased to US$2.2 million for the six months ended June 30, 2025 from US$1.8 million for the six months ended June 30, 2024, as extra costs were incurred to carry out staff optimization.

Expected Credit Losses on Trade Receivables

Our expected credit losses on trade receivables increased to US$2.4 million for the six months ended June 30, 2025 from US$1.6 million for the six months ended June 30, 2024, which was due to the increased bad debt provisions as the operational adjustments of certain customers have resulted in longer collection period. The Group has actively communicated with its customers by way of emails and personal visits to its customers in order to follow up on the recovery of funds.

Finance Costs

Our finance costs decreased to US$1.9 million for the six months ended June 30, 2025 from US$2.7 million for the six months ended June 30, 2024, as the funding needs of the Group through bank loans have reduced due to a decrease in the Group's gross billing for the six months ended June 30, 2025.

Income Tax Credit

The Group recorded an income tax credit of US$0.4 million for the six months ended June 30, 2025 compared to an income tax credit of US$0.04 million for the six months ended June 30, 2024, which was primarily due to the increase in deferred tax asset arising from the temporary deductible differences of credit loss allowance of trade receivables. Our effective income tax rate was 9.4% and -13.8% for the six months ended June 30, 2025 and 2024, respectively.

(Loss)/profit for the Period

As a result of the foregoing, the Group recorded a loss of US$3.8 million for the six months ended June 30, 2025, as compared to a profit of US$0.3 million for the six months ended June 30, 2024.

Trade Receivables

Our trade receivables decreased to US$192.4 million as of June 30, 2025 from US$228.9 million as of December 31, 2024, which was primarily due to the decrease in the Group's gross billing for the six months ended June 30, 2025.

Trade and Other Payables

Our trade and other payables increased to US$164.3 million as of June 30, 2025 from US$129.0 million as of December 31, 2024, which was primarily due to a decrease in the amounts paid to the Group's suppliers.

Bank Loans

Our bank loans decreased to US$14.9 million as of June 30, 2025 from US$102.6 million as of December 31, 2024, which was primarily because of the Group requiring less funding through bank loans due to a decrease in the Group's gross billing for the six months ended June 30, 2025.

Liquidity and Financial Resources

Our cash and cash equivalents were primarily denominated in U.S. dollars. As of December 31, 2024 and June 30, 2025, we had cash and cash equivalents of US$34.4 million and US$16.3 million, respectively. Such decrease in cash and cash equivalents was primarily because of repayment of bank loans of the Group.

Our net current assets decreased to US$19.6 million as of June 30, 2025 from US$23.9 million as of December 31, 2024, as the trade receivables and cash and cash equivalents of the Group has decreased.

Our major financing resources are bank loans. We had bank loans of US$102.6 million and US$14.9 million as of December 31, 2024 and June 30, 2025, respectively, which were primarily used for supporting the growth of our business expansion and development. As of June 30, 2025, our bank loans were primarily denominated in U.S. dollars and were at variable rates.

Interim Dividend

The Board did not recommend any interim dividend for the six months ended June 30, 2025.

Gearing Ratio

Our gearing ratio, being calculated by dividing total borrowings by total equity as of the date indicated and multiplied by 100%, decreased to 56.7% as of June 30, 2025 from 340.8% as of December 31, 2024, primarily due to the decrease in the Group's borrowings.

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 net cash position (as of December 31, 2024: 226.5%), primarily due to the decrease in the Group's borrowings.

Contingent Liabilities

As of December 31, 2024 and June 30, 2025, 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, 2025.

As of June 30, 2025, bank loans of US$2,069,000 were guaranteed by the Company and secured by financial assets measured at fair value through profit or loss (as of December 31, 2024: US$2,212,000). As of June 30, 2025, bank loans of US$12,865,000 were guaranteed by the Group and were secured by trade receivables according to the factoring arrangements (as of December 31, 2024: US$57,872,000).

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 bank loans issued at fixed rates and variable rates, and lease liabilities that expose us to cash flow interest rate risk. In particular, our interest on bank loans decreased to US$1.9 million for the six months ended June 30, 2025 from US$2.7 million for the six months ended June 30, 2024. 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, 2025. As of June 30, 2025, 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, 2025, the utilization of the Net Proceeds is detailed as follows:

	Approximate percentage of Net Proceeds	Allocation of Net proceeds	Unutilized amount of Net Proceeds as of December 31, 2024	Utilized amount of Net Proceeds during the six months ended June 30, 2025	Unutilized amount of Net Proceeds as of June 30, 2025	Expected timeline for the use of unutilized Net Proceeds *(Note)*
		(HK$ million)	*(HK$ million)*	*(HK$ million)*	*(HK$ million)*	
Strengthen the research and development capabilities of the Group	41.7%	40.3	11.2	3.5	7.7	end of 2025
Market the Group's cross-border online-shop SaaS solutions business	13.3%	12.9	12.9	–	12.9	end of 2025
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 2025
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 2025
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 2025
Working capital and general corporate purposes	10.0%	9.7	–	–	–	N/A
Total		96.8	58.0	3.5	54.5	

Note:

During the six months ended June 30, 2025, 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, 2025 (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

On July 28, 2025, Able Best Investment Group Limited (the "**Vendor**"), a directly wholly-owned subsidiary of the Company has entered into the sale and purchase agreement with Chinalink International Development Limited (the "**Purchaser**"), pursuant to which the Vendor agreed to dispose of, and the Purchaser agreed to acquire the entire issued share capital of Powerwin Media Group Co., Limited ("**Powerwin Media**") (the "**Disposal**"), a then indirect wholly-owned subsidiary of the Company. The Disposal has been completed on July 31, 2025 and Powerwin Media ceased to be a subsidiary of the Company.

For further details of the Disposal, please refer to the announcement of the Company dated July 28, 2025 and the circular of the Company dated August 15, 2025.

Save as disclosed above, there were no other material subsequent events relating to the Group after June 30, 2025 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, 2025. As of June 30, 2025, 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, 2025.

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 joint 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, 2025.

REVIEW OF UNAUDITED INTERIM RESULTS

The Interim Results represent an extract from the condensed interim consolidated financial statements, which are unaudited but have 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, 2025 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 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.