PN Smart Energy Limited Reports First Half 2026 Financial Results

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NINGBO, China, Aug. 04, 2026 (GLOBE NEWSWIRE) -- PN Smart Energy Limited (“PN Smart” or the “Company”) (NASDAQ: PN), a global independent power producer (IPP) focused on the development of clean power stations, critical energy materials, and intelligent energy infrastructure, announced its financial results for the six months ended March 31, 2026.

Financial Highlights

- Total revenue increased 5.5% YoY to approximately $25.5 million for the six months ended March 31, 2026, compared to approximately $24.2 million in the prior-year period.
- International revenue surged 44.6% YoY to approximately $10.8 million, up from approximately $7.5 million, driven by global network expansion and new production capacity.
- Total assets grew 29.5% to approximately $58.9 million as of March 31, 2026 from approximately $45.5 million as of September 30, 2025. Shareholders' equity also increased 47.7% to approximately $33.2 million from approximately $22.5 million.
- Cash and equivalents were approximately $4.9 million as of March 31, 2026. Working capital maintained positive at approximately $11.6 million.

Operational Highlights

- The newly launched PV power station operation in August 2025 and international freight & logistics business launched in April 2025 generated approximately $1.4 million in incremental revenue during the reporting period.
- PN Smart increased ownership in Nanjing Cesun Power Co., Ltd. to 44%. The seller provided an unconditional 5-year cumulative audited net profit guarantee of at least approximately $10.0 million, backed by cash shortfall settlement and a 5-year lock-up on consideration shares.
- Research and development expenses rose 199.8% YoY to approximately $1.1 million. The Company held 58 patents as of the press release date.

Management Commentary

Mr. Weiqi Huang, Chairman and CEO of the Company, commented: “Fiscal 2026 represents a pivotal transformation for PN Smart as we strategically evolve from a solar component manufacturer into a fully integrated independent power producer (IPP) and clean-energy solutions provider. Despite significant industry headwinds, including intense pricing competition and elevated raw material costs, we delivered resilient top-line growth of 5.5% and expanded our overseas sales by nearly 45%.”

“It is important for our shareholders to understand the context of our reported net loss this period. Of the $7.1 million net loss, $5.6 million, or approximately 78%, was a one-time, non-cash share-based compensation charge related to immediately vested equity awards. This was a strategic investment to align our core team for the next phase of our growth, and it had zero impact on our cash position or working capital. On a cash and operating basis, our business remains highly resilient, supported by a balance sheet that is significantly stronger than a year ago.”

"Looking ahead, the successful launch of our PV power station operations and our strategic investment in Nanjing Cesun Power mark critical milestones in our IPP transition. Backed by an unconditional $10.0 million profit guarantee from the seller of Nanjing Cesun, these investments lay the foundation for higher-quality, recurring revenue. We are aggressively building a vertically integrated platform positioned to power the future of global clean energy and intelligent infrastructure."

Selected Semi-Annual Financial Results

$ in millions, except percentages, differences due to rounding.	For the six months ended March 31		
	2026 Amount	**2025 Amount**	**Variances %**
Revenues	25.5	24.2	5.5%
Cost of revenue	(22.5)	(20.5)	10.1%
Gross profit	3.0	3.7	(20.2)%
Gross margin	11.6%	15.3%	(3.7) percentage points
Net income	(7.1)	0.4	(1,920.4)%

Revenues

Total revenues for the six months ended March 31, 2026 increased by 5.47% to approximately $25.5 million, compared to approximately $24.2 million during the same period in 2025. This overall increase was primarily driven by a 5.05% growth in solar PV product sales, which rose by approximately $1.2 million to reach approximately $24.1 million.

Solar PV sales remained the core of the business and the segment's consistent growth was fueled by expanding global demand for solar cables, declining battery costs that accelerated energy storage returns, and supportive international policies.

The revenue growth in solar products was partially offset by a complete cessation of High-Performance Computing (HPC) product sales, which dropped to $0 for the current period. This reflects a strategic pivot initiated in the fiscal year ended September 30, 2023, to scale down HPC operations amid global computing challenges and reduced market demand.

Conversely, the Company's overall revenue was bolstered by an incremental approximately $1.4 million from new ventures launched in 2025, specifically freight transportation through the newly established Ningbo Zhuoxing Logistics Co., Limited in April 2025 and a power plant operations business initiated in August 2025.

Cost of revenues

Cost of revenues primarily includes the manufacturing and purchase costs of servers, photovoltaic (PV) cables, and connectors, alongside depreciation, maintenance, and other overhead expenses. Our cost of revenue for solar PV products increased by 8.39%, or approximately $1.7 million for the six months ended March 31, 2026. This rise outpaced the segment's corresponding 5.05% revenue growth primarily due to higher copper prices.

Additionally, the cost of revenues for the Company's newly launched business segments totaled approximately $1.2 million. These costs correspond directly to the recent expansion into logistics and power plant operations, consisting mainly of logistics agency expenses and depreciation on power station equipment.

Gross profit and margin

Gross profit for the six months ended March 31, 2026, was approximately $3.0 million, a decline from approximately $3.7 million during the same period in 2025, representing 11.6% and 15.32% of revenues, respectively.

This decline in gross margin was primarily driven by intense competition within the solar industry, which created significant pricing pressure and forced the company to reduce its unit selling prices. Additionally, a sharp increase in the cost of copper, a critical raw material, compounded these challenges and further squeezed overall margin levels during the current period.

Selling and marketing expenses

Selling and marketing expenses, which primarily consist of salaries, office, and freight costs, increased by 13.85%, or approximately $0.1 million to approximately $1.1 million for the six months ended March 31, 2026, compared to approximately $1.0 million in 2025. This rise was largely driven by higher international shipping costs tied to a 44.62% growth in overseas sales, which reached approximately $10.8 million up from approximately $7.5 million in the prior year. This robust overseas expansion reflects the Company's successful strategic shift toward solar PV products, which now account for the majority of international sales.

General and administrative expenses

General and administrative expenses, which include salaries, rent, depreciation, and bad debt provisions, surged by 321.49%, or approximately $5.9 million to approximately $7.8 million. This increase was predominantly caused by an approximately $5.6 million non-cash share-based compensation charge for immediately vested equity incentive awards granted to employees. Excluding this specific non-cash charge, standard general and administrative costs rose by a more modest 19.2% over the prior-year period.

Research and development expenses

Research and development expenses increased by 199.83%, or approximately $0.8 million to approximately $1.1 million, compared to approximately $0.4 million in 2025. These expenses cover materials, salaries, and efforts to improve solar PV products. The substantial growth in the current period was fueled by the launch of several new R&D initiatives, most notably the development of advanced photovoltaic conductor winding devices designed to prevent wire tangling and crimping.

Income tax expense

Under the PRC Enterprise Income Tax (EIT) Law, effective January 1, 2008, Chinese resident enterprises are subject to a uniform 25% tax rate. For the six months ended March 31, 2026, the Company recorded an income tax benefit of $52,878, compared to an income tax expense of approximately $0.2 million during the same period in 2025.

This shift resulted directly from a pre-tax loss of approximately $7.2 million in the 2026 period. This substantial loss increased the Company's deferred tax assets and caused a corresponding reversal of deferred tax expenses, ultimately generating the net tax benefit.

Net income (loss)

As a result of the foregoing, net (loss)/income for the six months ended March 31, 2026 and 2025 were approximately $(7.1) million and approximately $0.4 million, respectively, representing a decrease of approximately $7.5 million.

About PN Smart Energy Limited

PN Smart Energy Limited is an emerging independent power producer and clean energy infrastructure company. While the Company’s current revenue is anchored in solar equipment, manufacturing-including solar cables, inverters, and energy storage distribution, it is strategically transitioning toward power generation assets. The Company develops and operates solar and wind power plants as an IPP, with the long-term goal of becoming a vertically integrated smart energy company that powers the future through clean energy. For more information, please visit the Company's investor relations website at https://ir.pnsmartenergy.com/.

Forward-looking Statements

This press release contains forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. When the Company uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “estimate” or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the actual results to differ materially from the Company’s expectations discussed in the forward-looking statements. These statements are subject to uncertainties and risks including, but not limited to, factors discussed in the “Risk Factors” section of the registration statement filed with the SEC. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. Additional factors are discussed in the Company’s filings with the SEC, which are available for review at www.sec.gov. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

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PN SMART ENERGY LTD.

UNAUDITED CONSOLIDATED BALANCE SHEETS

EXPRESS IN U.S. DOLLARS, EXCEPT FOR SHARE AND PER SHARE DATA,

OR OTHERWISE NOTED

	March 31, 2026 (Unaudited)	September 30, 2025 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 4,882,622	$ 9,343,368
Restricted cash	2,746,444	2,130,699
Notes receivable	357,198	477,106
Digital assets	748	31,213
Accounts receivable, net	8,739,687	9,046,671
Inventories, net	5,541,134	4,279,330
Due from related parties	3,185,939	4,177,987
Prepaid expenses and other current assets, net	9,414,186	5,106,553
Total current assets	34,867,958	34,592,927
Equity investments	17,670,361	6,891,243
Property and equipment, net	1,923,159	831,963
Intangible assets	1,440,948	1,509,106
Right-of-use assets, net – finance leases	1,435,624	
Right-of-use assets, net – operating leases	1,487,165	1,639,652
Deferred tax assets	94,715	29,195
Total non-current assets	24,051,972	10,901,159
Total Assets	$ 58,919,930	$ 45,494,086
Liabilities and Shareholders' Equity		
Current liabilities:		
Borrowings – current	$ 1,888,961	$ 2,002,648
Notes payable	2,746,444	2,130,699
Contract liabilities	6,071,072	7,499,799
Accounts payable & other payables	5,954,942	4,595,528
Tax payables	4,602,671	4,390,789
Lease liabilities – current – finance leases	150,753	
Lease liabilities – current – operating leases	404,691	386,590
Due to related parties	1,400,510	714,136
Total current liabilities	23,220,044	21,720,189
Borrowings – non-current	147,631	43,725
Lease liabilities – non-current – finance leases	1,276,562	
Lease liabilities – non-current – operating leases	1,082,474	1,253,062
Total non-current liabilities	2,506,667	1,296,787
Total Liabilities	$ 25,726,711	$ 23,016,976
Shareholders' Equity:		
Class A Ordinary shares ($0.002 par value, 37,500,000 shares authorized, 1,286,775 and 698,750 shares issued and outstanding as of March 31, 2026 and September 30, 2025)*	$ 2,574	$ 1,398
Class B Ordinary shares ($0.002 par value, 5,500,000 shares authorized, 1,251,250 and 651,250 shares issued and outstanding as of March 31, 2026 and September 30, 2025)*	2,502	1,302

Additional paid-in capital	26,067,697	8,464,735
Statutory surplus reserve	212,009	138,408
Retained earnings	3,923,743	11,409,619
Accumulated other comprehensive income (loss)	230,282	(130,537)
Total PN Smart Energy LTD. Shareholders' Equity	30,438,807	19,884,925
Non-controlling interests	2,754,412	2,592,185
Total Shareholder's Equity	33,193,219	22,477,110
Total Liabilities and Shareholders' Equity	$ 58,919,930	$ 45,494,086

PN SMART ENERGY LTD.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME

FOR THE SIX MONTHS ENDED MARCH 31, 2026, AND 2025

EXPRESS IN U.S. DOLLARS, EXCEPT FOR SHARE AND PER SHARE DATA,

OR OTHERWISE NOTED

	Six Months Ended March 31,	
	2026	**2025**
	(Unaudited)	**(Unaudited)**
Revenue	$ 25,499,136	$ 24,176,271
Cost of revenues	(22,541,371)	(20,472,346)
Gross profit	2,957,765	**3,703,925**
Operating expenses:		
Selling and marketing expenses	(1,108,040)	(973,207)
General and administrative expenses	(7,799,283)	(1,850,399)
Research and development expenses	(1,127,347)	(376,000)
Total operating expenses	(10,034,670)	**(3,199,606)**
Operating income	(7,076,905)	**504,319**
Other income (expenses):		
Interest expense	(80,048)	(76,431)
Interest income	50,977	44,068
Foreign exchange gain (loss), net	(136,335)	9,722
Other income, net	53,959	92,276
Total other income (expense), net	(111,447)	**69,635**
(Loss)/Income before income tax expense	(7,188,352)	**573,954**
Income tax (expense)/income	52,878	(181,987)
Net (Loss)/income	(7,135,474)	**391,967**
Other comprehensive income:		
Foreign currency translation (loss) gain	438,668	(622,393)

Total comprehensive (loss)/income	(6,696,806)	**(230,426)**
Net (Loss)/income attributable to:		
Owners of the Company	(7,412,275)	(65,757)
Non-controlling interest	276,801	457,724
	(7,135,474)	**391,967**
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(7,051,456)	(601,620)
Non-controlling interest	354,650	371,194
	(6,696,806)	(230,426)
Earnings per share: Basic and diluted	(3.51)	(0.05)
Weighted Average Number of Common Share Outstanding:		
Basic and Diluted*	2,111,753	1,264,835

PN SMART ENERGY LTD.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED MARCH 31, 2026, AND 2025

EXPRESS IN U.S. DOLLARS, EXCEPT FOR SHARE AND PER SHARE DATA,

OR OTHERWISE NOTED

	Six Months Ended March 31,	
	2026	**2025**
	(Unaudited)	**(Unaudited)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)/Income	(7,135,474)	391,967
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	234,915	176,175
Amortization of right-of-use asset	203,342	231,811
Provision for expected credit loss	638,065	191,437
Loss on disposal of property and equipment	377	
Provision for inventory impairment	(27,721)	
Unrealized loss on digital assets held	30,465	
Disposal of equity instruments	(22,922)	
Net gains on equity investments	(78,963)	
Stock-based compensation expense	5,594,106	
Changes in Operating Assets and Liabilities:		
Accounts receivable, net	(184,884)	281,777
Inventories, net	(1,103,233)	(1,244,674)
Notes receivable, net	130,916	(352,635)
Prepaid expenses and other current assets	(4,583,163)	(4,740,203)
Accounts payable	1,023,987	1,855,273
Other payable	845,185	76,270

Advance from customer	(1,608,035)	632,697
Tax payable	100,852	231,586
Note payable	(304,447)	676,066
Lease liabilities	(211,536)	
Net Cash Used In Operating Activities	**(6,458,168)**	**(1,592,453)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(78,362)	(221,024)
Proceeds from sale of property and equipment	10,263	
Advances made to related parties	(688,559)	
Collection from related parties	733,580	
Down-payment for investments		(1,452,121)
Purchase of investments		(1,446,938)
Net Cash Used in Investing Activities	**(23,078)**	**(3,120,083)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of bank borrowings	1,964,772	1,713,503
Repayment of bank borrowings	(2,028,701)	(843,419)
Borrowings from related parties	1,184,143	2,120,858
Repayment of borrowings to related parties	(86,947)	(2,523)
Proceeds from exercise of stock options	1,530,000	
Capital contributed by minor shareholders		6,915
Dividend paid to non-controlling shareholders	(192,423)	(276,595)
Gross proceeds from initial public offering		8,000,000
Expenses related to initial public offering		(1,035,500)
Principal portion of lease liability		(178,363)
Interest portion of lease liability		(37,538)
Net Cash Provided by Financing Activities	**2,370,844**	**9,467,338**
Effect of exchange rate changes on cash and cash equivalents and restricted cash	**265,401**	**(180,067)**
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	**(3,845,001)**	**4,574,735**
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	**11,474,067**	**5,166,851**
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, end of period	**7,629,066**	**9,741,586**
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the period for:		
Income taxes	**3,233**	**15**
Interest	**68,820**	**76,431**
SUPPLEMENTAL NON-CASH FLOW INFORMATION		
Issuance of Class B ordinary shares for acquisition of equity investment	8,654,880	
Issuance of Class A ordinary shares for acquisition of equity interest	1,826,352	
Purchase of property, plant and equipment on accounts payable	969,556	

**These financial statements are as of March 31, 2026. The Company effected a reverse share split with an exchange ratio of one new share for every twenty old shares on April 13, 2026. All share quantities and per-share data presented in the* *financial statements have been retroactively restated to reflect the impact of the reverse split.*