UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to _____

Commission File Number: 001-34647

ZW Data Action Technologies Inc.

(Exact name of registrant as specified in its charter)

Nevada	**20-4672080**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8/F. 29 Des Voeux Road Central, Central,
Hong Kong Special Administrative Region of the People's Republic of China

(Address of principal executive offices) (Zip Code)

+852 2669-8078
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001	CNET	Nasdaq Capital Market

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 16, 2026, the registrant had 3,668,429 shares of common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Interim Financial Statements

The Public Company Accounting Oversight Board (the "PCAOB") had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprived our investors of the benefits of such inspections.

Our auditor, ARK Pro CPA & Co. ("ARK"), the independent registered public accounting firm that issues the audit report in our SEC filings, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States, pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Our auditor is located in Hong Kong Special Administrative Region of the PRC ("Hong Kong"), China, a jurisdiction where the PCAOB was unable to conduct inspections and investigations before 2022. As a result, we and investors in our securities were deprived of the benefits of such PCAOB inspections. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong in 2022. However, the inability of the PCAOB to conduct inspections of auditors in Hong Kong in the past made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China mainland and Hong Kong that have been subject to the PCAOB inspections, which could cause investors and potential investors in our securities to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our common stock may be delisted and prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, as amended by the Accelerating Holding Foreign Companies Accountable Act, if the PCAOB is unable to inspect or investigate completely auditors located in China mainland and Hong Kong. The delisting of our common stock or the threat of their being delisted could cause the value of our common stock to significantly decline or be worthless, and thus you could lose all or a substantial portion of your investment.

On December 18, 2020, the Holding Foreign Companies Accountable Act, or the HFCAA, was signed into law that states if the SEC determines that issuers have filed audit reports issued by a registered public accounting firm that has not been subject to PCAOB inspection for three consecutive years beginning in 2021, the SEC shall prohibit its common stock from being traded on a national securities exchange or in the over-the-counter trading market in the U.S. Furthermore, on June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, to prohibit securities of any registrant from being listed on any of the U.S. securities exchanges or traded over-the-counter if the auditor of the registrant's financial statements is not subject to PCAOB inspection for two consecutive years, instead of three consecutive years as enacted in the HFCAA. On December 2, 2021, the SEC adopted final amendments implementing the disclosure and submission requirements of the HFCAA, pursuant to which the SEC will identify an issuer as a "Commission-Identified Issuer" if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely, and will then impose a trading prohibition on an issuer after it is identified as a Commission-Identified Issuer for three consecutive years. On December 29, 2022, the Accelerating Holding Foreign Companies Accountable Act was signed into law.

On December 16, 2021, the PCAOB issued a HFCAA Determination Report (the "2021 PCAOB Determinations") to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in China mainland and Hong Kong because of positions taken by the Chinese authorities, and our auditor was subject to this determination. On May 13, 2022, the SEC conclusively identified us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 10-K for the fiscal year ended December 31, 2021.

On August 26, 2022, the PCAOB signed a Statement of Protocol governing inspections of audit firms based in mainland China and Hong Kong, with China Securities Regulatory Commission ("CSRC") and Ministry of Finance ("MOF") of the PRC, regarding inspections and investigations of audit firms headquartered in mainland China and Hong Kong (the "Agreement"). As stated in the Agreement, the Chinese authorities committed that the PCAOB has direct access to view complete audit work papers under its inspections or investigations and has sole discretion to the selected audit firms and audit engagements. The Agreement opens access for the PCAOB to inspect and investigate the registered public accounting firms in mainland China and Hong Kong completely. The PCAOB then thoroughly tested compliance with every aspect of the Agreement necessary to determine complete access. This included sending a team of PCAOB staff to conduct on-site inspections and investigations in Hong Kong over a nine-week period from September to November 2022.

On December 15, 2022, the PCAOB issued its 2022 HFCAA Determination Report to notify the SEC of its determination that the PCAOB was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong completely in 2022. The PCAOB Board vacated its 2021 PCAOB Determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in China mainland and Hong Kong. For this reason, we do not expect to be identified as a Commission-Identified Issuer following the filing of our annual report for the fiscal year ended December 31, 2022. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control.

The PCAOB is continuing to demand complete access in China mainland and Hong Kong moving forward and is already making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB does not have to wait another year to reassess its determinations. Should the PRC authorities obstruct the PCAOB's access to inspect or investigate completely in any way and at any point, the PCAOB will act immediately to consider the need to issue new determinations consistent with the HFCAA.

We cannot assure you that our auditor will not be determined as a registered public accounting firm that the PCAOB is unable to inspect or investigate completely for two consecutive years because of positions taken by the Chinese authorities and/or any other causes in the future. Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB in the future again determines that it is unable to inspect and investigate completely auditors in China mainland and Hong Kong, we may be identified as a Commission-Identified Issuer accordingly. If this happens, Nasdaq may determine to delist our common stock, and there is no certainty that we will be able to continue listing our common stock on other non-U.S. stock exchanges or that an active market for our common stock will immediately develop outside of the U.S. The prohibiting from trading in the United States or delisting of our common stock or the threat of their being delisted could cause the value of our common stock to significantly decline or be worthless, and thus you could lose all or a substantial portion of your investment.

ZW DATA ACTION TECHNOLOGIES INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except for number of shares and per share data)

	September 30, 2026 (US $) (Unaudited)	December 31, 2025 (US $)
Assets		
Current assets:		
Cash and cash equivalents	$ 1,003	$ 970
Accounts receivable, net of allowance for credit loss of $5,165 and $5,137, respectively	817	545
Prepayment and deposit to suppliers	5,735	5,211
Other current assets, net	848	830
Total current assets	**8,403**	**7,556**
Long-term investments	1,117	1,117
Operating lease right-of-use assets	12	48
Property and equipment, net	119	142
Intangible assets, net	340	515
Deposit for acquisition	684	300
Total Assets	**$ 10,675**	**$ 9,678**
Liabilities and Equity		
Current liabilities:		
Accounts payable *	$ 764	$ 169
Advance from customers *	481	522
Accrued payroll and other accruals *	265	517
Taxes payable *	3,400	3,249
Operating lease liabilities *	12	49
Advance from investors	1,015	-
Other current liabilities *	663	566
Total current liabilities	**6,600**	**5,072**

ZW DATA ACTION TECHNOLOGIES INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
(In thousands, except for number of shares and per share data)

	September 30, 2026 (US $) (Unaudited)	December 31, 2025 (US $)
Long-term liabilities:		
Deferred tax liability	51	78
Long-term borrowing from a related party	130	125
Total Liabilities	**6,781**	**5,275**
Commitments and contingencies		
Equity:		
ZW Data Action Technologies Inc.'s stockholders' equity		
Common stock (US$0.001 par value; authorized 12,500,000 shares; issued and outstanding 3,668,429 and 3,268,429 shares at September 30, 2026 and December 31, 2025, respectively)	4	3
Common stock to be issued	420	420
Additional paid-in capital**	65,651	65,346
Statutory reserves	2,598	2,598
Accumulated deficit	(65,627)	(65,221)
Accumulated other comprehensive income	785	1,197
Total shareholders' equity	**3,831**	**4,343**
Noncontrolling interests	63	**60**
Total equity	**3,894**	**4,403**
Total Liabilities and Equity	**$ 10,675**	**$ 9,678**

* Liabilities recognized as a result of consolidating these VIEs do not represent additional claims on the Company's general assets (Note 2).

See notes to unaudited condensed consolidated financial statements

ZW DATA ACTION TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except for number of shares and per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	(US $) (Unaudited)	(US $) (Unaudited)	(US $) (Unaudited)	(US $) (Unaudited)
Revenues	$ 1,405	$ 3,917	$ 370	$ 1,717
Cost of revenues	1,279	3,612	318	1,619
Gross profit	**126**	**305**	**52**	**98**
Operating expenses				
General and administrative expenses	602	1,719	239	251
Research and development expenses	32	-	19	-
Total operating expenses	634	1,719	258	251
Loss from operations	**(508)**	**(1,414)**	**(206)**	**(153)**
Other income/(expenses)				
Interest income	96	144	26	45
Other expenses, net	-	(4)	(1)	1
Total other income	96	140	25	46
Loss before income tax benefit/(expense) and noncontrolling interests	**(412)**	**(1,274)**	**(181)**	**(107)**
Income tax benefit/(expenses)	6	(1)	(1)	(1)
Net loss	**$ (406)**	**$ (1,275)**	**$ (182)**	**$ (108)**

ZW DATA ACTION TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (CONTINUED)
(In thousands, except for number of shares and per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	(US $) (Unaudited)	(US $) (Unaudited)	(US $) (Unaudited)	(US $) (Unaudited)
Net loss	$ (406)	$ (1,275)	$ (182)	$ (108)
Net income attributable to noncontrolling interests	-	(1)	-	-
Net loss attributable to ZW Data Action Technologies Inc.	(406)	(1,276)	(182)	(108)
Net loss	$ (406)	$ (1,275)	$ (182)	$ (108)
Foreign currency translation income/(loss)	(409)	(109)	(103)	(56)
Comprehensive Loss	(815)	(1,384)	(285)	(164)
Comprehensive income attributable to noncontrolling interests	(3)	(2)	(1)	(1)
Comprehensive loss attributable to ZW Data Action Technologies Inc.	(818)	(1,386)	(286)	(165)
Loss per share				
Loss per common share				
Basic and diluted**	$ (0.12)	$ (0.52)	$ (0.05)	$ (0.04)
Weighted average number of common shares outstanding:				
Basic and diluted**	3,505,792	2,449,564	3,668,429	2,659,629

See notes to unaudited condensed consolidated financial statements.

ZW DATA ACTION TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine Months Ended September 30,	
	2026	**2025**
	(US $) (Unaudited)	**(US $) (Unaudited)**
Cash flows from operating activities		
Net loss	$ (406)	$ (1,275)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	202	163
Amortization of operating lease right-of-use assets	36	35
Share-based compensation expenses	261	346
(Reverse)/Provision for allowances for credit losses	(152)	686
Deferred Taxes	(27)	(20)
Other non-operating (income)/losses	(96)	(144)
Changes in operating assets and liabilities		
Accounts receivable	(92)	207
Prepayment and deposit to suppliers	(427)	(551)
Other current assets	(1)	5
Accounts payable	591	112
Advance from customers	(61)	74
Accrued payroll and other accruals	(256)	(403)
Other current liabilities	(199)	(4)
Taxes payable	20	21
Operating lease liabilities	(37)	(33)
Net cash used in operating activities	**(644)**	**(781)**
Cash flows from investing activities		
Purchases of vehicles, office equipment and leasehold improvement	-	(65)
Purchase of intellectual property	-	(600)
Cash paid for acquisition of equity interests	(384)	-
Repayment of short-term loans and interest income from unrelated parties	51	1,121
Net cash provided by/(used in) investing activities	**(333)**	**456**

ZW DATA ACTION TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In thousands)

	Nine Months Ended September 30,	
	2026	**2025**
	(US $) **(Unaudited)**	**(US $)** **(Unaudited)**
Cash flows from financing activities		
Advance from investors	1,015	1,278
Net cash provided by financing activities	**1,015**	**1,278**
Effect of exchange rate fluctuation on cash and cash equivalents	(5)	(4)
Net increase in cash and cash equivalents	**33**	**949**
Cash and cash equivalents at beginning of the period	970	812
Cash and cash equivalents at end of the period	**$ 1,003**	**$ 1,761**
Supplemental disclosure of cash flow information		
Income taxes paid	$ -	$ -
Interest expense paid	$ -	$ -

See notes to unaudited condensed consolidated financial statements

ZW DATA ACTION TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2026
(In thousands, except for number of shares)

	Common stock		Common Stock to be issued	Additional paid-in capital	Statutory reserves	Accumulated deficit	Accumulated other comprehensive income/(loss)	Non-controlling Interest	Total stockholders' equity
	Number of shares	Amount (US $)	(US $)	(US $)	(US $)	(US $)	(US $)	(US $)	(US $)
Balance, January 1, 2026	3,268,429	$ 3	$ 420	$ 65,346	$ 2,598	$ (65,221)	$ 1,197	$ 60	$ 4,403
Share-based compensation in exchange for services from employees, directors and consultants	400,000	1		305					306
Net loss for the period	-	-	-	-	-	(224)	-	-	(224)
Foreign currency translation adjustment	-	-	-	-	-	-	(308)	2	(306)
Balance, June 30, 2026 (unaudited)	**3,668,429**	**$ 4**	**$ 420**	**$ 65,651**	**$ 2,598**	**$ (65,445)**	**$ 889**	**$ 62**	**$ 4,179**
Share-based compensation in exchange for services from employees, directors and consultants	-	-	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(182)	-	-	(182)
Foreign currency translation adjustment	-	-	-	-	-	-	(104)	1	(103)
Balance, September 30, 2026 (unaudited)	**3,668,429**	**$ 4**	**$ 420**	**$ 65,651**	**$ 2,598**	**$ (65,627)**	**$ 785**	**$ 63**	**$ 3,894**

See notes to unaudited condensed consolidated financial statements

ZW DATA ACTION TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2025
(In thousands, except for number of shares)

	Common stock		Additional paid-in capital	Statutory reserves	Accumulated deficit	Accumulated other comprehensive income/(loss)	Non-controlling Interest	Total stockholders' equity
	Number of shares	Amount (US $)	(US $)	(US $)	(US $)	(US $)	(US $)	(US $)
Balance, January 1, 2025	2,301,205	$ 2	$ 63,102	$ 2,598	$ (63,451)	$ 1,407	$ 60	$ 3,718
Issuance of common stock for private placement	358,424	1	1,074	-	-	-	-	1,075
Net loss for the period	-	-	-	-	(1,168)	-	1	(1,167)
Foreign currency translation adjustment	-	-	-	-	-	(53)	-	(53)
Balance, June 30, 2025 (unaudited)	**2,659,629**	**$ 3**	**$ 64,176**	**$ 2,598**	**$ (64,619)**	**$ 1,354**	**$ 61**	**$ 3,573**
Net loss for the period	-	-	-	-	(108)	-	-	(108)
Foreign currency translation adjustment	-	-	-	-	-	(57)	1	(56)
Balance, September 30, 2025 (unaudited)	**2,659,629**	**$ 3**	**$ 64,176**	**$ 2,598**	**$ (64,727)**	**$ 1,297**	**$ 62**	**$ 3,409**

See notes to unaudited condensed consolidated financial statements

1. Organization and nature of operations

ZW Data Action Technologies Inc. (the "Company") was incorporated in the State of Texas in April 2006 and re-domiciled to become a Nevada corporation in October 2006. On June 26, 2009, the Company consummated a share exchange transaction with China Net Online Media Group Limited (the "Share Exchange"), a company organized under the laws of British Virgin Islands ("China Net BVI"). As a result of the Share Exchange, China Net BVI became a wholly owned subsidiary of the Company and the Company is now a holding company, which, through certain contractual arrangements with operating companies in the People's Republic of China (the "PRC") and its operating subsidiaries, is engaged in providing Internet advertising, precision marketing, influencer marketing services as well as the related data and technical services to small and medium enterprises (SMEs). The Company also develops blockchain enabled web/mobile applications and provides software solutions, i.e., Software-as-a-Service ("SaaS") services for clients, engages in intellectual property ("IP") licensing services and also artificial intelligence ("AI") consulting services. As part of an ongoing strategic shift, the Company's operations are now primarily conducted outside mainland China.

2. Variable interest entities

The Company is not an operating company in China, but a Nevada holding company with no equity ownership in the VIEs. The Company primarily conducts its operations in China through its PRC subsidiaries, the VIEs, with which the Company has entered into contractual arrangements, and their subsidiaries in China. Summarized below is the information related to the VIEs' assets and liabilities reported in the Company's condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025, respectively:

	September 30, 2026	December 31, 2025
	US$('000) (Unaudited)	US$('000)
Assets		
Current assets:		
Cash and cash equivalents	$ 2	$ 13
Accounts receivable, net	-	-
Prepayment and deposit to suppliers	1,114	1,073
Other current assets, net	1	2
Total current assets	**1,117**	**1,088**
Property and equipment, net	55	66
Total Assets	**$ 1,172**	**$ 1,154**
Liabilities		
Current liabilities:		
Accounts payable	$ 99	$ 95
Advance from customers	481	461
Accrued payroll and other accruals	29	26
Taxes payable	2,690	2,578
Other current liabilities	714	624
Total current liabilities	**4,013**	**3,784**
Total Liabilities	**$ 4,013**	**$ 3,784**

Liabilities recognized as a result of consolidating these VIEs do not represent additional claims on the Company's general assets.

Summarized below is the information related to the financial performance of the VIEs reported in the Company's condensed consolidated statements of operations and comprehensive loss for the nine and three months ended September 30, 2026 and 2025, respectively:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)
Revenues	$ -	$ 49	$ -	$ -
Cost of revenues	-	(40)	-	(1)
Total operating income/(expenses)	198	(64)	50	13
Net profit/(loss)	198	(54)	50	17

3. Liquidity and Capital Resources

The Company incurred operating losses and may continue to incur operating losses, and as a result, to generate negative cash flows as the Company implements its future business plan. For the nine months ended September 30, 2026, the Company incurred a loss from operations of US$0.51 million and a net operating cash outflow of US$0.64 million. As of September 30, 2026, the Company had cash and cash equivalents of US$1.0 million and working capital of US$1.80 million, compared with approximately US$0.97 million and US$2.48 million as of December 31, 2025, respectively.

Our current core business is to provide advertising and marketing services to small and medium enterprises ("SMEs"), which is particularly sensitive to changes in general economic conditions. In addition, in order to further develop our core business, i.e., our Internet advertising and related data service business, broaden and diversify the online marketing channels for customers, reinforce our industry competitive advantage, we are actively seeking to acquire or invest in businesses and build teams with AI capabilities and proprietary intellectual properties that enable more accurate marketing solutions and cost efficient content creation. We may also pursue acquisitions or investments in businesses that expand our blockchain-based SaaS services, including technologies and platforms related to the tokenization of real-world assets. On March 7, 2025, ChinaNet Investment Holding Limited (the "Purchaser"), a British Virgin Islands company and an indirect wholly-owned subsidiary of ZW Data Action Technologies Inc. (the "Registrant") acquired the 10,000 shares of Rahula Digital Media (HK) Limited, a Hong Kong company (the "Rahula") that Vickie Chan, an individual (the "Seller") owned, pursuant to that certain Share Sale and Purchase Agreement, dated March 3, 2025, entered into by and between the Purchaser and the Seller for a total consideration of US$0.6 million. Rahula owns 100% equity interest in Shenzhen Shangye Business Consulting Services Co., Ltd., a People's Republic of China company (together as "Rahula Group"). Rahula Group is principally engaged in the development and monetization of intellectual property rights on agent management, marketing data management, targeted marketing and mass marketing systems and technologies. The acquisition of Rahula Group and its intellectual property has enabled us to establish our IP services business segment. We generate revenue by licensing the intellectual property acquired through Rahula Group to customers. In the short term, we expect that cash flows generated from this business segment to help improve our liquidity, as it does not require significant ongoing capital investment or material cash outflows. On November 24, 2025, we changed the corporate name of Rahula to Cnet Technology (HK) Limited.

On September 17, 2025, CNET Technology Limited ("CNET Technology"), a wholly-owned subsidiary of ZW Data Action Technologies Inc. (the "Company") in the British Virgin Islands, entered into a purchase agreement with B Ocean Capital Management Limited, a Cayman Islands company, and Oasis Management Consultant Limited, a Hong Kong company (collectively with B Ocean Capital Management Limited, the "Sellers") and Titans Investment Asset Holdings Limited, a British Virgin Islands company ("Titans"), pursuant to which each Seller will sell its 9.80% equity interests in Titans (the "Titans Equity Interests") to CNET Technology. In consideration for the Titans Equity Interests, CNET Technology shall pay to the Sellers totaling $300,000 in cash and cause the Company to issue 200,000 shares of common stock of the Company, having a total value of $420,000 and valued at $2.10 per share, to the Sellers. CNET Technology obtained the Titans Equity Interests on October 21, 2025; however, as of the date of this report, the Company has not yet issued the 200,000 shares of common stock to the Sellers and the closing of the transaction has not yet taken place. Titans is principally engaged in providing digital marketing and advertising services.

On October 28, 2025, CNET Technology, a wholly-owned subsidiary of the Company in the British Virgin Islands, entered into a purchase agreement (the "Acquisition Agreement") with Fun Star Group INC., a British Virgin Islands company ("Fun Star") and Modest Attack Limited, a British Virgin Islands company ("Modest"), pursuant to which Fun Star will sell its 9.9% equity interests in Modest (the " Modest Equity Interests") to CNET Technology. In consideration for the Modest Equity Interests, CNET Technology shall pay to Fun Star $625,000 in cash and cause the Company to issue 150,000 shares of common stock of the Company, having a total value of $375,000 and valued at $2.50 per share, to Fun Star. The closing of the acquisition is subject to customary terms and conditions as set forth in the Acquisition Agreement. Modest is principally engaged in providing development services related to AI services that enable businesses to generate production-ready code from natural language and design and manage autonomous AI agents with integrated tools, workflows and decision-making capabilities. In addition, Modest is also engaged in providing development services for the tokenization of real-world assets, including token economics design, blockchain platform development, ecosystem infrastructure support, and digital asset monitoring and management.

On June 26, 2026, CNET Technology entered into a purchase agreement with Affirm Mission Limited ("Affirm"), a British Virgin Islands company and Margo Asia Limited, a British Virgin Islands company ("Margo"), pursuant to which Affirm will sell its 8.0% equity interests in Margo (the "Margo Equity Interests") to CNET Technology. In consideration for the Margo Equity Interests, CNET Technology shall pay to Affirm $384,000 in cash and cause the Company to issue 180,000 shares of common stock of the Company, having a total value of $216,000 and valued at $1.20 per share, to Affirm. Margo and its subsidiary are primarily engaged in the provision of project management services for renewable energy projects in Asia.

In addition, for the next 12 months from the date hereof, we anticipate to generate additional cash inflows and/or improve our liquidity through the following: (1) our short-term working capital loans provided to unrelated parties will mature within the next 12 months that we anticipate collecting these loan principals and the related interest income within the next 12 months; (2) equity financing; (3) we plan to reduce our operating costs through optimizing the personnel structure among different offices and reduce our office leasing spaces, if needed. This may incur incremental costs related to employee layoff compensation and contract termination penalty.

If the Company fails to achieve these goals, the Company may need additional financing to execute its business plan. If additional financing is required, the Company cannot predict whether this additional financing will be in the form of equity, debt, or another form, and the Company may not be able to obtain the necessary additional capital on a timely basis, on acceptable terms, or at all. In the event that financing sources are not available, or that the Company is unsuccessful in increasing its gross profit margin and reducing operating losses, the Company may be unable to implement its current plans for expansion, repay debt obligations or respond to competitive pressures, any of which would have a material adverse effect on the Company's business, prospects, financial condition and results of operations. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

The unaudited condensed consolidated financial statements as of September 30, 2026 have been prepared under the assumption that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable period of time. The Company's ability to continue as a going concern is dependent upon its uncertain ability to increase gross profit margin and reduce operating loss from its core business and/or obtain additional equity and/or debt financing. The accompanying financial statements as of September 30, 2026 do not include any adjustments that might result from the outcome of these uncertainties. If the Company is unable to continue as a going concern, it may have to liquidate its assets and may receive less than the value at which those assets are carried on the financial statements.

4. Summary of significant accounting policies

a) Basis of presentation

The unaudited condensed consolidated interim financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The unaudited condensed consolidated interim financial information as of September 30, 2026 and for the nine and three months ended September 30, 2026 and 2025 have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures, which are normally included in complete consolidated financial statements prepared in accordance with U.S. GAAP, have been omitted pursuant to those rules and regulations. The unaudited condensed consolidated interim financial information should be read in conjunction with the financial statements and the notes thereto, included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, previously filed with the SEC (the "2025 Form 10-K") on March 31, 2026.

In the opinion of management, all adjustments (which include normal recurring adjustments) necessary to present a fair statement of the Company's condensed consolidated financial position as of September 30, 2026, its condensed consolidated results of operations for the nine and three months ended September 30, 2026 and 2025, and its condensed consolidated cash flows for the nine months ended September 30, 2026 and 2025, as applicable, have been made. The interim results of operations are not necessarily indicative of the operating results for the full fiscal year or any future periods.

b) Principles of consolidation

The unaudited condensed consolidated interim financial statements include the accounts of all the subsidiaries and VIEs of the Company. All transactions and balances between the Company and its subsidiaries and VIEs have been eliminated upon consolidation.

c) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosure of contingent assets and liabilities at the date of these consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company continually evaluates these estimates and assumptions based on the most recently available information, historical experience and various other assumptions that the Company believes to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

d) Foreign currency translation

The exchange rates used to translate amounts in Renminbi, the legal currency of mainland China ("RMB") into US$ for the purposes of preparing the condensed consolidated financial statements are as follows:

	September 30, 2026	December 31, 2025
Balance sheet items, except for equity accounts	6.7351	7.0288

	Nine Months Ended September 30,	
	2026	2025
Items in the statements of operations and comprehensive loss	6.8535	7.1642

	Three Months Ended September 30,	
	2026	2025
Items in the statements of operations and comprehensive loss	6.7823	7.1292

No representation is made that the RMB amounts could have been, or could be converted into US$ at the above rates.

e) Current expected credit losses

The allowance for credit losses reflects the Company's current estimate of credit losses expected to be incurred over the life of the related financial assets. The allowance for credit losses is presented as a valuation account that is deducted from the amortized cost basis of financial asset(s) to present the net amount expected to be collected on the financial asset(s).

The Company considers various factors in establishing, monitoring, and adjusting its allowance for credit losses, including the aging and aging trends, customer/other parties' creditworthiness and specific exposures related to particular customers/other parties. The Company also monitors other risk factors and forward-looking information, such as country specific risks and economic factors that may affect a customer/other party's ability to pay in establishing and adjusting its allowance for credit losses. The Company assesses collectability by reviewing the financial assets on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific customers/other parties with known disputes or collectability issues. Accounts receivable and short-term loans to unrelated parties are written off after all collection efforts have ceased.

The following tables summarized the movements of the Company's credit losses for the nine and three months ended September 30, 2026 and 2025, respectively:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)
Credit loss for accounts receivable:				
Balance as of beginning of the period	5,137	4,817	5,111	5,145
Provision for/(reverse of) credit loss during the period	(180)	306	-	(3)
Written off during the period	-	-	-	-
Exchange translation adjustments	208	52	54	33
Balance as of end of the period	5,165	5,175	5,165	5,175

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)
Credit loss for other current assets:				
Balance as of beginning of the period	1,989	1,513	1,991	1,890
Provision for/(reverse of) credit loss during the period	28	380	25	3
Written off during the period	-	-	-	-
Exchange translation adjustments	(1)	-	-	-
Balance as of end of the period	2,016	1,893	2,016	1,893

f) Revenue recognition

The following table present the Company's revenues disaggregated by products and services and timing of revenue recognition:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)
Internet advertising and related services				
--distribution of the right to use search engine marketing service	-	50	-	1
--Internet advertising and related marketing service	1,024	3,073	198	1,634
Blockchain-based SaaS services	-	615	-	-
AI Services	186	-	91	-
IP Services	195	179	81	82
Total revenues	**$ 1,405**	**$ 3,917**	**$ 370**	**$ 1,717**

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)
Revenue recognized over time	195	229	81	83
Revenue recognized at a point in time	1,210	3,688	289	1,634
Total revenues	**$ 1,405**	**$ 3,917**	**$ 370**	**$ 1,717**

g) Asset acquisition of Rahula Group

Acquisitions that do not meet the definition of a business under ASC 805 are accounted for as an asset acquisition, utilizing a cost accumulation model. Assets acquired and liabilities assumed are recognized at cost, which is the consideration the acquirer transfers to the seller, including direct transaction costs, on the acquisition date. The cost of the acquisition is then allocated to the assets acquired based on their relative fair values. Goodwill is not recognized in an asset acquisition. Direct transaction costs include those third-party costs that can be directly attributable to the asset acquisition and would not have been incurred absent the acquisition transaction.

Acquisition of Rahula Digital Media (HK) Limited.

On March 7, 2025, ChinaNet Investment Holding Limited (the "Purchaser"), a British Virgin Islands company and an indirect wholly-owned subsidiary of ZW Data Action Technologies Inc. acquired the 10,000 shares of Rahula Digital Media (HK) Limited, a Hong Kong company (the "Rahula") that Vickie Chan, an individual (the "Seller") owned, pursuant to that certain Share Sale and Purchase Agreement, dated March 3, 2025, entered into by and between the Purchaser and the Seller for a total consideration of US$0.6 million. Rahula owns 100% equity interest in Shenzhen Shangye Business Consulting Services Co., Ltd., a People's Republic of China company (together as "Rahula Group"). Rahula Group is principally engaged in the development and monetization of intellectual property rights on agent management, marketing data management, targeted marketing and mass marketing systems and technologies.

The Company determined this transaction represented an asset acquisition as substantially all of the value was in the intellectual property intangible assets of Rahula Group.

The acquisition method of accounting includes the establishment of a net deferred tax asset or liability resulting from book tax basis differences related to assets acquired and liabilities assumed on the date of acquisition. When an acquisition of a group of assets is purchased in a transaction that is not accounted for as a business combination under ASC 805, "Business Combinations", a difference between the book and tax bases of the assets arises. ASC 740, "Income Taxes," requires the use of simultaneous equations to determine the assigned value of the asset and the related deferred tax asset or liability. As goodwill is not recognized in an asset acquisition, recognizing deferred tax assets or liabilities for temporary differences in an asset acquisition results in adjusting the carrying amount of the acquired assets and liabilities.

On March 7, 2025, upon the Purchaser's acquisition of the outstanding common stock of Rahula, the Rahula intangible asset balance recorded on the acquisition date and included in intangible assets was as follows:

	As of March 7, 2025
	US$('000) (Unaudited)
Rahula Group intangible asset recorded on acquisition date:	
Intangible asset acquired (a)	707
Deferred tax liability generated from the Rahula asset	(107)
Total consideration paid	**600**

(a) This intangible asset balance will be amortized over the remaining useful life of 3 years as of the March 7, 2025 acquisition date.

h) Lease

As of September 30, 2026, operating lease right-of-use assets and total operating lease liabilities recognized was approximately US$0.01 million and US$0.01 million, respectively.

Maturity of operating lease liabilities

	Operating leases US$('000) (Unaudited)
Three months ending December 31, 2026	12
Total undiscounted lease payments	12
Less: imputed interest	-
Total operating lease liabilities as of September 30, 2026	**12**
Including:	
Operating lease liabilities	12
Operating lease liabilities-Non current	-
	12

Operating lease expenses:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)
Long-term operating lease contracts	37	37	12	12
Short-term operating lease contracts	-	4	-	2
Total	**$ 37**	**$ 41**	**$ 12**	**$ 14**

Supplemental information related to operating leases:

	Nine Months Ended September 30,	
	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)
Operating cash flows used for operating leases (US$'000)	33	36
Right-of-use assets obtained in exchange for new lease liabilities (US$'000)	-	87
Weighted-average remaining lease term (years)	0.25	1.25
Weighted-average discount rate	6%	6%

5. Accounts receivable, net

	September 30, 2026 US$('000) (Unaudited)	December 31, 2025 US$('000)
Accounts receivable	5,982	5,682
Allowance for credit loss	(5,165)	(5,137)
Accounts receivable, net	**817**	**545**

All of the accounts receivable are non-interest bearing. The Company maintains an estimated allowance for credit losses to reduce its accounts receivable to the amount that it believes will be collected. The Company evaluates its accounts receivable on a collective (pool) basis and determines the allowance for credit loss based on aging data, historical collection experience, customer specific facts, current economic conditions and reasonable and supportable forecasts of future economic conditions. For the nine and three months ended September 30, 2026, the Company reversed approximately US$0.18 million and nil in credit losses for its accounts receivable, respectively. For the nine and three months ended September 30, 2025, the Company provided approximately US$0.31 million and reversed US$0.003 million credit losses for its accounts receivable, respectively.

6. Prepayments and deposit to suppliers

	September 30, 2026 US$('000) (Unaudited)	December 31, 2025 US$('000)
Deposits to advertising resources providers	530	529
Prepayments to advertising resources providers	4,711	4,257
Deposits for investing activities	-	-
Other deposits and prepayments	494	425
	5,735	**5,211**

7. Other current assets

	September 30, 2026 US$('000) (Unaudited)	December 31, 2025 US$('000)
Short-term loans to unrelated parties	2,652	2,653
Short-term loans interest receivables	204	160
Staff advances for business operations	8	6
Total other current assets	2,864	2,819
Allowance for credit loss	(2,016)	(1,989)
Other current assets, net	**848**	**830**

As of September 30, 2026, the Company provided unsecured, interest-bearing short-term loans to two unrelated parties, which were set forth as below. These short-term loans were recorded as other current assets.

On January 5, 2022, the Company provided a short-term working capital loan of US$2.5 million to an unrelated party, which matured on May 5, 2022. The loan was unsecured and bore a fixed annualized interest rate of 7.5%. In April 2022, as agreed by both parties, the unrelated party repaid a portion of the loan principal of US$1.02 million, together with a loan interest of US$0.06 million for the period from January 5, 2022 through April 30, 2022, based on the loan principal of US$2.5 million. The Company extended the term of the remaining loan principal of US$1.48 million to April 30, 2023 with a revised fixed annualized interest rate of 5%. In October 2022 and February 2023, the Company received loan interests of US$0.05 million in the aggregate for the period from May 1, 2022 through December 31, 2022. On April 30, 2023, the Company further extended the term of this loan to October 31, 2023. In May 2023, the Company received a loan interest of US$0.02 million for the period from January 1, 2023 through April 30, 2023. In July 2023, the Company received a loan interest of US$0.02 million for the period from May 1, 2023 through July 31, 2023. On October 31, 2023, the Company agreed to further extend the term of this loan to September 30, 2024. On May 29, 2024, the Company received payment of approximately US$0.13 million, of which approximately US$0.06 million settled outstanding interest and approximately US$0.07 million settled the loan principal. On September 30, 2024, the Company agreed to further extend the term of this loan to March 31, 2025. On March 17, 2025, the Company received payment of approximately US$0.35 million, of which approximately US$0.06 million settled outstanding interest and approximately US$0.29 million settled the loan principal. On March 27, 2025, the Company received payment of approximately US$0.21 million, of which approximately US$0.002 million settled outstanding interest and approximately US$0.21 million settled the loan principal. On March 31, 2025, the Company agreed to further extend the term of this loan to March 31, 2026. On March 31, 2026, the Company agreed to further extend the term of this loan to March 31, 2027.

On January 11, 2023, the Company provided a short-term loan of US$2.0 million to another unrelated party. The loan is unsecured and bears a fixed annualized interest rate of 12%. The original maturity date of this loan was July 17, 2023. On July 1, 2023, the Company extended the term of this loan for a six-month period to January 18, 2024. Subsequently, on January 8, 2024, the Company further agreed to extend the term of the loan to January 18, 2025. And on January 9, 2025, the Company agreed to extend the loan to January 18, 2026. For the year ended December 31, 2024, the Company received payment of US$0.77 million, of which approximately US$0.35 million settled outstanding interest and approximately US$0.42 million settled the loan principal. On January 27, 2025, the Company received payment of approximately US$0.57 million, of which approximately US$0.11 million settled outstanding interest and US$0.46 million settled the loan principal. On January 9, 2026, the Company agreed to extend the loan to January 18, 2027. On March 26, 2026, the Company received payment of approximately US$0.05 million to settle outstanding interest.

The Company evaluates its short-term loans provided to unrelated parties for expected credit losses on a regular basis, and maintains an estimated allowance for credit losses to reduce its short-term loans to the amount that it believes will be collected. The Company evaluates its short-term loans on an individual basis and determines the allowance for credit loss based on creditworthiness of the borrowers, aging information, past transaction history with the borrowers and their current condition, as well as the current economic conditions and reasonable and supportable forecasts of future economic conditions. For the nine and three months ended September 30, 2026, the Company provided US$0.03 million and US$0.03 million in credit losses on short-term loans provided to unrelated parties, respectively.

8. Long-term investments

	Amount US$('000)
Balance as of January 1, 2026	1,117
Exchange translation adjustment	-
Cash investments during the year	-
Disposed during the year	-
Impairment losses provided during the year	-
Balance as of September 30, 2026 (Unaudited)	**1,117**

As of September 30, 2026, except for long-term investments which were fully impaired, the Company beneficially owned a 7.69%, 9.9%, 9.9% and 19.6% equity interest in each New Business Holdings Limited ("New Business"), Hunan Yong Fu Xiang Health Management Co., Ltd ("Yong Fu Xiang"), Wuhan Ju Liang Media Co., Ltd. ("Wuhan Ju Liang") and Titans Investment asset Holdings Limited ("Titans") respectively.

The Company measures each investment which does not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the Company.

For the nine months ended September 30, 2026, the Company provided no impairment loss against its long-term investments.

9. Property and equipment, net

	September 30, 2026	December 31, 2025
	US$('000) (Unaudited)	US$('000)
Vehicles	472	452
Office equipment	916	879
Electronic devices	600	575
Leasehold improvement	39	39
Property and equipment, cost	**2,027**	**1,945**
Less: accumulated depreciation	(1,908)	(1,803)
Property and equipment, net	**119**	**142**

Depreciation expenses for the nine months ended September 30, 2026 and 2025 were approximately US$0.03 million and US$0.03 million, respectively. Depreciation expenses for the three months ended September 30, 2026 and 2025 were approximately US$0.01 million and US$0.01 million, respectively.

10. Intangible assets, net

	As of September 30, 2026 (Unaudited)			
Items	**Gross Carrying Value**	**Accumulated Amortization**	**Impairment**	**Net Carrying Value**
	US$('000)	**US$('000)**	**US$('000)**	**US$('000)**
Intangible assets subject to amortization:				
--10 years life:				
Cloud compute software technology	1,378	(956)	(422)	-
Licensed products use right	1,204	(496)	(708)	-
--5 years life:				
Internet Ad tracking system	1,160	(637)	(523)	-
Live streaming technology	1,500	(625)	(875)	-
--3 years life:				
Rahula's Intellectual Property	707	(367)	-	340
Blockchain Integrated Framework	4,038	(3,028)	(1,010)	-
Bo!News application	357	(119)	(238)	-
Other computer software	116	(116)	-	-
Total	**$ 10,460**	**$ (6,344)**	**$ (3,776)**	**$ 340**

Items	As of December 31, 2025			
	Gross Carrying Value	Accumulated Amortization	Impairment	Net Carrying Value
	US$('000)	US$('000)	US$('000)	US$('000)
Intangible assets subject to amortization:				
--10 years life:				
Cloud compute software technology	1,321	(916)	(405)	-
Licensed products use right	1,204	(496)	(708)	-
--5 years life:				
Internet Ad tracking system	1,160	(637)	(523)	-
Live streaming technology	1,500	(625)	(875)	-
--3 years life:				
Rahula's Intellectual Property	707	(192)	-	515
Blockchain Integrated Framework	4,038	(3,028)	(1,010)	-
Bo!News application	341	(114)	(227)	-
Other computer software	111	(111)	-	-
Total	**$ 10,382**	**$ (6,119)**	**$ (3,748)**	**$ 515**

Amortization expenses for the nine months ended September 30, 2026 and 2025 were approximately US$0.18 million and US$0.13 million, respectively. Amortization expenses for the three months ended September 30, 2026 and 2025 were approximately US$0.06 million and US$0.06 million, respectively.

Based on the adjusted carrying value of the finite-lived intangible assets after the deduction of the impairment losses, which has a weighted average remaining useful life of 1.44 years as of September 30, 2026, and assuming no further subsequent impairment of the underlying intangible assets, the estimated future amortization expenses is approximately US$0.06 million for the year ending December 31, 2026, approximately US$0.24 million for the year ending December 31, 2027, and approximately US$0.05 million for the year ending December 31, 2028.

11. Accrued payroll and other accruals

	September 30, 2026	December 31, 2025
	US$('000) (Unaudited)	US$('000)
Accrued payroll and staff welfare	111	80
Accrued operating expenses	154	437
	265	**517**

12. Taxation

As of September 30, 2026 and December 31, 2025, taxes payable consists of:

	September 30, 2026	December 31, 2025
	US$('000) (Unaudited)	US$('000)
Turnover tax and surcharge payable	1,330	1,276
Enterprise income tax payable	2,070	1,973
Total taxes payable	**3,400**	**3,249**

For the nine and three months ended September 30, 2026 and 2025, the Company's income tax benefit/(expenses) consisted of:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)
Current	-	-	-	-
Deferred	6	(1)	(1)	(1)
Income tax benefit/(expenses)	**6**	**(1)**	**(1)**	**(1)**

The Company's deferred tax assets as of September 30, 2026 and December 31, 2025 were as follows:

	September 30, 2026	December 31, 2025
	US$('000) (Unaudited)	US$('000)
Tax effect of net operating losses carried forward	11,102	10,853
Operating lease cost	-	-
Impairment on long-term investments	108	105
Impairment on intangible assets	573	571
Bad debts provision	1,596	1,569
Valuation allowance	(13,379)	(13,098)
Deferred tax assets, net	**-**	**-**

The U.S. holding company has incurred aggregate net operating losses ("NOLs") of approximately US$35.84 million and US$35.24 million as of September 30, 2026 and December 31, 2025, respectively. The NOLs carryforwards as of December 31, 2017 gradually expire over time, the last of which expires in 2037. NOLs incurred after December 31, 2017 will no longer be available to carry back but can be carried forward indefinitely, subject to an annual limit of 80% on the amount of taxable income that can be offset by NOLs arising in tax years ending after December 31, 2017. The Company maintains a full valuation allowance against its net U.S. deferred tax assets, since due to uncertainties surrounding future utilization, the Company estimates there will not be sufficient future earnings to utilize its U.S. deferred tax assets.

The NOLs carried forward incurred by the Company's PRC subsidiaries and VIEs were approximately US$9.02 million and US$8.99 million as of September 30, 2026 and December 31, 2025, respectively. The losses carryforwards gradually expire over time, the last of which will expire in 2028. The related deferred tax assets were calculated based on the respective NOLs incurred by each of the PRC subsidiaries and VIEs and the respective corresponding enacted tax rate that will be in effect in the period in which the losses are expected to be utilized.

The Company recorded approximately US$13.38 million and US$13.10 million valuation allowance as of September 30, 2026 and December 31, 2025, respectively, because it is considered more likely than not that a portion of the deferred tax assets will not be realized through sufficient future earnings of the entities to which the operating losses related.

For the nine and three months ended September 30, 2026, the Company recorded approximately US$0.13 million and US$0.05 million deferred tax valuation allowance, respectively. For the nine and three months ended September 30, 2025, the Company recorded approximately US$0.27 million and US$0.03 million deferred tax valuation allowance, respectively.

13. Long-term borrowing from a related party

Long-term borrowing from a related party is a non-interest bearing loan from a related party of the Company relating to the original paid-in capital contribution in the Company's wholly-owned subsidiary Rise King Century Technology Development (Beijing) Co., Ltd. ("Rise King WFOE"), which is not expected to be repaid within one year.

14. Restricted net assets

The Company is a Nevada holding company with operations primarily conducted in China through its PRC subsidiaries, the consolidated VIEs and VIEs' subsidiaries. The Company's ability to pay dividends to U.S. investors may depend on receiving distributions from its PRC subsidiaries and settlement of the amounts owed under the VIE agreements from the consolidated VIEs. Any limitation on the ability of the Company's PRC subsidiaries and the consolidated VIEs to make payments to the Company, or the tax implications of making payments to the Company, could have a material adverse effect on its ability to pay dividends to the U.S. investors.

The PRC regulations currently permit payment of dividends only out of accumulated profits, as determined in accordance with PRC accounting standards and regulations. The Company's PRC subsidiaries, the consolidated VIEs and their subsidiaries in China are also required to set aside at least 10% of their respective after-tax profit based on the PRC accounting standards and regulations each year to the statutory surplus reserve, until the balance in the reserve reaches 50% of the registered capital of the respective PRC entities. In accordance with these PRC laws and regulations, the Company's PRC subsidiaries, the consolidated VIEs and their subsidiaries are restricted in their ability to transfer a portion of their net assets to the Nevada holding company. As of September 30, 2026 and December 31, 2025, net assets restricted in the aggregate, that are included in the Company's consolidated net assets, were approximately US$13.09 million and US$13.11 million, respectively. Appropriations to the enterprise expansion fund and staff welfare and bonus fund of a foreign-invested PRC entity and appropriation to the discretionary surplus reserve of other PRC entities are at the discretion of the board of directors. To date, none of the Company's PRC subsidiaries, the consolidated VIEs and their subsidiaries appropriated any of these non-mandatory funds and reserves. Furthermore, if these entities incur debt on their own in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments.

Under the PRC Enterprise Income Tax ("EIT") Law and related regulations, dividends, interests, rent or royalties payable by a foreign-invested enterprise to its immediate holding company outside China are subject to a 10% withholding tax. A lower withholding tax rate will be applied if there is a tax treaty arrangement between mainland China and the jurisdiction of the foreign holding company. Hong Kong has a tax arrangement with mainland China that provides for a 5% withholding tax on dividends subject to certain conditions and requirements, such as the requirements that the Hong Kong enterprise owns at least 25% of the PRC enterprise distributing the dividend at all times within the 12-month period immediately preceding the distribution of dividends and provides that the recipient can demonstrate it is a Hong Kong tax resident and it is the beneficial owner of the dividends. The PRC government adopted regulations in 2018 which stipulate that in determining whether a non-resident enterprise has the status as a beneficial owner, comprehensive analysis shall be conducted based on the factors listed therein and the actual circumstances of the specific case shall be taken into consideration. Specifically, it expressly excludes an agent or a designated payee from being considered as a "beneficial owner". The Company owns its PRC subsidiaries through China Net HK. China Net HK currently does not hold a Hong Kong tax resident certificate from the Inland Revenue Department of Hong Kong, there is no assurance that the reduced withholding tax rate will be available for the Company. If China Net HK is not considered to be the "beneficial owner" of the dividends by the Chinese local tax authority, any dividends paid to it by the Company's PRC subsidiaries would be subject to a withholding tax rate of 10%.

There are no restrictions for the consolidated VIEs to settle the amounts owed under the VIE agreements to Rise King WFOE. However, arrangements and transactions among affiliated entities may be subject to audit or challenge by the PRC tax authorities. If at any time the VIE agreements and the related fee structure between the consolidated VIEs and Rise King WFOE is determined to be non-substantive and disallowed by Chinese tax authorities, the consolidated VIEs could, as a matter of last resort, make a non-deductible transfer to Rise King WFOE for the amounts owed under the VIE agreements. This would result in such transfer being non-deductible expenses for the consolidated VIEs but still taxable income for Rise King WFOE. If this happens, it may increase the Company's tax burden and reduce its after-tax income in the PRC, and may materially and adversely affect its ability to make distributions to the holding company. The Company's management is of the view that the likelihood that this scenario would happen is remote.

The Company's PRC subsidiaries generate all of their revenue in Renminbi, Renminbi is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of the Company's PRC subsidiaries to pay dividends/make distributions to the Company. The Chinese government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Shortages in availability of foreign currency may then restrict the ability of the Company's PRC subsidiaries to remit sufficient foreign currency to the Nevada holding company for the holding company to pay dividends to the U.S. investors. Renminbi is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and foreign debt. Currently, the Company's PRC subsidiaries may purchase foreign currency for settlement of current account transactions, including payment of dividends to the Nevada holding company, without the approval of the State Administration of Foreign Exchange of China (the "SAFE") by complying with certain procedural requirements. However, the relevant Chinese governmental authorities may limit or eliminate the Company's ability to purchase foreign currencies in the future for current account transactions. The Chinese government may continue to strengthen its capital controls, and additional restrictions and substantial vetting processes may be instituted by the SAFE for cross-border transactions falling under both the current account and the capital account. Any existing and future restrictions on currency exchange may limit the Company's ability to utilize revenue generated in Renminbi to pay dividends in foreign currencies to holders of the Company's securities. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, the SAFE and other relevant Chinese governmental authorities. This could affect the Company's ability to obtain foreign currency through debt or equity financing for its PRC subsidiaries.

To date, none of the Company's subsidiaries has made any distribution of earnings or issued any dividends to their respective shareholder in or outside of China, or to the Nevada holding company, and the Nevada holding company has never declared or paid any cash dividends to U.S. investors.

The Company does not have any present plan to make any distribution of earnings/issue any dividends directly or indirectly to its Nevada holding company or pay any cash dividends on its common stock in the foreseeable future, because the Company currently intends to retain most, if not all, of its available funds and any future earnings to operate and expand the Company's business.

15. Employee defined contribution plan

Full time employees of the Company in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the PRC subsidiaries of the Company make contributions to the government for these benefits based on certain percentages of the employees' salaries. The employee benefits were expensed as incurred. The Company has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits were approximately US$0.03 million and US$0.04 million for the nine months ended September 30, 2026 and 2025, respectively. The total amounts for such employee benefits were approximately US$0.01 million and US$0.01 million for the three months ended September 30, 2026 and 2025, respectively.

For our Hong Kong employees, the Company also evaluates long service payments to be made by the Company to its employees upon the termination of services as a defined benefit plan under post-employment benefits. The cost of providing benefits is measured using projected unit credit method with actuarial valuations to determine its present value and service cost. When the calculation results in a benefit to the Company, the recognized assets limited to lower of the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan and the asset ceiling. The net defined benefit liabilities recognized in the statement of financial position represent the present value of the obligation under defined benefit plan minus the fair value of plan assets. The remeasurement of the net defined benefit liabilities during a period are recognized as cost of defined benefit plan during the period. For the nine months ended September 30, 2026, the Company did not recognize long service payments as the amount was considered immaterial.

16. Concentration of risk

Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, and deposits and loans to unrelated parties. As of September 30, 2026, 86% of the Company's cash and cash equivalents were held by major financial institutions located in China, the remaining 14% was held by financial institutions located in the United States of America. The Company believes that these financial institutions located in China and the United States of America are of high credit quality. For accounts receivable and deposits and loans to unrelated parties, the Company extends credit based on an evaluation of the customer's or other parties' financial condition, generally without requiring collateral or other security. In order to minimize the credit risk, the Company delegated a team responsible for credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Further, the Company reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate allowances are made for doubtful accounts. In this regard, the Company considers that the Company's credit risk for accounts receivable and deposits and loans to unrelated parties is significantly reduced.

Concentration of customers

The following tables summarized the information about the Company's concentration of customers for the nine and three months ended September 30, 2026 and 2025, respectively:

	Customer A	Customer B	Customer C	Customer D	Customer E	Customer F	Customer G
Nine Months Ended September 30, 2026							
Revenues, customer concentration risk	73%	*	10%	-	-	-	-
Three Months Ended September 30, 2026							
Revenues, customer concentration risk	54%	14%	22%	-	-	-	-
Nine Months Ended September 30, 2025							
Revenues, customer concentration risk	30%	-	-	25%	16%	23%	-
Three Months Ended September 30, 2025							
Revenues, customer concentration risk	42%	-	-	-	-	54%	-
As of September 30, 2026							
Accounts receivable, customer concentration risk	73%	*	16%	-	-	-	-
As of December 31, 2025							
Accounts receivable, customer concentration risk	-	-	-	-	-	78%	22%

* Less than 10%.

- No transaction incurred for the reporting period/no balance existed as of the reporting date.

Concentration of suppliers

The following tables summarized the information about the Company's concentration of suppliers for the nine and three months ended September 30, 2026 and 2025, respectively:

	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
Nine Months Ended September 30, 2026					
Cost of revenues, supplier concentration risk	34%	41%	12%	-	-
Three Months Ended September 30, 2026					
Cost of revenues, supplier concentration risk	-	59%	22%	-	-
Nine Months Ended September 30, 2025					
Cost of revenues, supplier concentration risk	-	31%	-	49%	16%
Three Months Ended September 30, 2025					
Cost of revenues, supplier concentration risk	-	42%	-	54%	-

* Less than 10%.

- No transaction incurred for the reporting period.

17. Commitments and contingencies

In June 2023, the Company obtained a 9.9% equity interest in Wuhan Ju Liang, through subscription of a RMB0.99 million (approximately US$0.14 million) registered capital of the entity in cash, which amount was committed to be paid up before August 1, 2052.

The Company may from time to time become a party to various legal or administrative proceedings arising in its ordinary course of business. The Company evaluates the status of each legal matter and assesses the potential financial exposure. If the potential loss from any legal proceedings or litigation is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. Significant judgment is required to determine the probability of a loss and whether the amount of the loss is reasonably estimated. As of the date hereof, based on the information currently available, the Company believes that the loss contingencies that may arise as a result of currently pending legal proceedings are not reasonably likely to have a material adverse effect on the Company's business, results of operations, financial condition, and cash flows.

18. Segment reporting

The Company follows ASC Topic 280 "Segment Reporting", which requires that companies disclose segment data based on how management makes decisions about allocating resources to segments and evaluating their performance. Reportable operating segments include components of an entity about which separate financial information is available and which operating results are regularly reviewed by the chief operating decision maker ("CODM"), the Company's Chief Executive Officer, to make decisions about resources to be allocated to the segment and assess each operating segment's performance.

Nine Months Ended September 30, 2026 (Unaudited)

	Internet Ad and related service	AI Services	IP Services	Blockchain technology	Corporate	Inter-segment and reconciling item	Total
	US$ ('000)		US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)
Revenues	1,024	186	195	-	-	-	1,405
Cost of revenues	955	147	177	-	-	-	1,279
Total operating expense	(407)	-	-	-	1,041	-	634
Depreciation and amortization expense included in cost of revenues and total operating expenses	12	-	177	-	13	-	202
Operating income/(loss)	476	39	18	-	(1,041)	-	(508)
Expenditure for long-term assets	-	-	-	-	-	-	-
Net income/(loss)	476	39	24	-	(945)	-	(406)
Total assets- September 30, 2026	9,159	141	474	55	34,966	(34,120)	10,675
Total assets-December 31, 2025	8,553	-	516	55	34,324	(33,770)	9,678

Three Months Ended September 30, 2026 (Unaudited)

	Internet Ad and related service	AI Services	IP Services	Blockchain technology	Corporate	Inter-segment and reconciling item	Total
	US$ ('000)		US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)
Revenues	198	91	81	-	-	-	370
Cost of revenues	189	70	59	-	-	-	318
Total operating expense	(58)	-	-	-	316	-	258
Depreciation and amortization expense included in cost of revenues and total operating expenses	3	-	59	-	7	-	69
Operating income/(loss)	67	21	22	-	(316)	-	(206)
Expenditure for long-term assets	-	-	-	-	-	-	-
Net income/(loss)	67	20	21	-	(290)	-	(182)

Nine Months Ended September 30, 2025 (Unaudited)

	Internet Ad and related service	IP Services	Blockchain technology	Corporate	Inter-segment and reconciling item	Total
	US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)
Revenues	3,123	179	615	-	-	3,917
Cost of revenues	2,921	131	560	-	-	3,612
Total operating expenses	269	-	-	1,450	-	1,719
Depreciation and amortization expense included in cost of revenues and total operating expenses	16	131	-	16	-	163
Operating income/(loss)	(67)	48	55	(1,450)	-	(1,414)
Expenditure for long-term assets	-	600	-	65	-	665
Net income/(loss)	(70)	48	55	(1,308)	-	(1,275)
Total assets-September 30, 2025	7,857	576	55	34,210	(33,048)	9,650
Total assets-December 31, 2024	7,627	-	-	34,405	(32,346)	9,686

Three Months Ended September 30, 2025 (Unaudited)

	Internet Ad and related service	IP Services	Blockchain technology	Corporate	Inter-segment and reconciling item	Total
	US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)	US$ ('000)
Revenues	1,635	82	-	-	-	1,717
Cost of revenues	1,559	60	-	-	-	1,619
Total operating expenses	(34)	-	-	285	-	251
Depreciation and amortization expense included in cost of revenues and total operating expenses	4	60	-	8	-	72
Operating income/(loss)	109	22	(1)	(283)	-	(153)
Net income/(loss)	110	22	(1)	(239)	-	(108)

19. Loss per share

Basic and diluted loss per share for each of the periods presented are calculated as follows (All amounts, except number of shares and per share data, are presented in thousands of U.S. dollars):

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss	$ (406)	$ (1,275)	$ (182)	$ (108)
Net (income)/loss attributable to noncontrolling interests from continued operations	-	(1)	-	-
Net loss attributable to ZW Data Action Technologies Inc. (numerator for basic and diluted loss per share)	$ (406)	$ (1,276)	$ (182)	$ (108)
Weighted average number of common shares outstanding -Basic and diluted	3,505,792	2,449,564	3,668,429	2,659,629
Loss per share-Basic and diluted	$ (0.12)	$ (0.52)	$ (0.05)	$ (0.04)

20. Share-based compensation expenses

On April 22, 2026, the Company granted an aggregate of 400,000 shares of its common stock to certain directors and employees of the Company pursuant to its equity incentive plan, including 165,000 shares granted to George Kai Chu, a director of the Company. The Company valued these shares at US$0.765 per share, the closing bid price of the Company's common stock on the grant date of these shares. Of the 400,000 shares of common stock granted, 100,000 shares were granted to an employee in exchange for services for a 12-month period, for which the Company recorded approximately US$0.08 million as a prepayment. Total compensation expense amortized was approximately US$0.03 million and US$0.02 million for the nine and three months ended September 30, 2026, respectively. The remaining 300,000 shares of common stock granted were issued to directors and employees of the Company for services provided and these shares were valued at the closing bid price of the Company's common stock on the respective date of the grant with total compensation expenses of approximately US$0.23 million.

In August 2024, the Company granted and issued approximately 0.18 million fully-vested and non-forfeitable shares of the Company restricted common stock to business and financial consultants in exchange for their service for a 12-month period until August 2025. The Company valued these shares at the closing bid price of the Company's common stock on the grant date of these shares and recorded the related total cost of approximately US$0.35 million as a prepayment upon the grant and issuance of these shares. Total compensation expenses amortized were approximately US$0.35 million and US$0.06 million for the nine and three months ended September 30, 2025, respectively.

The table below summarized share-based compensation expenses recorded for the nine and three months ended September 30, 2026 and 2025, respectively:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)	US$('000) (Unaudited)
Sales and marketing expenses	-	-	-	-
General and administrative expenses	230	346	-	59
Research and development expenses	32	-	19	-
Total	**262**	**346**	**19**	**59**

21. Subsequent events

Except for the above mentioned matters, no other material events which are required to be adjusted or disclosed as of the date of this consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this interim report. Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The following discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words "expect," "anticipate," "intend," "believe," or similar language. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements. Our business and financial performance are subject to substantial risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. In evaluating our business, you should carefully consider the information set forth under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025. Readers are cautioned not to place undue reliance on these forward-looking statements.

The Public Company Accounting Oversight Board (the "PCAOB") had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprived our investors of the benefits of such inspections.

Our auditor, ARK Pro CPA & Co. ("ARK"), the independent registered public accounting firm that issues the audit report in our SEC filings, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States, pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Our auditor is located in Hong Kong Special Administrative Region of the PRC ("Hong Kong"), China, a jurisdiction where the PCAOB was unable to conduct inspections and investigations before 2022. As a result, we and investors in our securities were deprived of the benefits of such PCAOB inspections. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong in 2022. However, the inability of the PCAOB to conduct inspections of auditors in Hong Kong in the past made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China mainland and Hong Kong that have been subject to the PCAOB inspections, which could cause investors and potential investors in our securities to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our common stock may be delisted and prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, as amended by the Accelerating Holding Foreign Companies Accountable Act, if the PCAOB is unable to inspect or investigate completely auditors located in China mainland and Hong Kong. The delisting of our common stock or the threat of their being delisted could cause the value of our common stock to significantly decline or be worthless, and thus you could lose all or a substantial portion of your investment.

On December 18, 2020, the Holding Foreign Companies Accountable Act, or the HFCAA, was signed into law that states if the SEC determines that issuers have filed audit reports issued by a registered public accounting firm that has not been subject to PCAOB inspection for three consecutive years beginning in 2021, the SEC shall prohibit its common stock from being traded on a national securities exchange or in the over-the-counter trading market in the U.S. Furthermore, on June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, to prohibit securities of any registrant from being listed on any of the U.S. securities exchanges or traded over-the-counter if the auditor of the registrant's financial statements is not subject to PCAOB inspection for two consecutive years, instead of three consecutive years as enacted in the HFCAA. On December 2, 2021, the SEC adopted final amendments implementing the disclosure and submission requirements of the HFCAA, pursuant to which the SEC will identify an issuer as a "Commission-Identified Issuer" if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely, and will then impose a trading prohibition on an issuer after it is identified as a Commission-Identified Issuer for three consecutive years. On December 29, 2022, the Accelerating Holding Foreign Companies Accountable Act was signed into law.

On December 16, 2021, the PCAOB issued a HFCAA Determination Report (the "2021 PCAOB Determinations") to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in China mainland and Hong Kong because of positions taken by the Chinese authorities, and our auditor was subject to this determination. On May 13, 2022, the SEC conclusively identified us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 10-K for the fiscal year ended December 31, 2021.

On August 26, 2022, the PCAOB signed a Statement of Protocol governing inspections of audit firms based in mainland China and Hong Kong, with China Securities Regulatory Commission ("CSRC") and Ministry of Finance ("MOF") of the PRC, regarding inspections and investigations of audit firms headquartered in mainland China and Hong Kong (the "Agreement"). As stated in the Agreement, the Chinese authorities committed that the PCAOB has direct access to view complete audit work papers under its inspections or investigations and has sole discretion to the selected audit firms and audit engagements. The Agreement opens access for the PCAOB to inspect and investigate the registered public accounting firms in mainland China and Hong Kong completely. The PCAOB then thoroughly tested compliance with every aspect of the Agreement necessary to determine complete access. This included sending a team of PCAOB staff to conduct on-site inspections and investigations in Hong Kong over a nine-week period from September to November 2022.

On December 15, 2022, the PCAOB issued its 2022 HFCAA Determination Report to notify the SEC of its determination that the PCAOB was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong completely in 2022. The PCAOB Board vacated its 2021 PCAOB Determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in China mainland and Hong Kong. For this reason, we do not expect to be identified as a Commission-Identified Issuer following the filing of our annual report for the fiscal year ended December 31, 2022. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control.

The PCAOB is continuing to demand complete access in China mainland and Hong Kong moving forward and is already making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB does not have to wait another year to reassess its determinations. Should the PRC authorities obstruct the PCAOB's access to inspect or investigate completely in any way and at any point, the PCAOB will act immediately to consider the need to issue new determinations consistent with the HFCAA.

We cannot assure you that our auditor will not be determined as a registered public accounting firm that the PCAOB is unable to inspect or investigate completely for two consecutive years because of positions taken by the Chinese authorities and/or any other causes in the future. Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB in the future again determines that it is unable to inspect and investigate completely auditors in China mainland and Hong Kong, we may be identified as a Commission-Identified Issuer accordingly. If this happens, Nasdaq may determine to delist our common stock, and there is no certainty that we will be able to continue listing our common stock on other non-U.S. stock exchanges or that an active market for our common stock will immediately develop outside of the U.S. The prohibiting from trading in the United States or delisting of our common stock or the threat of their being delisted could cause the value of our common stock to significantly decline or be worthless, and thus you could lose all or a substantial portion of your investment.

Overview

Our company was incorporated in the State of Texas in April 2006 and re-domiciled to become a Nevada corporation in October 2006. As a result of a share exchange transaction we consummated with China Net BVI in June 2009, we are now a holding company, which through certain contractual arrangements with operating companies in the PRC and our operating subsidiaries outside of mainland China, is primarily engaged in providing Internet advertising, precision marketing, influencer marketing services as well as the related data and technical services to SMEs. The Company also develops blockchain enabled web/mobile applications and provides software solutions, i.e., Software-as-a-Service ("SaaS") services for clients, engages in IP licensing services and AI services. As part of an ongoing strategic shift, the Company's operations are now primarily conducted outside mainland China.

During fiscal 2026, we have strategically repositioned our core business, i.e., our Internet advertising and related marketing service business to have a renewed focus on markets outside of mainland China; as such, the Company's operations are now primarily conducted outside mainland China. We have shifted our client focus away from the distribution of search engine marketing services in the PRC towards higher margin digital advertising opportunities, including influencer marketing services and providing marketing services in markets outside mainland China. We are also seeking to acquire and build teams with AI capabilities and proprietary intellectual properties that enable more accurate marketing solutions and cost-effective content creation so that we can better service our clients. With over 17 years of experience serving China's SME sector, the Company has developed deep operational insight into how businesses acquire customers, generate revenue, and scale across markets. Building on this foundation, the Company will expand its capabilities to include AI-enabled applications and deployment solutions, with a focus on enhancing existing service offerings. These initiatives include the development and integration of AI-assisted tools to support customer engagement, financial management, and operational workflows, as well as the incorporation of blockchain-based functionalities for data security, tokenization, and payment processing where applicable. Through these efforts, the Company aims to improve service efficiency and support revenue growth for our SME clients.

Recent Developments

On June 26, 2026, CNET Technology entered into a purchase agreement with Affirm Mission Limited ("Affirm"), a British Virgin Islands company and Margo Asia Limited, a British Virgin Islands company ("Margo"), pursuant to which Affirm will sell its 8.0% equity interests in Margo (the "Margo Equity Interests") to CNET Technology. In consideration for the Margo Equity Interests, CNET Technology shall pay to Affirm $384,000 in cash and cause the Company to issue 180,000 shares of common stock of the Company, having a total value of $216,000 and valued at $1.20 per share, to Affirm.

On July 30, 2026, the Company entered into five separate Securities Purchase Agreements with five investors pursuant to which the investors agreed to purchase an aggregate of 1,000,000 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $1.45 per share, for an aggregate purchase price of $1,450,000. The closings are subject to customary closing conditions and will occur on dates mutually agreed by the respective parties. In connection with each Securities Purchase Agreement, each investor also entered into a lock-up agreement with the Company pursuant to which such investor agreed not to transfer the purchased shares until the six-month anniversary of the applicable agreement.

Basis of presentation, management estimates and critical accounting policies

Our unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and include the accounts of our company, and all of our subsidiaries and VIEs. We prepare financial statements in conformity with U.S. GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the financial reporting period. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. In order to understand the significant accounting policies that we adopted for the preparation of our condensed consolidated interim financial statements, readers should refer to the information set forth in Note 4 "Summary of significant accounting policies" to our audited financial statements in our 2025 Form 10-K.

We believe that the assumptions and estimates associated with revenue recognition and estimation of current expected credit loss have the greatest potential impacts on our condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

- Our revenues are recognized when control of the promised services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services. Our revenues are recognized on a gross basis, because we determine that we are a principal in the transaction who control the services before they are transferred to our customers.

- We maintain an allowance for credit losses for accounts receivable and short-term loans provided to unrelated parties, which are recorded as valuation accounts that are deducted from the amortized cost basis of the related financial assets to present the net amount expected to be collected on the financial assets. The allowance for credit losses reflects our current estimate of credit losses expected to be incurred over the life of the related financial assets. We consider various factors in establishing, monitoring, and adjusting our allowance for credit losses, including the aging and aging trends, customer/other parties' creditworthiness and specific exposures related to particular customers/other parties. We also monitor other risk factors and forward-looking information, such as country specific risks and economic factors that may affect a customer/other party's ability to pay in establishing and adjusting its allowance for credit losses. We assess collectability by reviewing the financial assets on a collective basis where similar characteristics exist and on an individual basis when we identify specific customers/other parties with known disputes or collectability issues. Accounts receivable and short-term loans to unrelated parties are written off after all collection efforts have ceased.

A. RESULTS OF OPERATIONS FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025

The following table sets forth a summary, for the periods indicated, of our consolidated results of operations. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period. All amounts are presented in thousands of U.S. dollars.

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	2025	2026	2025
	(US $) (Unaudited)	(US $) (Unaudited)	(US $) (Unaudited)	(US $) (Unaudited)
Revenues	1,405	3,917	370	1,717
Cost of revenues	1,279	3,612	318	1,619
Gross profit	**126**	**305**	**52**	**98**
Operating expenses				
General and administrative expenses	602	1,719	239	251
Research and development expenses	32	-	19	-
Total operating expenses	634	1,719	258	251
Loss from operations	**(508)**	**(1,414)**	**(206)**	**(153)**
Other income/(expenses)				
Interest income	96	144	26	45
Other expenses, net	-	(4)	(1)	1
Total other income	96	140	25	46
Loss before income tax benefit/(expense)	**(412)**	**(1,274)**	**(181)**	**(107)**
Income tax benefit/(expense)	6	(1)	(1)	(1)
Net loss	**(406)**	**(1,275)**	**$ (182)**	**$ (108)**
Net loss attributable to noncontrolling interests	-	(1)	-	-
Net loss attributable to ZW Data Action Technologies Inc.	**$ (406)**	**$ (1,276)**	**$ (182)**	**$ (108)**

Revenues

The following tables set forth a breakdown of our total revenues, disaggregated by type of services for the periods indicated, with inter-company transactions eliminated:

	Nine Months Ended September 30,			
	2026		2025	
Revenue type	(Amounts expressed in thousands of US dollars, except percentages)			
-Internet advertising and related marketing service	$ 1,024	72.9%	$ 3,073	78.4%
-Distribution of the right to use search engine marketing service	-	-	50	1.3%
Internet advertising and related services	1,024	72.9%	3,123	79.7%
AI Services	186	13.2%	-	-
IP Services	195	13.9%	179	4.6%
Blockchain-based SaaS services	-	-	615	15.7%
Total	$ 1,405	100%	$ 3,917	100%

Revenue type	Three Months Ended September 30, 2026 (Amounts expressed in thousands of US dollars, except percentages)		2025	
-Internet advertising and related data service	$ 198	53.5%	$ 1,634	95.2%
-Distribution of the right to use search engine marketing service	-	-	1	0.06%
Internet advertising and related services	198	53.5%	1,635	95.2%
AI Services	91	24.6%	-	-
IP Services	81	21.9%	82	4.8%
Blockchain-based SaaS services	-	-	-	-
Total	$ 370	100%	$ 1,717	100%

Total Revenues: Our total revenues decreased to US$1.41 million and US$0.37 million for the nine and three months ended September 30, 2026, respectively, from US$3.92 million and US$1.72 million for the same periods last year, respectively, which was primarily due to a temporary reduction in demand for our services, driven in part by broader economic headwinds. The Company is refocusing its efforts on expanding its AI services segment. As part of an ongoing strategic shift, the Company's operations are now primarily conducted outside mainland China.

- Internet advertising revenues for the nine and three months ended September 30, 2026 were approximately US$1.02 million and US$0.20 million, respectively, compared with US$3.07 million and US$1.63 million for the nine and three months ended September 30, 2025, respectively. The decrease primarily resulted from a temporary reduction in demand for our services, driven in part by broader economic headwinds. Our Internet advertising and related marketing services include our influencer marketing services. We connect brands with the right voices to effectively promote their products and drive engagement. In addition, we provide tailored digital marketing services, including the management of online advertising campaigns across major search, social media, and mobile application platforms, as well as app store page optimization. We also offer marketing strategy and branding consultation services designed to help clients improve their market positioning and maximize the effectiveness of their digital marketing initiatives.

- Revenue generated from distribution of the right to use search engine marketing service for the nine and three months ended September 30, 2026 was nil for both periods, compared with approximately US$0.05 million and US$0.001 million for the nine and three months ended September 30, 2025, respectively. The decrease was mainly due to the winding down of our distribution of the right to use search engine marketing service in the PRC, after experiencing low to negative margins in this business segment over the past several years.

- Revenues from our AI services was approximately US$0.19 million and US$0.09 million for the nine and three months ended September 30, 2026, respectively, compared with nil for the nine and three months ended September 30, 2025. Our AI services include code generation, AI agent design and deployment, business consulting and implementation, and ongoing maintenance and optimization of AI systems for our clients.

- Revenue generated from IP licensing services for the nine and three months ended September 30, 2026 was approximately US$0.20 million and US$0.08 million, respectively, compared with US$0.18 million and US$0.08 million for the same periods last year. Our IP licensing services primarily consist of licensing intellectual property acquired from Rahula.

- For the nine and three months ended September 30, 2026, we generated nil in revenue from our blockchain-based SaaS services for both periods, compared with approximately US$0.62 million and nil for the nine and three months ended September 30, 2025, respectively.

Cost of revenues

Our cost of revenues consisted of costs directly related to the offering of our Internet advertising, precision marketing and related data and technical services, costs directly related to the offering of our AI services, intellectual property amortization costs relating to our IP services and software platform amortization cost related to our blockchain-based SaaS service. The following table sets forth our cost of revenues, disaggregated by type of services, by amount and gross profit ratio for the periods indicated, with inter-company transactions eliminated:

	Nine Months Ended September 30, 2026 (Amounts expressed in thousands of US dollars, except percentages)			2025		
	Revenue	Cost	GP ratio	Revenue	Cost	GP ratio
-Internet advertising and related marketing service	$ 1,024	$ 955	6.7%	$ 3,073	$ 2,881	6.2%
-Distribution of the right to use search engine marketing service	-	-	-	50	40	20%
Internet advertising and related services	1,024	955	6.7%	3,123	2,921	6.5%
AI Services	186	147	21%	-	-	-
IP Services	195	177	9.2%	179	131	26.8%
Blockchain-based SaaS services	-	-	-	615	560	8.9%
Total	$ 1,405	$ 1,279	9.0%	$ 3,917	$ 3,612	7.8%

	Three Months Ended September 30,					
	2026			2025		
	(Amounts expressed in thousands of US dollars, except percentages)					
	Revenue	Cost	GP ratio	Revenue	Cost	GP ratio
-Internet advertising and related marketing service	$ 198	$ 189	4.5%	$ 1,634	$ 1,558	4.6%
-Distribution of the right to use search engine marketing service	-	-	-	1	1	-
Internet advertising and related services	198	189	4.5%	1,635	1,559	4.6%
AI Services	91	70	23.1%	-	-	-
IP Services	81	59	27.2%	82	60	26.8%
Blockchain-based SaaS services	-	-	-	-	-	-
Total	$ 370	$ 318	14.1%	$ 1,717	$ 1,619	5.7%

Cost of revenues: Our total cost of revenues decreased to US$1.28 million and US$0.32 million for the nine and three months ended September 30, 2026, respectively, from US$3.61 million and US$1.62 million for the nine and three months ended September 30, 2025, respectively. Our cost of revenues primarily consists of search engine marketing resources purchased from key search engines, influencer agency costs, cost of marketing services, amortization of intellectual property cost, software platform amortization cost related to our blockchain-based SaaS service, costs relating to enhancing our blockchain-based SaaS services and other direct costs associated with providing our AI services. The decrease in our total cost of revenues for the nine and three months ended September 30, 2026 was primarily due to the decrease in costs associated with the Internet advertising and related marketing service, which was in line with the decrease in the related revenues as discussed in the revenues section above.

- Costs for internet advertising and marketing service primarily consist of fees paid to service providers who support delivering media planning, creative development, and digital ad management services to our Hong Kong and overseas clients. Our costs also include the cost of operating our influencer marketing services which includes the fees for collaborating with various influencer agencies. For the nine and three months ended September 30, 2026, our total cost of revenues for Internet advertising and marketing service was approximately US$0.96 million and US$0.19 million, respectively, compared with approximately US$2.88 million and US$1.56 million for the nine and three months ended September 30, 2025, respectively. The gross margin rate of our Internet advertising and data service was 6.7% and 4.5% for the nine and three months ended September 30, 2026, respectively, compared with 6.2% and 4.6% for the nine and three months ended September 30, 2025, respectively.

- Costs for distribution of the right to use search engine marketing service was direct search engine resources consumed for the right to use search engine marketing service that we purchased from key search engines and distributed to our customers. We purchased these search engine resources from well-known search engines and/or their delegated agencies in China, for example, Baidu, Qihu 360 and Sohu (Sogou) etc. We purchased the resources in relatively large amounts under our own name at a relatively lower rate compared to the market rates. We charged our clients the actual cost they consumed on search engines for the use of this service and a premium at certain percentage of that actual consumed cost. For the nine and three months ended September 30, 2026, our total cost of revenues for distribution of the right to use search engine marketing service was nil for both periods, compared with US$0.04 million and US$0.001 million for the same periods last year, respectively. The decrease in cost of revenues for the nine and three months ended September 30, 2026 was in line with the decrease in revenues from this business category. Gross margin rate of this business category was nil for the nine and three months ended September 30, 2026, respectively, compared with 20% and nil gross margin rate incurred for the same periods last year, respectively.

- Costs for our AI services primarily consist of outsourcing AI code generation, agent design, system integration, and deployment services. For the nine and three months ended September 30, 2026, our total cost of revenues for AI services was approximately US$0.15 million and US$0.07 million, respectively. Gross margin rate of this segment was 21% and 23.1% for the nine and three months ended September 30, 2026.

- Costs for our IP licensing services primarily consist of the amortized cost of the intellectual properties we acquired from Rahula. For the nine and three months ended September 30, 2026, cost for our IP licensing services was approximately US$0.18 million and 0.06 million, respectively, compared to US$0.13 million and US$0.06 million in the same periods last year, respectively. Gross margin rate of this business category was 9.2% and 27.2% for the nine and three months ended September 30, 2026, respectively, compared to 26.8% for both the nine and three months ended September 30, 2025.

- For the nine and three months ended September 30, 2026, cost for our blockchain-based SaaS services was nil, compared with approximately US$0.56 million and nil for the nine and three months ended September 30, 2025, respectively. Costs for our blockchain-based SaaS services consist of the amortized cost of our self-developed BIF platform and costs relating to enhancing our blockchain-based SaaS services. Gross margin rate of this business category was nil for the nine and three months ended September 30, 2026, respectively, compared with 8.9% and nil for the same periods last year.

Gross profit

As a result of the foregoing, for the nine and three months ended September 30, 2026, we incurred a gross profit of approximately US$0.13 million and US$0.05 million, respectively, compared to approximately US$0.31 million and US$0.10 million for the nine and three months ended September 30, 2025. Our overall gross margin was 9% and 14.1% for the nine and three months ended September 30, 2026, respectively, compared with 7.8% and 5.7% for the same periods last year, respectively. The increase in overall gross margin was primarily due to the increase in revenue of our higher-margin AI services business.

Our operating expenses consist of general and administrative expenses and research and development expenses. The following tables set forth our operating expenses, divided into their major categories by amount and as a percentage of our total revenues for the periods indicated.

	Nine Months Ended September 30,			
	2026		2025	
	(Amounts expressed in thousands of US dollars, except percentages)			
	Amount	% of total revenue	Amount	% of total revenue
Total revenues	$ 1,405	100%	$ 3,917	100%
Gross profit	126	9.0%	305	7.8%
General and administrative expenses	602	42.8%	1,719	43.9%
Research and development expenses	32	2.3%	-	-
Total operating expenses	$ 634	45.1%	$ 1,719	43.9%

	Three Months Ended September 30,			
	2026		2025	
	(Amounts expressed in thousands of US dollars, except percentages)			
	Amount	% of total revenue	Amount	% of total revenue
Total revenues	$ 370	100%	$ 1,717	100%
Gross profit	52	14.1%	98	5.7%
General and administrative expenses	239	64.6%	251	14.6%
Research and development expenses	19	5.1%	-	-
Total operating expenses	$ 258	69.7%	$ 251	14.6%

Operating Expenses: Our total operating expenses were approximately US$0.63 million and US$0.26 million for the nine and three months ended September 30, 2026, respectively, compared with approximately US$1.72 million and US$0.25 million for the nine and three months ended September 30, 2025, respectively.

- General and administrative expenses: General and administrative expenses were US$0.60 million and US$0.24 million for the nine and three months ended September 30, 2026, respectively, compared with US$1.72 million and US$0.25 million for the nine and three months ended September 30, 2025, respectively. Our general and administrative expenses primarily consist of salaries and benefits of management, accounting, human resources and administrative personnel, office rentals, depreciation of office equipment, allowance for doubtful accounts, professional service fees, maintenance, utilities and other general office expenses of our supporting and administrative departments. For the nine months ended September 30, 2026, the change in our general and administrative expenses was primarily due to the following reasons: (1) the decrease in share-based compensation expenses of approximately US$0.12 million; (2) the decrease in allowance for expected credit losses of approximately US$0.84 million; and (3) the decrease in other general administrative expenses of approximately US$0.17 million, as a result of the cost reduction plan executed by the management. For the three months ended September 30, 2026, the change in our general and administrative expenses was primarily attributable to the following reasons: (1) the decrease in share-based compensation expenses of approximately US$0.06 million; (2) the increase in other general and administrative expenses of approximately US$0.03 million; and (3) the increase in allowance for expected credit losses of approximately US$0.02 million.

- Research and development expenses: For the nine and three months ended September 30, 2026, we recognized approximately US$0.03 million and US$0.02 million in research and development expenses, respectively, compared with nil for the nine and three months ended September 30, 2025. Our research and development expenses primarily consist of salaries and benefits of our staff in the research and development department, equipment depreciation expenses, and office utilities and supplies allocated to our research and development department etc. For the nine and three months ended September 30, 2026, the increase in our research and development expenses was primarily due to an increase in headcount in our research and development department, compared with that for the same period last year.

Loss from operations: As a result of the foregoing, we incurred a loss from operations of approximately US$0.51 million and US$1.41 million for the nine months ended September 30, 2026 and 2025, respectively. For the three months ended September 30, 2026 and 2025, we incurred a loss from operations of approximately US$0.21 million and US$0.15 million, respectively.

Interest Income: For the nine and three months ended September 30, 2026 and 2025, interest income recognized were primarily related to the interest we earned from the short-term loans we provided to unrelated parties.

Loss before income tax benefit/(expense): As a result of the foregoing, our loss before income tax benefit was approximately US$0.41 million and US$1.28 million for the nine months ended September 30, 2026 and 2025, respectively. For the three months ended September 30, 2026, we incurred an approximately US$0.18 million loss before income tax expense, compared with an approximately US$0.11 million loss before income tax expense for the three months ended September 30, 2025.

Income Tax benefit/(expense): For the nine months ended September 30, 2026 and 2025, we recognized approximately US$0.006 million in income tax benefit and US$0.001 million in income tax expense. For the three months ended September 30, 2026 and 2025, we recognized approximately US$0.001 million and US$0.001 million, respectively, in income tax expenses. These benefits were related to the net operating loss incurred by one of our operating VIEs for each respective period. We anticipate these losses will likely be utilized against future earnings of this entity.

Net loss: As a result of the foregoing, for the nine months ended September 30, 2026 and 2025, we incurred a total net loss of approximately US$0.41 million and US$1.28 million, respectively. For the three months ended September 30, 2026, we recognized a net loss of approximately US$0.18 million, compared with a net loss of approximately US$0.11 million for the three months ended September 30, 2025.

B. LIQUIDITY AND CAPITAL RESOURCES

Cash Transfer within Our Organization and the Related Restrictions

We are a Nevada holding company with operations primarily conducted in China through our PRC subsidiaries, VIEs and VIEs' subsidiaries. The intercompany flow of funds within our organization is effected through capital contributions and intercompany loans. We do not have written policies regarding intercompany cash transfer within our organization. In accordance with our current internal cash management practices, all intercompany cash transfer within our organization requires prior approval by our financial director and our chief financial officer/or our chief executive officer before execution.

We conduct our operations primarily outside mainland China, with certain operations conducted through our PRC subsidiaries, consolidated VIEs and their subsidiaries. We may transfer a portion of the cash raised from the U.S. stock market to these operating entities to support their operations and expansion. Our ability to pay dividends to U.S. investors may depend, in part, on receiving distributions from our PRC subsidiaries and settlement of amounts owed under the VIE agreements by the consolidated VIEs. Any limitation on the ability of our PRC subsidiaries and the consolidated VIEs to make payments to us, or any adverse tax implications associated with such payments, could have a material adverse effect on our ability to pay dividends to our U.S. investors.

The PRC regulations currently permit payment of dividends only out of accumulated profits, as determined in accordance with PRC accounting standards and regulations. Our PRC subsidiaries, the consolidated VIEs and their subsidiaries in China are also required to set aside at least 10% of their respective after-tax profit based on the PRC accounting standards and regulations each year to the statutory surplus reserve, until the balance in the reserve reaches 50% of the registered capital of the respective PRC entities. In accordance with these PRC laws and regulations, our PRC subsidiaries, the consolidated VIEs and their subsidiaries are restricted in their ability to transfer a portion of their net assets to us. As of September 30, 2026 and December 31, 2025, net assets restricted in the aggregate, which include paid-in capital and statutory reserve funds of our PRC subsidiaries, the consolidated VIEs and their subsidiaries that are included in our consolidated net assets, were approximately US$13.09 million and US$13.11 million, respectively. Appropriations to the enterprise expansion fund and staff welfare and bonus fund of a foreign-invested PRC entity and appropriation to the discretionary surplus reserve of other PRC entities are at the discretion of the board of directors. To date, none of our PRC subsidiaries, the consolidated VIEs and their subsidiaries appropriated any of these non-mandatory funds and reserves. Furthermore, if these entities incur debt on their own in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments.

Under the PRC Enterprise Income Tax ("EIT") Law and related regulations, dividends, interests, rent or royalties payable by a foreign-invested enterprise to its immediate holding company outside China are subject to a 10% withholding tax. A lower withholding tax rate will be applied if there is a tax treaty arrangement between mainland China and the jurisdiction of the foreign holding company. Hong Kong has a tax arrangement with China that provides for a 5% withholding tax on dividends subject to certain conditions and requirements, such as the requirements that the Hong Kong enterprise owns at least 25% of the PRC enterprise distributing the dividend at all times within the 12-month period immediately preceding the distribution of dividends and provides that the recipient can demonstrate it is a Hong Kong tax resident and it is the beneficial owner of the dividends. The PRC government adopted regulations in 2018 which stipulate that in determining whether a non-resident enterprise has the status as a beneficial owner, comprehensive analysis shall be conducted based on the factors listed therein and the actual circumstances of the specific case shall be taken into consideration. Specifically, it expressly excludes an agent or a designated payee from being considered as a "beneficial owner". We own our PRC subsidiaries through China Net HK. China Net HK currently does not hold a Hong Kong tax resident certificate from the Inland Revenue Department of Hong Kong, there is no assurance that the reduced withholding tax rate will be available for us. If China Net HK is not considered to be the "beneficial owner" of the dividends by the Chinese local tax authority, any dividends paid to it by our PRC subsidiaries would be subject to a withholding tax rate of 10%.

There are no restrictions for the consolidated VIEs to settle the amounts owed under the VIE agreements to our WFOE. However, arrangements and transactions among affiliated entities may be subject to audit or challenge by the PRC tax authorities. If at any time the VIE agreements and the related fee structure between the consolidated VIEs and our WFOE is determined to be non-substantive and disallowed by Chinese tax authorities, the consolidated VIEs could, as a matter of last resort, make a non-deductible transfer to our WFOE for the amounts owed under the VIE agreements. This would result in such transfer being non-deductible expenses for the consolidated VIEs but still taxable income for our WFOE. If this happens, it may increase our tax burden and reduce our after-tax income in the PRC, and may materially and adversely affect our ability to make distributions to the holding company. Our management is of the view that the likelihood that this scenario would happen is remote. To date, the VIEs have settled to our WFOE the amount owed under the VIE agreements of RMB15.25 million (approximately US$2.27 million) in the aggregate.

Our PRC subsidiaries generate all of their revenue in Renminbi, Renminbi is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiaries to pay dividends/make distributions to us. The Chinese government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Shortages in availability of foreign currency may then restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to us for us to pay dividends to the U.S. investors. Renminbi is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and foreign debt. Currently, our PRC subsidiaries may purchase foreign currency for settlement of current account transactions, including payment of dividends to us, without the approval of the State Administration of Foreign Exchange of China (the "SAFE") by complying with certain procedural requirements. However, the relevant Chinese governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. The Chinese government may continue to strengthen its capital controls, and additional restrictions and substantial vetting processes may be instituted by the SAFE for cross-border transactions falling under both the current account and the capital account. Any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in Renminbi to pay dividends in foreign currencies to holders of our securities. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, the SAFE and other relevant Chinese governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our PRC subsidiaries.

To date, none of our subsidiaries has made any distribution of earnings or issued any dividends to their respective shareholder in or outside of China, or to the Nevada holding company, and the Nevada holding company has never declared or paid any cash dividends to U.S. investors.

We do not have any present plan to make any distribution of earnings/issue any dividends directly or indirectly to our Nevada holding company or pay any cash dividends on our common stock in the foreseeable future because we currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Cash Flow Analysis for the Nine Months Ended September 30, 2026 and 2025

Cash and cash equivalents represent cash on hand and deposits held at call with banks. We consider all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. As of September 30, 2026, we had cash and cash equivalents of approximately US$1 million.

Our liquidity needs include (i) net cash used in operating activities that consists of (a) cash required to fund the initial build-out, continued expansion of our network and new services and (b) our working capital needs, which include deposits and advance payments to advertising resources providers, payment of our operating expenses and financing of our accounts receivable; and (ii) net cash used in investing activities that consist of the investment to expand technologies related to our existing and future business activities, investment to enhance the functionality of our current advertising portals for providing advertising, marketing and data services and to secure the safety of our general network, and investment to establish joint ventures with strategic partners for the development of new technologies and services. To date, we have financed our liquidity needs primarily through proceeds we generated from financing activities.

The following table provides detailed information about our net cash flow for the periods indicated:

	Nine Months Ended September 30,	
	2026	2025
	Amounts in thousands of US dollars	
Net cash used in operating activities	$ (644)	$ (781)
Net cash provided by/(used in) investing activities	(333)	456
Net cash provided by financing activities	1,015	1,278
Effect of foreign currency exchange rate changes	(5)	(4)
Net increase in cash and cash equivalents	**$ 33**	**$ 949**

Net cash used in operating activities

For the nine months ended September 30, 2026, our net cash used in operating activities of approximately US$0.64 million were primarily attributable to:

(1) net loss excluding approximately US$0.20 million of non-cash expenses of depreciation and amortizations, approximately US$0.04 million amortization of operating lease right-of-use assets, approximately US$0.26 million of share-based compensation expenses, approximately US$0.15 million reversal of allowance for credit losses, approximately US$0.03 million in deferred tax benefit and approximately US$0.10 million non-operating income, yielded the non-cash, non-operating items excluded net loss of approximately US$0.18 million.

(2) the receipt of cash from operations from changes in operating assets and liabilities such as:

- accounts payable increased by approximately US$0.59 million; and
- taxes payable increased by approximately US$0.02 million.

(3) offset by the use from operations from changes in operating assets and liabilities such as:

- accounts receivable increased by approximately US$0.09 million;
- prepayment and deposit to suppliers increased by approximately US$0.43 million;
- advances from customers decreased by approximately US$0.06 million; and
- Accruals, other current liabilities and operating lease liabilities decreased by approximately US$0.49 million in the aggregate, due to settlement of these operating liabilities during the period.

For the nine months ended September 30, 2025, our net cash used in operating activities of approximately US$0.78 million were primarily attributable to:

(4) net loss excluding approximately US$0.16 million of non-cash expenses of depreciation and amortizations, approximately US$0.04 million amortization of operating lease right-of-use assets, approximately US$0.35 million of share-based compensation expenses, approximately US$0.69 million allowance for credit losses, approximately US$0.02 million in deferred tax benefit and approximately US$0.14 million non-operating income, yielded the non-cash, non-operating items excluded net loss of approximately US$0.21 million.

(5) the receipt of cash from operations from changes in operating assets and liabilities such as:

- accounts payable increased by approximately US$0.11 million;
- accounts receivable decreased by approximately US$0.21 million;
- other current assets decreased by approximately US$0.005 million;
- advances from customers increased by US$0.07 million; and
- taxes payable increased by approximately US$0.02 million.

(6) offset by the use from operations from changes in operating assets and liabilities such as:

- prepayment and deposit to suppliers increased by approximately US$0.55 million;
- deferred tax liabilities decreased by approximately US$0.02 million; and
- Accruals, other current liabilities and operating lease liabilities decreased by approximately US$0.44 million in the aggregate, due to settlement of these operating liabilities during the period.

Net cash used in investing activities

For the nine months ended September 30, 2026, (1) we paid US$0.38 million for acquisition in equity interests; and (2) we received repayment of short-term loans and interest income of approximately US$0.05 million. In the aggregate, these transactions resulted in a net cash outflow from investing activities of approximately US$0.33 million for the nine months ended September 30, 2026.

For the nine months ended September 30, 2025, (1) we purchased office equipment and leasehold improvements of approximately US$0.07 million; (2) we received repayment of short-term loans and interest income of approximately US$1.12 million; and (3) we purchased intellectual property of approximately US$0.60 million through the acquisition of Rahula. In the aggregate, these transactions resulted in a net cash inflow from investing activities of approximately US$0.46 million for the nine months ended September 30, 2025.

Net cash provided by financing activities

For the nine months ended September 30, 2026, we received an advance from investors of approximately US$1.02 million.

For the nine months ended September 30, 2025, we received an advance from investors of approximately US$1.28 million.

Future Liquidity, Material Cash Requirements and Capital Resources

Our future short-term liquidity needs within 12 months from the date hereof primarily include working capital for marketing and digital marketing services, expanding our AI services and payments for our operating expenses, which mainly consist of office rentals and employee salary and benefit.

Our current core business is to provide advertising and marketing services to small and medium enterprises ("SMEs"), which is particularly sensitive to changes in general economic conditions. In addition, in order to further develop our core business, i.e., our Internet advertising and marketing service business, broaden and diversify the online marketing channels for customers, reinforce our industry competitive advantage, we are actively seeking to acquire or invest in businesses and build teams with AI capabilities and proprietary intellectual properties that enable more accurate marketing solutions and cost efficient content creation. We may also pursue acquisitions or investments in businesses that expand our blockchain-based SaaS services, including technologies and platforms related to the tokenization of real-world assets. On March 7, 2025, ChinaNet Investment Holding Limited (the "Purchaser"), a British Virgin Islands company and an indirect wholly-owned subsidiary of ZW Data Action Technologies Inc. (the "Registrant") acquired the 10,000 shares of Rahula Digital Media (HK) Limited, a Hong Kong company (the "Rahula") that Vickie Chan, an individual (the "Seller") owned, pursuant to that certain Share Sale and Purchase Agreement, dated March 3, 2025, entered into by and between the Purchaser and the Seller for a total consideration of US$0.6 million. Rahula owns 100% equity interest in Shenzhen Shangye Business Consulting Services Co., Ltd., a People's Republic of China company (together as "Rahula Group"). Rahula Group is principally engaged in the development and monetization of intellectual property rights on agent management, marketing data management, targeted marketing and mass marketing systems and technologies. The acquisition of Rahula and its intellectual property has enabled us to establish our IP services business segment. We generate revenue by licensing the intellectual property acquired through Rahula to our customers. In the short term, we expect that cash flows generated from this business segment to help improve our liquidity, as it does not require significant ongoing capital investment or material cash outflows. On November 24, 2025, we changed the corporate name of Rahula to Cnet Technology (HK) Limited.

On September 17, 2025, CNET Technology Limited ("CNET Technology"), a wholly-owned subsidiary of ZW Data Action Technologies Inc. (the "Company") in the British Virgin Islands, entered into a purchase agreement (the "Acquisition Agreement 1") with B Ocean Capital Management Limited, a Cayman Islands company, and Oasis Management Consultant Limited, a Hong Kong company (collectively with B Ocean Capital Management Limited, the "Sellers") and Titans Investment Asset Holdings Limited, a British Virgin Islands company ("Titans"), pursuant to which each Seller will sell its 9.80% equity interests in Titans (the "Titans Equity Interests") to CNET Technology. In consideration for the Titans Equity Interests, CNET Technology shall pay to the Sellers totaling $300,000 in cash and cause the Company to issue 200,000 shares of common stock of the Company, having a total value of $420,000 and valued at $2.10 per share, to the Sellers. CNET Technology acquired the Titans Equity Interests on October 21, 2025. As of the date of this report, the Company has not yet issued the 200,000 shares of common stock to the Sellers. Titans is principally engaged in providing digital marketing and advertising services.

On October 28, 2025, CNET Technology entered into a purchase agreement (the "Acquisition Agreement") with Fun Star Group INC., a British Virgin Islands company (the "Seller") and Modest Attack Limited, a British Virgin Islands company ("Modest"), pursuant to which the Seller will sell its 9.9% equity interests in Modest (the " Modest Equity Interests") to CNET Technology. In consideration for the Modest Equity Interests, CNET Technology shall pay to the Seller $625,000 in cash and cause the Company to issue 150,000 shares of common stock of the Company, having a total value of $375,000 and valued at $2.50 per share, to the Seller. As of the date of this report, this transaction has not yet closed. Modest is principally engaged in providing consulting and technology development services related to the tokenization of real-world assets, including token economics design, blockchain platform development, ecosystem infrastructure support, and digital asset monitoring and management.

On June 26, 2026, CNET Technology entered into a purchase agreement with Affirm Mission Limited ("Affirm"), a British Virgin Islands company and Margo Asia Limited, a British Virgin Islands company ("Margo"), pursuant to which Affirm will sell its 8.0% equity interests in Margo (the "Margo Equity Interests") to CNET Technology. In consideration for the Margo Equity Interests, CNET Technology shall pay to Affirm $384,000 in cash and cause the Company to issue 180,000 shares of common stock of the Company, having a total value of $216,000 and valued at $1.20 per share, to Affirm.

In addition, for the next 12 months from the date hereof, we anticipate to generate additional cash inflows and/or improve our liquidity through the following: (1) our short-term working capital loans provided to unrelated parties will mature within the next 12 months that we anticipate collecting these loan principals and the related interest income within the next 12 months; (2) equity financing; (3) we plan to reduce our operating costs through optimizing the personnel structure among different offices and reduce our office leasing spaces, if needed. This may incur incremental costs related to employee layoff compensation and contract termination penalty.

If the Company fails to achieve these goals, the Company may need additional financing to execute its business plan. If additional financing is required, the Company cannot predict whether this additional financing will be in the form of equity, debt, or another form, and the Company may not be able to obtain the necessary additional capital on a timely basis, on acceptable terms, or at all. In the event that financing sources are not available, or that the Company is unsuccessful in increasing its gross profit margin and reducing operating losses, the Company may be unable to implement its current plans for expansion, repay debt obligations or respond to competitive pressures, any of which would have a material adverse effect on the Company's business, prospects, financial condition and results of operations. These factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

The unaudited condensed consolidated financial statements as of September 30, 2026 have been prepared under the assumption that we will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable period of time. Our ability to continue as a going concern is dependent upon our uncertain ability to increase gross profit margin and reduce operating loss from our core business and/or obtain additional equity and/or debt financing. The accompanying financial statements as of September 30, 2026 do not include any adjustments that might result from the outcome of these uncertainties. If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on the financial statements.

In the long term, beyond the next 12 months, we plan to continue expanding our core Internet advertising and marketing business through acquisitions, and develop Internet advertising and marketing channels that target Internet users outside of mainland China. In addition, the Company will expand its capabilities to include AI-enabled applications and deployment solutions, with a focus on enhancing existing service offerings. These initiatives include the development and integration of AI-assisted tools to support customer engagement, financial management, and operational workflows, as well as the incorporation of blockchain-based functionalities for data security, tokenization, and payment processing where applicable. As such, we may decide to enhance our liquidity position or increase our cash reserve for future investments through additional equity financing in the U.S. capital market. This would result in further dilution to our shareholders. We cannot assure you that such financing will be available in amounts or on terms acceptable to us, or at all.

C. Off-Balance Sheet Arrangements

None.

D. Disclosure of Contractual Obligations

In August 2022, we obtained a 9.9% equity interest in Hunan Yong Fu Xiang Health Management Co., Ltd ("Yong Fu Xiang"), through subscription of a RMB6.73 million (approximately US$0.98 million) registered capital of the entity in cash, which amount was committed to be paid up before December 31, 2065.

In June 2023, we obtained a 9.9% equity interest in Wuhan Ju Liang, through subscription of a RMB0.99 million (approximately US$0.14 million) registered capital of the entity in cash, which amount was committed to be paid up before August 1, 2052.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable to smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal accounting and financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal accounting and financial officer have concluded that, as of September 30, 2026, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal accounting and financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are currently not a party to any legal or administrative proceedings and are not aware of any pending or threatened legal or administrative proceedings against us in all material aspects. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

Item 1A. Risk Factors

This information has been omitted based on the Company's status as a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During our fiscal quarter ended September 30, 2026, none of our directors or officers informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as those terms are defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

The exhibits listed on the Exhibit Index below are provided as part of this report.

Exhibit No.	Document Description
31.1	Certification of the Principal Executive Officer pursuant to Rule 13A-14(A)/15D-14(A) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Principal Accounting and Financial Officer pursuant to Rule 13A-14(A)/15D-14(A) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Principal Executive Officer and of the Principal Accounting and Financial Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
101	The following materials are filed herewith: (i) Inline XBRL Instance, (ii) Inline XBRL Taxonomy Extension Schema, (iii) Inline XBRL Taxonomy Extension Calculation, (iv) Inline XBRL Taxonomy Extension Labels, (v) Inline XBRL Taxonomy Extension Presentation, and (vi) Inline XBRL Taxonomy Extension Definition.
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ZW DATA ACTION TECHNOLOGIES INC.

Date: November 16, 2026

By: /s/ Handong Cheng
Name: Handong Cheng
Title: Chief Executive Officer and Acting Chief Financial Officer
(Principal Executive Officer and Principal Accounting and Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Handong Cheng, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ZW Data Action Technologies Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 16, 2026

/s/ Handong Cheng
Handong Cheng
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Handong Cheng, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ZW Data Action Technologies Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 16, 2026

/s/ Handong Cheng
Handong Cheng
Acting Chief Financial Officer
(Principal Accounting and Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned hereby certifies, in his capacity as an officer of ZW Data Action Technologies Inc. (the "Company"), for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Quarterly Report of the Company on Form 10-Q for the quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 16, 2026

/s/ Handong Cheng
Handong Cheng
Chief Executive Officer
(Principal Executive Officer)

/s/ Handong Cheng
Handong Cheng
Acting Chief Financial Officer
(Principal Accounting and Financial Officer)