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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)

PROFIT WARNING

This announcement is made by Powerwin Tech Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board for the six months ended June 30, 2024 (the “**Period**”), the Group is expected to record a decrease in net profit for the Period of less than 90.0% as compared to that for the six months ended June 30, 2023. The Board believes that such decrease was mainly due to (i) the Group facing more intense competition in its cross-border digital marketing business and the Group has rolled out certain promotional measures during the Period which has led to a decrease in the revenue for the Period; and (ii) the operational adjustments of certain customers of the Group which have resulted in longer collection periods and the Group has consequently increased its bad debt provisions for prudence’s sake. Despite the decrease in the net profit for the Period, since the start of 2024, there is a high demand for cross-border digital marketing services due to the continuous growth of China-based cross-border e-commerce merchants and such demand has in turn driven the steady rise of the gross billing of the Group.

The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board for the Period, which has neither been reviewed nor audited by the Company's auditors nor has it been reviewed by the audit committee of the Company. The Group is still in the process of finalizing the interim results of the Group and therefore the actual results may differ from the information set out in this announcement. Details of the Group's interim results for the Period are expected to be published in August 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, August 19, 2024

As at 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.