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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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2025  
AND**

**UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS**

The board (the “**Board**”) of directors (the “**Directors**”) of Powerwin Tech Group Limited (the “**Company**”) is pleased to announce the final results of the Company and its subsidiaries (together, the “**Group**”) for the year ended December 31, 2025 (the “**Annual Results**”), together with the comparative figures for the year ended December 31, 2024 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended December 31, 2025*

*(Expressed in US dollars (“USD”))*

	<i>Note</i>	<b>2025</b> <i>USD’000</i>	2024 <i>USD’000</i>
<b>Revenue</b>	2	<b>4,657</b>	13,457
Cost of sales		<u>(1,782)</u>	<u>(2,194)</u>
<b>Gross profit</b>		<u>2,875</u>	<u>11,263</u>
Marketing expense		(375)	(468)
Administrative expenses		(4,406)	(4,109)
Expected credit losses on trade receivables		(3,031)	(735)
Other income	3	<u>1,501</u>	<u>477</u>
<b>(Loss)/profit from operations</b>		<b>(3,436)</b>	6,428
Finance costs	4(a)	(2,010)	(6,004)
Changes in fair value of financial assets		<u>211</u>	<u>157</u>
<b>(Loss)/profit before taxation</b>	4	<b>(5,235)</b>	581
Income tax	5	<u>697</u>	<u>(37)</u>
<b>(Loss)/profit for the year</b>		<u>(4,538)</u>	<u>544</u>
<b>Other comprehensive income for the year (after tax)</b>			
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		<u>3</u>	<u>33</u>
<b>Other comprehensive income for the year</b>		<u>3</u>	<u>33</u>
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>		<u>(4,535)</u>	<u>577</u>
<b>(Loss)/earnings per share</b>			
Basic and diluted (cents)	6	<u>(0.57)</u>	<u>0.07</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

(Expressed in USD)

		<b>31 December</b>	31 December
		<b>2025</b>	2024
	<i>Note</i>	<i>USD'000</i>	<i>USD'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>104</b>	67
Right-of-use assets	7	<b>800</b>	360
Intangible assets	8	<b>1,617</b>	2,036
Financial assets measured at fair value through profit or loss		<b>4,753</b>	4,627
Deferred tax assets		<b>266</b>	1,087
		<u>7,540</u>	<u>8,177</u>
<b>Current assets</b>			
Trade and other receivables	9	<b>2,139</b>	222,373
Cash and cash equivalents		<b>19,808</b>	34,393
Prepaid income tax		<b>–</b>	1,221
		<u>21,947</u>	<u>257,987</u>
<b>Current liabilities</b>			
Trade and other payables	10	<b>1,342</b>	129,032
Contract liabilities		<b>49</b>	4,071
Bank loans	11	<b>–</b>	100,638
Lease liabilities		<b>518</b>	326
Current taxation		<b>15</b>	13
		<u>1,924</u>	<u>234,080</u>
<b>Net current assets</b>		<u><b>20,023</b></u>	<u>23,907</u>
<b>Total assets less current liabilities</b>		<u><b>27,563</b></u>	<u>32,084</u>

		<b>31 December</b>	31 December
		<b>2025</b>	2024
	<i>Note</i>	<i>USD'000</i>	<i>USD'000</i>
<b>Non-current liabilities</b>			
Bank loans	<i>11</i>	–	1,920
Other payables	<i>10</i>	<b>1,682</b>	–
Lease liabilities		<b>321</b>	69
		<u>2,003</u>	<u>1,989</u>
<b>Net assets</b>		<b><u>25,560</u></b>	<b><u>30,095</u></b>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>12</i>	<b>8,000</b>	8,000
Reserves		<b>17,560</b>	22,095
<b>TOTAL EQUITY</b>		<b><u>25,560</u></b>	<b><u>30,095</u></b>

## NOTES

*(Expressed in USD unless otherwise indicated)*

### 1 MATERIAL ACCOUNTING POLICIES

The preliminary financial information does not constitute the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 but is extracted from those financial statements.

#### (a) Statement of compliance

The Group’s financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group.

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the “**functional currency**”). The functional currency of the Company and its subsidiaries outside Chinese Mainland is US dollars (“**USD**”) and the functional currency of the subsidiaries in Chinese Mainland is Renminbi.

As the major operations of the Group were denominated in USD, the consolidated financial statements are presented in USD, rounded to the nearest thousand unless otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial assets measured at fair value through profit or loss (“**FVPL**”) is stated at their fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Changes in accounting policies**

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these 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.

## 2 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.

#### (i) Disaggregation of revenue

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

	<b>2025</b> <i>USD'000</i>	2024 <i>USD'000</i>
<b>Cross-border digital marketing services</b>		
Standardized digital marketing	<b>1,531</b>	5,587
Customized digital marketing	<b>1,031</b>	3,132
SaaS-based digital marketing	<b>1,683</b>	2,796
	<b>4,245</b>	11,515
<b>Cross-border online-shop SaaS solutions</b>	<b>412</b>	1,942
	<b>4,657</b>	13,457
	<b>2025</b> <i>USD'000</i>	2024 <i>USD'000</i>
Disaggregated by timing of revenue recognition		
– Point in time	<b>4,245</b>	11,515
– Over time	<b>412</b>	1,942
	<b>4,657</b>	13,457

**(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 years ended 31 December 2025 and 2024, 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 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.

	<b>2025</b>	2024
	<i>USD'000</i>	<i>USD'000</i>
Hong Kong	<b>2,133</b>	2,194
Chinese Mainland	<b>388</b>	269
	<u><b>2,521</b></u>	<u>2,463</u>

**3 OTHER INCOME**

	<b>2025</b>	2024
	<i>USD'000</i>	<i>USD'000</i>
Interest income	<b>472</b>	480
Foreign exchange gain/(loss)	<b>7</b>	(5)
Other income	<b>18</b>	2
Net gain on disposal of a subsidiary ( <i>note (a)</i> )	<b>1,004</b>	–
	<u><b>1,501</b></u>	<u>477</u>

Note:

- (a) During the year ended 31 December 2025, the Group disposed of an indirectly controlled subsidiary (the “**Disposed subsidiary**”) to an independent third party with the net gain on disposal of the subsidiary as follows:

	2025 USD’000
<b>Consideration:</b>	
Cash consideration	1,950
	-----
<b>Less: Carrying amounts of net assets of the subsidiary disposed of:</b>	
Deferred tax assets	1,545
Trade and other receivables	160,003
Cash and cash equivalents	7,250
Prepaid income tax	1,221
Trade and other payables	(164,827)
Contract liabilities	(2,389)
Bank loans	(1,857)
	-----
	946
	-----
Net gain on disposal of a subsidiary	<u>1,004</u>

#### 4 (LOSS)/PROFIT BEFORE TAXATION

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

(a) **Finance costs:**

	2025 USD’000	2024 USD’000
Interest on bank loans and other payables	1,975	5,976
Interest on lease liabilities	35	28
	-----	-----
	<u>2,010</u>	<u>6,004</u>

(b) **Staff costs (including directors’ emoluments):**

	2025 USD’000	2024 USD’000
Salaries, wages and other benefits	3,148	3,393
Retirement scheme contributions	272	244
	-----	-----
	<u>3,420</u>	<u>3,637</u>

(c) **Other items:**

	<b>2025</b>	2024
	<b>USD'000</b>	USD'000
Changes in fair value of financial assets	<b>(211)</b>	(157)
Auditors' remuneration	<b>326</b>	344
Research and development costs ( <i>note (a)</i> )	<b>1,055</b>	1,221
Amortisation cost of intangible assets	<b>419</b>	75
Depreciation		
– property, plant and equipment	<b>28</b>	29
– right-of-use assets ( <i>note 7</i> )	<b>572</b>	612

*Note:*

- (a) Research and development costs include staff costs of employees in the research and development department, of which USD1,055,000 (2024: USD1,221,000) are included in the staff costs as disclosed above.

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

(a) **Taxation in the consolidated statement of profit or loss and other comprehensive income represents:**

	<b>2025</b>	2024
	<b>USD'000</b>	USD'000
<b>Current tax</b>		
Provision for the year	<b>19</b>	25
Under-provision in prior years	<b>8</b>	–
	<b>27</b>	25
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>(724)</b>	12
	<b>(697)</b>	37

**(b) Reconciliation between tax (credit)/expense and accounting profit or loss at applicable tax rates:**

	<b>2025</b>	2024
	<i>USD'000</i>	<i>USD'000</i>
(Loss)/profit before taxation	<u>(5,235)</u>	<u>581</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	(892)	176
Tax effect of non-deductible expenses	42	31
Tax effect of non-taxable income	(106)	(105)
Statutory tax concession	(58)	(65)
Tax effect of unused tax losses not recognised of the Disposed subsidiary	309	–
Under-provision in prior years	<u>8</u>	<u>–</u>
Actual tax (credit)/expense	<u>(697)</u>	<u>37</u>

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 for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, 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 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 the qualified subsidiary was calculated at the same basis in 2024.

The statutory income tax rate for the subsidiaries in the Chinese Mainland is 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 PRC and were entitled for a preferential income tax rate of 5% of taxable income for the first RMB3,000,000 for the years ended 31 December 2024 and 2025.

## 6 (LOSS)/EARNINGS PER SHARE

The calculation of basic loss/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of USD4,538,000 (2024: profit of USD544,000) and the weighted average of 800,000,000 ordinary shares (2024: 800,000,000 ordinary shares) in issue during the year.

There were no dilutive potential ordinary shares for the years ended 31 December 2025 and 2024; therefore, diluted earnings per share are the same as basic earnings per share.

## 7 RIGHT-OF-USE ASSETS

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Net book value, as at 1 January	360	838
Additions	1,009	191
Lease modification	–	(31)
Disposals	(12)	(23)
Depreciation charge for the period	(572)	(612)
Exchange adjustments	15	(3)
	<u>800</u>	<u>360</u>
Net book value, as at 31 December	<u>800</u>	<u>360</u>

## 8 INTANGIBLE ASSETS

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Net book value, as at 1 January	2,036	32
Additions	–	2,080
Depreciation charge for the period	(419)	(75)
Exchange adjustments	–	(1)
	<u>1,617</u>	<u>2,036</u>
Net book value, as at 31 December	<u>1,617</u>	<u>2,036</u>

## 9 TRADE AND OTHER RECEIVABLES

	<b>2025</b>	2024
	<i>USD'000</i>	<i>USD'000</i>
Trade receivables-third parties	<b>1,648</b>	228,934
Less: loss allowance on trade receivables	<b>(21)</b>	(7,378)
	<b>1,627</b>	221,556
Amounts due from related parties	<b>14</b>	13
Amounts due from third parties	<b>498</b>	804
	<b>2,139</b>	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 within the debt grace period. As at 31 December 2025, these factoring arrangements had been terminated.

As at 31 December 2025, none of trade receivables were under factoring arrangements (2024: USD126,112,000).

### 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:

	<b>2025</b>	2024
	<i>USD'000</i>	<i>USD'000</i>
Within 1 month	<b>54</b>	62,614
Over 1 month but within 2 months	<b>165</b>	64,694
Over 2 months but within 3 months	<b>181</b>	13,698
Over 3 months but within 6 months	<b>721</b>	17,404
Over 6 months but within 12 months	<b>527</b>	52,487
Over 12 months	–	18,037
	<b>1,648</b>	228,934

Trade debtors are due within 30 to 60 days (2024: 30 to 300 days) from the date of billing.

## 10 TRADE AND OTHER PAYABLES

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
<b>Current</b>		
Trade payables – third parties	217	128,459
Value added taxes and other taxes payable	57	21
Payroll payable	147	265
Other payable to the Disposed subsidiary ( <i>note (a)</i> )	220	–
Other payables and accruals	701	287
	<u>1,342</u>	<u>129,032</u>
<b>Non-Current</b>		
Other payable to the Disposed subsidiary ( <i>note (a)</i> )	1,682	–
	<u>1,682</u>	<u>–</u>
Total	<u>3,024</u>	<u>129,032</u>

Except for the non-current portion of other payable to the Disposed subsidiary, 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:

	2025 <i>USD'000</i>	2024 <i>USD'000</i>
Within 1 month	–	62,236
Over 1 month but within 3 months	217	66,223
	<u>217</u>	<u>128,459</u>

*Note:*

- (a) On the date of disposal (see note 3(a)), 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 31 December 2025, payable to the Disposed subsidiary amounted to USD1,902,000.

At 31 December 2025, the bank loans of USD1,809,000 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 USD2,926,000.

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

	<b>2025</b> <i>USD'000</i>	2024 <i>USD'000</i>
Within 1 year or on demand	220	–
After 1 year but within 2 years	129	–
After 2 years but within 5 years	114	–
After 5 years	1,439	–
Sub-total	<u>1,682</u>	<u>–</u>
Total	<u>1,902</u>	<u>–</u>

## 11 BANK LOANS

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

	<b>2025</b> <i>USD'000</i>	2024 <i>USD'000</i>
Within 1 year or on demand	–	100,638
After 1 year but within 2 years	–	221
After 2 years but within 5 years	–	260
After 5 years	–	1,439
Sub-total	<u>–</u>	<u>1,920</u>
Total	<u>–</u>	<u>102,558</u>

**(b) Assets pledged as security and covenants for bank loans**

As at 31 December 2025 and 31 December 2024, the bank loans were secured as follows:

	<b>2025</b>	2024
	<i>USD'000</i>	<i>USD'000</i>
Secured bank loans	<u>–</u>	<u>102,558</u>

At 31 December 2024, bank loans of USD2,212,000 were guaranteed by the Company and secured by financial assets measured at fair value through profit or loss.

At 31 December 2024, bank loans of USD42,474,000 were secured by trade receivables according to the factoring arrangements (see note 9).

At 31 December 2024, bank loans of USD57,872,000 were guaranteed by the Company and secured by trade receivables according to the factoring arrangements (see note 9).

All of the Group's banking facilities are subject to the fulfilment of covenants which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2025, none of the covenants relating to draw-down banking facilities had been breached (31 December 2024: none).

**12 CAPITAL, RESERVES AND DIVIDENDS**

**(a) Dividends**

*(i) Dividends payable to equity shareholders of the Company attributable to the year*

No dividend was declared for the year ended 31 December 2025 (2024: nil).

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

No dividend was paid for the year ended 31 December 2025 (2024: nil).

**(b) Share capital**

	2025		2024	
	No. of shares '000	USD'000	No. of shares '000	USD'000
Authorised:				
USD0.01 each share	<u>2,000,000</u>	<u>20,000</u>	<u>2,000,000</u>	<u>20,000</u>

	2025		2024	
	No. of shares '000	USD'000	No. of shares '000	USD'000
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	<u>800,000</u>	<u>8,000</u>	<u>800,000</u>	<u>8,000</u>

**(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.

## 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 enable 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 December 31, 2025, covering a variety of industry verticals of e-commerce, online games and apps. We had, as of December 31, 2025, curated and collaborated with 19 major and well-known media publishers globally, including major media publishers such as Meta, 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 plans, 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 42 full-time employees as of December 31, 2025 (as of December 31, 2024: 69). Our staff cost, which is included in cost of sales, and the expenses of other staff in aggregate amounted to US\$3.4 million for the year ended December 31, 2025 (for the year ended December 31, 2024: US\$3.6 million). 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. The remuneration committee of our Company is responsible 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

In the face of complex, dynamic, and continually evolving challenges, resilience has become our solid foundation — enabling us to withstand headwinds, adapt to changing conditions, and navigate through cycles. We will maintain strategic focus, concentrating on our long-term objectives, and remain steadfast even amid short-term pressures. By remaining agile and responsive, we endeavour to transform challenges into opportunities, leveraging our accumulated strengths to drive sustainable growth.

Adhering to our commitment to continuous evolution and innovation, we will continue to enhance our Adorado and Powershopy platforms. With the AI technologies flourishing with tremendous opportunities, we plan to increase our investment in AI technologies that will enable us to extend our expertise and generate new services that assist our customers further. This commitment will firmly guide us forward, ensuring that we remain aligned with the rapidly changing market environment and keep pace with the times.

## FINANCIAL REVIEW

### Revenue

Our revenue decreased by 65.4% to US\$4.7 million in 2025 from US\$13.5 million in 2024. This significant decline was primarily driven by global economic volatility and geopolitical uncertainties, which not only intensified market competition but also triggered shifts in consumer shopping habits, ultimately leading to a substantial cut in clients' digital advertising budgets.

#### *Revenue from cross-border digital marketing services*

- **Standardized digital marketing.** Revenue from standardized digital marketing services decreased by 72.6% to US\$1.5 million in 2025 from US\$5.6 million in 2024. This is primarily due to the Group's strategy to gradually lower the revenue contribution of its standardized digital marketing services, as evidenced by the disposal (the "**Disposal**") of Powerwin Media Group Co., Limited (the "**Disposed Subsidiary**"), a former subsidiary of the Company which was primarily engaged in providing standardized digital marketing service, in July 2025. For further details of the Disposal, please refer to the announcement and circular of the Company dated July 28, 2025 and August 15, 2025, respectively.
- **Customized digital marketing.** Revenue from customized digital marketing services decreased by 67.1% to US\$1.0 million in 2025 from US\$3.1 million in 2024, which was primarily attributable to massive reduction on clients' digital advertising budgets in response to the global economic volatility and geopolitical uncertainties.

- **SaaS-based digital marketing.** Revenue from SaaS-based digital marketing services decreased by 39.8% to US\$1.7 million in 2025 from US\$2.8 million in 2024, as a result of the Group's SaaS-based digital marketing customers reacting to the massive correction with the industry that driven a portion of customers out and other customers reducing their advertising budgets significantly to reposition themselves.

#### *Revenue from cross-border online-shop SaaS solutions*

Revenue from cross-border online-shop SaaS solutions decreased by 78.8% to US\$0.4 million in 2025 from US\$1.9 million in 2024, which was primarily due to the change of shopping habits and contraction of the markets, leading to a decrease in commission income received by the Group.

#### **Cost of Sales**

Our cost of sales decreased to US\$1.8 million in 2025 from US\$2.2 million in 2024, which was primarily attributable to the decrease in revenue and the Group's staff structure optimization on staff cost.

#### **Gross Profit and Gross Profit Margin**

Our gross profit decreased by 74.5% to US\$2.9 million in 2025 from US\$11.3 million in 2024, as a result of rolling out certain promotional measures in response to the intensified competition within the industry. Our overall gross profit margin decreased to 61.7% in 2025 from 83.7% in 2024, which was mainly due to the roll out of the aforementioned promotional measures. Although the Group has optimized its cost structure that reduced its cost of sales, it did not offset the decrease in gross profit margin.

#### **Marketing Expenses**

Our marketing expenses decreased to US\$0.4 million in 2025 from US\$0.5 million in 2024, due to a decrease in staff cost as a result of the Group's staff structure optimization.

## **Administrative Expenses**

Our administrative expenses increased to US\$4.4 million in 2025 from US\$4.1 million in 2024, due to extra cost in executing the staff optimization plan.

## **Expected Credit Losses on Trade Receivables**

Our expected credit losses on trade receivables increased to US\$3.0 million in 2025 from US\$0.7 million in 2024, as a result of increasing bad debt provisions as the operational adjustments of certain customers have resulted in long collection period. The Group has proactively contacted the customers in writing and conducted regular personal visits in order to collect the outstanding funds.

## **Finance Costs**

Our finance costs decreased to US\$2.0 million in 2025 from US\$6.0 million in 2024. This decrease was primarily due to the decrease in Group's gross billing for the year 2025 hence lessen the Group's need of bank loans.

## **Income Tax**

We recorded an income tax credit of US\$0.7 million in 2025 as compared to income tax expense of US\$0.04 million in 2024. This resulted from 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 13.3% and 6.4% in 2025 and 2024, respectively.

## **Loss for the Year**

As a result of the foregoing, we recorded a loss for the year of US\$4.5 million in 2025 as compared to a profit of US\$0.5 million in 2024.

## **Trade Receivables**

Our trade receivables decreased to US\$1.6 million as of December 31, 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 year ended December 31, 2025 as a result of the Disposal.

## **Trade and Other Payables**

Our trade and other payables decreased to US\$3.0 million as of December 31, 2025 from US\$129.0 million as of December 31, 2024, as the Group no longer requires to make significant advance payment for certain of its customer in the course of offering standardized cross-border digital marketing services through the Disposed Subsidiary after the Disposal.

## **Bank Loans**

We no longer have any bank loans as of December 31, 2025, as compared to that of US\$102.6 million as of December 31, 2024. The bank loans were previously used to maintain the standardized cross-border digital marketing services of the Group, which is predominantly provided through the Disposed Subsidiary, in order to make significant advance payment for certain of its customers. After the Disposal, the Group no longer has to deploy significant financial resources to maintain the standardized cross-border digital marketing service offering and therefore the Group no longer required bank loans in this regard.

## **Liquidity and Financial Resources**

Our cash and cash equivalents were primarily denominated in U.S. dollars. As of December 31, 2024 and 2025, we had cash and cash equivalents of US\$34.4 million and US\$19.8 million, respectively. Such decrease was primarily attributable to the repayment of bank loans.

Our net current assets decreased to US\$20.0 million as of December 31, 2025 from US\$23.9 million as of December 31, 2024. While our current liabilities as of December 31, 2025 has decreased, the decrease in cash and cash equivalents has eventually led to a decrease in our net current assets.

In 2025 and particularly before the Disposal, our major financing resources were bank loans. As of December 31, 2025, the Group no longer has any outstanding bank loans. As mentioned in the section headed “Bank Loans” above, after the Disposal, the Group no longer requires significant financial resources supported through bank loans to maintain its standardized cross-border service offerings.

## **Final Dividend**

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

## **Gearing Ratio**

Our gearing ratio, being calculated by dividing total borrowings (including 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%, decreased to 7.4% as of December 31, 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 a net cash position as of December 31, 2025 (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 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 December 31, 2025.

As of December 31, 2025, a bank loan of US\$1,809,000 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. As of December 31, 2024, US\$2,212,000 were guaranteed by the Company and secured by financial assets measured at fair value through profit or loss. 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 derecognized bank loans of US\$1,857,000 on the date of the Disposal.

## **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.

## **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**

On July 28, 2025, Able Best Investment Group Limited (the “**Vendor**”), a wholly owned subsidiary of the Company, and Chinalink International Development Limited (the “**Purchaser**”) entered into a sale and purchase agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of the Disposed Subsidiary, at a consideration of US\$1,950,000. The Disposal was completed on July 31, 2025 and the Disposed Subsidiary ceased to be a subsidiary of the Company. For further details of the Disposal, please refer to the announcement and circular of the Company dated July 28, 2025 and August 15, 2025, respectively.

Save as disclosed above, we did not have any significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2025. As of December 31, 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**”).

## Update on Expected Timeline for Use of Proceeds

As of December 31, 2025, the total unutilized Net Proceeds amounted to approximately HK\$54.5 million (the “**Unutilized Net Proceeds**”). Having considered the reasons set out in “Reasons for Change in Use of Proceeds” below, the Board has resolved to extend the expected timeline for full utilization of the Unutilized Net Proceeds to the end of 2028, in order to cater for the business needs of the Group and current market conditions. The actual utilization of Net Proceeds up to December 31, 2025 and the updated expected timeline for full utilization of the Unutilized Net Proceeds are stated below.

Intended use of Net Proceeds	Approximate percentage of Net Proceeds	Allocation of Net Proceeds (HK\$ million)	Unutilized amount of Net Proceeds as of January 1, 2025 (HK\$ million)	Utilized amount of Net Proceeds for the year ended December 31, 2025 (HK\$ million)	Unutilized amount of Net Proceeds as of December 31, 2025 (HK\$ million)	Expected timeline for full utilization of the Unutilized Net Proceeds
Strengthen the research and development capabilities of the Group	41.7%	40.3	11.2	3.5	7.7	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
<b>Total</b>	<b>100%</b>	<b>96.8</b>	<b>58.0</b>	<b>3.5</b>	<b>54.5</b>	

## **REASONS FOR EXTENDING THE EXPECTED TIMELINE FOR USE OF PROCEEDS**

Given the rapid evolution of artificial intelligence technologies and their transformative potential across industries, the Group plans to invest and develop services through new innovative solutions and technologies and additional time is required to explore opportunities that would provide a competitive edge to the Group's cross-border online-shop SaaS solutions business in the market. Furthermore, considering the geopolitical uncertainties and the Group's SaaS-based digital marketing customers have significantly reduced their advertising budgets, the Board is of the view that it would be prudent not to incur significant marketing expenses in marketing the Group's cross-border online-shop SaaS solutions under current market environment. As such, the Group has extended the expected timeline for strengthening the research and development capabilities of the Group and marketing the Group's cross-border online-shop SaaS solutions business to the end of 2028.

In light of prevailing global economic volatility, the Group has reviewed its existing business and internal management systems and the Group considers that the current systems satisfy its current operational requirements. Consequently, the Group has deferred the planned implementation of a new enterprise resource planning (ERP) system, while maintaining ongoing oversight of its research and development activities to ensure alignment with the Group's evolving business scale and operational requirements. As such, the Group has extended the expected timeline for upgrading the Group's business and internal management systems to the end of 2028.

The geopolitical uncertainties and varying regulatory environments across overseas jurisdictions impacted the Group's capabilities in providing overseas localized services. In order to mitigate operational risks, enhance the quality of its localized services and better align its overseas development, the Group has extended the expected timeline to 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 to the end of 2028.

The Group has been vigorously evaluating various investment projects as well as strategic partnerships. However, the Group has not yet identified suitable opportunities that align with the Group's long-term corporate vision and add value to the Group's product portfolios. As such, the Group has extended the expected timeline for pursuing 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 to the end of 2028.

The Board considers that the extension of the expected timeline for full utilization of the Unutilized Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole.

Save as disclosed above, the Company does not currently anticipate any other material changes to the use of the Unutilized Net Proceeds. The Board will continuously assess the plans for the use of the Unutilized Net Proceeds and may further revise or amend such plans where necessary to cope with the changing market environment and conditions, as well as business needs.

## **EVENTS AFTER THE REPORTING PERIOD**

There were no other material subsequent events relating to the Group after December 31, 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 year ended December 31, 2025. As of December 31, 2025, the Group did not hold any treasury shares.

## **CORPORATE GOVERNANCE**

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 Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**") during the year ended December 31, 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 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, especially the independent non-executive Directors, 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.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended December 31, 2025. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code and maintain a high standard of corporate governance practices of the Company.

## **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. After having made specific enquiry, the Directors confirmed that they have complied with the required standard set out in the Model Code during the year ended December 31, 2025.

## **REVIEW OF ANNUAL RESULTS**

The audit committee of the Company (the “**Audit Committee**”) reviewed the final results for the year ended December 31, 2025. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

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

## **CLOSURE OF REGISTER OF MEMBERS**

The Company's annual general meeting (the "AGM") will be held on Tuesday, June 16, 2026. The register of members of our Company will be closed from Thursday, June 11, 2026 to Tuesday, June 16, 2026, both days inclusive, in order to determine the eligibility of the shareholders of the Company to attend the AGM, during which period no share transfers will be registered. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Tuesday, June 16, 2026. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged for registration with our Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, June 10, 2026.

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

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

The annual report of the Company for the year ended December 31, 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, March 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.*