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COOLPAD GROUP LIMITED

酷派集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

2025 ANNOUNCEMENT OF FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Coolpad Group Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”), together with the comparative figures for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Changes (%)
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	
Revenue	273,136	499,332	-45.3
Loss before tax	(140,782)	(250,514)	-43.8
Loss for the year attributable to owners of the Company	(110,982)	(252,158)	-56.0
	<i>HK cents</i>	<i>HK cents</i> (Restated)	
Basic and diluted loss per share	(28.15)	(61.57)	

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

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
REVENUE	4	273,136	499,332
Cost of sales		<u>(214,316)</u>	<u>(427,013)</u>
GROSS PROFIT		58,820	72,319
Other income and other gains or losses, net	4	15,180	(26,868)
Selling and distribution expenses		(15,346)	(30,166)
Administrative and other operating expenses		(153,912)	(211,572)
Finance costs	6	(47,336)	(40,803)
Share of profits/(losses) of associates		<u>1,812</u>	<u>(13,424)</u>
LOSS BEFORE TAX	5	(140,782)	(250,514)
Income tax credit/(expense)	7	<u>29,800</u>	<u>(1,644)</u>
LOSS FOR THE YEAR		<u>(110,982)</u>	<u>(252,158)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		80,657	(46,807)
Release of translation reserve upon disposal and deregistration of subsidiaries		(2,059)	–
Share of other comprehensive income/(loss) of associates		<u>4,513</u>	<u>(4,217)</u>
		<u>83,111</u>	<u>(51,024)</u>

**CONSOLIDATED STATEMENT COMPREHENSIVE INCOME OF PROFIT OR LOSS
AND OTHER** (continued)
Year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i> (Restated)
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>			
Gain on property revaluation		11,976	2,504
Income tax effect on gain on property revaluation		(2,994)	(626)
		<u>8,982</u>	<u>1,878</u>
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX		<u>92,093</u>	<u>(49,146)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(18,889)</u>	<u>(301,304)</u>
			(Restated)
Loss per share	9		
– Basic (<i>HK cents</i>)		<u>(28.15)</u>	<u>(61.57)</u>
– Diluted (<i>HK cents</i>)		<u>(28.15)</u>	<u>(61.57)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		461,086	493,611
Investment properties		3,151,680	3,151,325
Right-of-use assets		51,355	49,536
Intangible assets		–	–
Investments in associates		169,041	161,020
Financial assets at fair value through profit or loss (“FVTPL”)		21,914	16,655
Other non-current assets	11	34,719	97,728
		<hr/>	<hr/>
Total non-current assets		3,889,795	3,969,875
Current assets			
Inventories		12,866	58,676
Cryptocurrencies		–	10,618
Trade receivables	10	7,519	85,219
Prepayments, deposits and other receivables	11	73,640	56,742
Financial assets at FVTPL		–	116,260
Pledged deposits	12	7,779	53,211
Bank balances and cash	12	244,392	65,145
		<hr/>	<hr/>
Total current assets		346,196	445,871
Current liabilities			
Trade payables	13	47,278	140,554
Other payables and accruals		782,711	796,865
Interest-bearing bank borrowings		33,267	21,284
Lease liabilities		749	–
Amounts due to associates		30,053	29,429
Amounts due to related parties		37,473	15,125
Tax payable		104,865	100,110
		<hr/>	<hr/>
Total current liabilities		1,036,396	1,103,367
		<hr/>	<hr/>
Net current liabilities		(690,200)	(657,496)
		<hr/>	<hr/>
Total assets less current liabilities		3,199,595	3,312,379

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 December 2025

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		647	–
Interest-bearing bank borrowings		1,192,061	1,175,953
Deferred tax liabilities		303,910	319,817
Other non-current liabilities		16,967	16,676
		<hr/>	<hr/>
Total non-current liabilities		1,513,585	1,512,446
		<hr/>	<hr/>
Net assets		1,686,010	1,799,933
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Share capital	14	33,193	163,810
Reserves		1,652,817	1,636,123
		<hr/>	<hr/>
Total equity		1,686,010	1,799,933
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1 CORPORATE AND GROUP INFORMATION

Coolpad Group Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Suits 1105, 11th Floor, Central Plaza, No. 18 Harbour Road, Wanchai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the production and sale of mobile phones and accessories, and the provision of wireless application services, leases of properties and digital currency business.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain buildings included as property, plant and equipment and financial assets at FVTPL which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

For the year ended 31 December 2025, the Group incurred a net loss of HK\$110,982,000 and the Group recorded net current liabilities of HK\$690,200,000 as at 31 December 2025. The unrestricted cash and cash equivalent balance amounted to HK\$244,392,000 as at 31 December 2025. These circumstances may cast significant doubt on the Group’s ability to continue as a going concern.

During the year, the directors have taken various measures with the aim of improving the Group’s liquidity position, including but not limited to (i) the implementation of cost saving measures to control the daily operation costs; (ii) existing bank loan facilities of around RMB1,130,000,000 (equivalent to HK\$1,253,000,000) being utilized and the bank borrowings are drew down as long term borrowings as existing of 31 December 2025; and (iii) there were stable cash inflow generated from the Group’s operation of their investment properties contributing to the Group’s working capital. During the year ended 31 December 2025, the Group recorded a rental income of HK\$62,540,000 (2024: HK\$89,845,000).

The directors have prepared a cash flow forecast of the Group for the next twelve months based on the existing situation, future events and commitments of the Group. The directors considered that the Group will have adequate working capital to meet its obligations, and therefore the financial statements of the Group have been prepared on a going concern basis.

2.1 BASIS OF PREPARATION (continued)

Going concern basis (continued)

Measures and estimations have been taken into consideration by the directors, including and not limited to:

- (i) Existing unutilised loan facility of RMB500,000,000 (equivalent to HK\$554,000,000) from Kingkey Group Company Limited, a related party of the Group, with expiry date of 31 December 2028.
- (ii) The Group is in progress on obtaining a stand-by facility amounting to RMB420,000,000 (equivalent to HK\$466,000,000) from a bank subject to the final authorization from banks.
- (iii) The Group is revisiting its operating strategies taking into account the potential business opportunities expected to arise from the 5th generation wireless system market, and would continue to expand the cooperation with its business partners from various channels. Further measures would be considered by the Group to tighten cost controls over various production costs and expenses with the aim to attain profitable and positive cash flow operations, including scaling down the operation, human resources optimisation and containment of capital expenditures.
- (iv) The Group is evaluating the liquidity and market value of its current financial investment portfolio on hand. In the view of the directors, redemption or sale of certain financial investments would be one of their contemplations favoring improvement of the Group's liquidity position and supplement of working capital.

Notwithstanding the above, in consideration of uncertainty and vulnerability of mobile phone industry and the increasingly intense competition in the market, material uncertainties exist as to whether the Group will be able to achieve the targeted growth in business and revive its market presence.

Should the Group fail to realise its plans to grow its business, by adjusting the progress of the construction projects and deferring its capital expenditure, and securing sufficient financial resources to improve its financial position, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than those currently recorded in the consolidated statement of financial position as at 31 December 2025. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

HKAS 21

Amendments in relation to Lack of Exchangeability

The adoption of these revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 7 and HKFRS 9	<i>Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 7 and HKFRS 9	<i>Amendments to Contracts Referencing Nature – dependent Electricity</i> ¹
Amendments to HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
Amendments to HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to Hyperinflationary Presentation Currency</i> ²
Annual Improvements to HKFRS Accounting Standards – Volume 11	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ No mandatory effective date yet determined but available for adoption.

The Group is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised HKFRS Accounting Standards may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has three reportable operating segments as follows:

- (a) the mobile phone segment engages in the research, development, production and sale of mobile phones and related accessories and the provision of wireless application service;
- (b) the property investment segment invests in properties for their rental income potential and/or for capital appreciation.
- (c) the cryptocurrencies business segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that interest income, non-lease-related finance costs, share of profits and losses of associates are excluded from such measurement.

Segment assets exclude investments in associates, financial assets at FVTPL, deferred tax assets, amounts due from associates, pledged deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, amounts due to associates, amounts due to related parties, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

3 OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2025

	Cryptocurrencies business HK\$'000	Mobile phone HK\$'000	Property investment HK\$'000	Total HK\$'000
Segment revenue (note 4)				
Sales to external sources	67,224	143,372	62,540	273,136
Other revenue and gains	81	95,045	–	95,126
	<u>67,305</u>	<u>238,417</u>	<u>62,540</u>	<u>368,262</u>
Total				
Segment results	2,405	(39,714)	(151,449)	(188,758)
<i>Reconciliation:</i>				
Interest income				1,207
Finance costs (other than interest on lease liabilities)				(47,331)
Share of profits of associates				1,812
Loss on disposal of subsidiaries				(13,049)
Gain on deregistration of subsidiaries				1,278
Fair value gains on financial assets at FVTPL, net				100,772
Exchange gains, net				3,287
				<u>(140,782)</u>
Loss before tax				
Segment assets	165,020	395,081	3,151,680	3,711,781
<i>Reconciliation:</i>				
Investments in associates				169,041
Corporate and other unallocated assets				355,169
				<u>4,235,991</u>
Total assets				
Segment liabilities	293	831,092	16,967	848,352
<i>Reconciliation:</i>				
Interest-bearing bank borrowings				1,225,328
Corporate and other unallocated liabilities				476,301
				<u>2,549,981</u>
Total liabilities				
Other segment information:				
Government grants and subsidies	–	(19,843)	–	(19,843)
Income from disposal of patents	–	(45,011)	–	(45,011)
Reversal of impairment of trade receivables, net	–	(4,203)	–	(4,203)
Write-down of inventories to net realisable value, net	–	3,794	–	3,794
Fair value loss of investment properties	–	–	137,022	137,022
Depreciation and amortisation	38,916	19,631	–	58,547
Capital expenditure*	22,926	211	7,948	31,085
	<u>22,926</u>	<u>211</u>	<u>7,948</u>	<u>31,085</u>

3 OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2024

	Cryptocurrencies business HK\$'000	Mobile phone HK\$'000	Property investment HK\$'000	Total HK\$'000
Segment revenue (note 4)				
Sales to external sources	97,684	311,803	89,845	499,332
Other revenue and gains	13,657	38,191	–	51,848
Total	111,341	349,994	89,845	551,180
Segment results				
	9,489	(182,789)	53,377	(119,923)
<i>Reconciliation:</i>				
Interest income				2,134
Finance costs (other than interest on lease liabilities)				(40,629)
Share of losses of associates				(13,424)
Gain on written off of amount due to associates				6,418
Fair value losses on financial assets at FVTPL, net				(85,090)
Loss before tax				(250,514)
Segment assets				
	246,657	496,831	3,151,325	3,894,813
<i>Reconciliation:</i>				
Investments in associates				161,020
Corporate and other unallocated assets				359,913
Total assets				4,415,746
Segment liabilities				
	2,056	935,363	16,676	954,095
<i>Reconciliation:</i>				
Interest-bearing bank borrowings				1,197,237
Corporate and other unallocated liabilities				464,481
Total liabilities				2,615,813
Other segment information:				
Provision of impairment of trade receivables, net	–	2,064	–	2,064
Write-down of inventories to net realisable value, net	–	2,573	–	2,573
Fair value gain of investment properties	–	–	(672)	(672)
Depreciation and amortisation	18,048	18,507	–	36,555
Capital expenditure*	125,679	7,210	3,753	136,642

* Capital expenditure consists of additions to property, plant and equipment, investment properties and intangible assets.

3 OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) *Revenue from external customers and sources*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mainland China	155,821	388,500
Overseas	117,315	110,832
	<u>273,136</u>	<u>499,332</u>

The revenue information above is based on the locations of the customers and sources.

(b) *Non-current assets*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mainland China	3,533,820	3,555,722
Overseas	165,020	201,170
	<u>3,698,840</u>	<u>3,756,892</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and investments in associates.

Information about major customers

Revenue from major customers each individually amounting to 10% or more of the Group's revenue is as follows:

	Operating segment	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	Cryptocurrencies business	<u>39,090</u>	<u>N/A*</u>

* Customer A had less than 10% of the Group's revenue for the year ended 31 December 2024.

4 REVENUE, OTHER INCOME AND OTHER GAINS OR LOSSES, NET

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Sale of mobile phones and related accessories	135,992	275,144
Wireless application service income	<u>7,380</u>	<u>36,659</u>
	<u>143,372</u>	<u>311,803</u>
Revenue from other sources		
Revenue from cryptocurrencies business	67,224	97,684
Rental income from investment properties operating leases	<u>62,540</u>	<u>89,845</u>
	<u>129,764</u>	<u>187,529</u>
Total revenue	<u><u>273,136</u></u>	<u><u>499,332</u></u>

Revenue from contracts with customers

(i) *Disaggregated revenue information*

Mobile phone segment

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Timing of revenue recognition:		
Goods and services transferred at a point of time	<u>143,372</u>	<u>311,803</u>

The following table shows the amount of revenue recognised in the current year that was included in the contract liabilities at the beginning of the reporting period:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sale of mobile phones and related accessories	<u>7,725</u>	<u>9,772</u>

No revenue recognised during the year related to performance obligations that were satisfied in prior years (2024: Nil).

4 REVENUE, OTHER INCOME AND OTHER GAINS OR LOSSES, NET (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligation

Information about the Group's performance obligations is summarised below:

Sale of mobile phones and related accessories

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Wireless application service

The performance obligation is satisfied when the specific installation and activation requirement has been met and payment is generally due within 30 days from satisfaction of the performance obligation.

Other income and other gains or losses, net

	2025 HK\$'000	2024 HK\$'000 (Restated)
Bank interest income	1,207	2,134
Government grants and subsidies*	19,843	20,344
Income from disposal of patents	45,011	–
	<u>66,061</u>	<u>22,478</u>
Gain on termination of lease	–	881
Realised gain on disposal of cryptocurrencies	81	13,657
Gain on written off of amount due to associates	–	6,418
Gain/(loss) on deregistration of subsidiaries	1,278	(786)
Fair value gains/(losses) on financial assets at FVTPL, net	100,772	(85,090)
Net gain on disposal of items of property, plant and equipment	5,307	4
Royalty and other service fee	16,859	1,676
Reversal/(impairment) of trade receivables, net	4,203	(2,064)
Impairment of deposits and other receivables, net	(5,812)	–
Impairment of property, plant and equipment	(1,528)	–
Loss on disposal of subsidiaries	(13,049)	–
Loss on lease incentives upon termination of leases contracts	(33,282)	–
Fair value (losses)/gains on investment properties	(137,022)	672
Exchange gains, net	3,287	–
Others	8,025	15,286
	<u>15,180</u>	<u>(26,868)</u>

* Government grants and subsidies represented refunds of VAT received from a tax bureau and grants received from certain finance bureaus to support certain of the Group's research and development activities. There are no unfulfilled conditions or contingencies relating to these grants and subsidies.

5 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold	146,375	337,587
Depreciation of property, plant and equipment	56,801	34,610
Depreciation of right-of-use assets	1,746	1,945
Research and development costs*:		
Current year expenditure	16,659	42,327
Lease payments not included in the measurement of lease liabilities	1,624	2,921
Auditor's remuneration:		
Audit service	2,300	2,300
Non-audit service	330	330
	<u>2,630</u>	<u>2,630</u>
Employee benefit expense (including directors' remuneration):		
Wages and salaries	55,149	82,304
Staff welfare expenses	790	2,903
Pension scheme contributions (defined contribution scheme)	6,716	10,448
Equity-settled share option expense	4,216	9,690
	<u>66,871</u>	<u>105,345</u>
Write-down of inventories to net realisable value, net ^{&}	3,794	2,573
Direct operating expenses arising on rental-earning investment properties*	<u>34,302</u>	<u>24,317</u>

* Included in "Administrative and other operating expenses" in profit or loss

& Included in "Cost of sales" in profit or loss

6 FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on:		
Bank and other borrowings	47,331	40,629
Interest on lease liabilities	5	174
	<u>47,336</u>	<u>40,803</u>

7 INCOME TAX (CREDIT)/EXPENSE

The Company is a tax exempted company registered in the Cayman Islands and conducts substantially all of its businesses through its subsidiaries established in Mainland China (the “PRC Subsidiaries”).

No provision for Hong Kong profits tax has been made (2024: Nil) as the Group did not generate any assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group’s subsidiaries operate, based on existing legislation, interpretations and practices in respect thereof.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
– corporate income tax	1,887	6
Deferred tax	<u>(31,687)</u>	<u>1,638</u>
Total tax (credit)/expense for the year	<u>(29,800)</u>	<u>1,644</u>

The Group’s PRC Subsidiaries are subject to corporate income tax (“CIT”) at a rate of 25%. Certain subsidiaries of the Group operating in Mainland China are eligible for certain tax concessions. Major tax concessions applicable to those entities are detailed as follows:

- (a) Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd, the Company’s wholly-owned subsidiary, was assessed and recognised as a high-technology enterprise in December 2024, and was subject to CIT at a rate of 15% for three years from 2024 to 2027. In this regard, Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd was subject to CIT at a rate of 15% (2024: 15%) for the year ended 31 December 2025.
- (b) Nanjing Coolpad Software Tech Co., Ltd., the Company’s wholly-owned subsidiary, was assessed and recognised as a high-technology enterprise in December 2023, and is subject to CIT at a rate of 15% for three years from 2023 to 2026. Therefore, Nanjing Coolpad Software Tech Co., Ltd. was subject to CIT at a rate of 15% (2024: 15%) for the year ended 31 December 2025.

8 DIVIDEND

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

9 LOSS PER SHARE

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares of 394,235,133 (2024: 409,525,198 (restated)) in issue during the year.

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the year has been adjusted for the Share Consolidation (as defined in note 14) and Share Repurchase (as defined in note 14). The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the year ended 31 December 2024 has been adjusted for the Share Consolidation.

No adjustment has been made to the basic loss per share amount presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share option outstanding had no dilution effect on the basic loss per share amount presented.

10 TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	13,783	97,209
Accumulated impairment	<u>(6,264)</u>	<u>(11,990)</u>
	<u><u>7,519</u></u>	<u><u>85,219</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. In the case of long-standing customers and those with a good repayment history, the Group may offer these customers with a credit period of 30 to 90 days. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	3,480	67,288
4 to 6 months	2,492	17,978
7 to 12 months	1,547	799
Over 1 year	<u>6,264</u>	<u>11,144</u>
	<u><u>13,783</u></u>	<u><u>97,209</u></u>

10 TRADE RECEIVABLES (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	11,990	10,334
(Reversal of impairment)/impairment loss, net (<i>note 4</i>)	(4,203)	2,064
Disposal of a subsidiary	(1,906)	–
Exchange realignment	383	(408)
	<hr/>	<hr/>
At 31 December	<u>6,264</u>	<u>11,990</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Ageing		Total
	Within 1 year	Over 1 years	
Expected credit loss rate	0.00%	100.00%	
Gross carrying amount (<i>HK\$'000</i>)	7,519	6,264	13,783
Expected credit losses (<i>HK\$'000</i>)	–	6,264	6,264

As at 31 December 2024

	Ageing		Total
	Within 1 year	Over 1 years	
Expected credit loss rate	5.19%	67.51%	
Gross carrying amount (<i>HK\$'000</i>)	86,065	11,144	97,209
Expected credit losses (<i>HK\$'000</i>)	4,467	7,523	11,990

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Prepayments for suppliers*	13,926	19,484
Lease incentives	29,278	58,565
Deposits and other receivables	33,404	50,535
Deductible input VAT	26,310	22,031
Prepaid expenses	5,441	3,855
	<u>108,359</u>	<u>154,470</u>
Non-current portion	<u>(34,719)</u>	<u>(97,728)</u>
	<u><u>73,640</u></u>	<u><u>56,742</u></u>

* The prepayments for suppliers represent the prepayment to suppliers in mobile phone segment. The amount was utilized subsequent to the reporting period.

The movements in the loss allowance for impairment of deposits and other receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	–	–
Impairment loss, net (<i>note 4</i>)	<u>5,812</u>	<u>–</u>
At 31 December	<u><u>5,812</u></u>	<u><u>–</u></u>

Deposits and other receivables mainly represent rental deposits and other receivables in relation to lease. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2025 was 15.13%.

The non-current portion of prepayments, deposits and other receivables as at 31 December 2025 mainly represented lease incentives of HK\$29,278,000 (2024: HK\$58,565,000) and other receivables of HK\$5,441,000 (2024: HK\$4,294,000).

As at 31 December 2025, certain other receivables with a carrying value of HK\$1,501,000 (2024: HK\$7,587,000) were pledged as security for the Group's loan from a bank.

12 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cash and bank balances	244,392	65,145
Time deposits	7,779	53,211
	<u>252,171</u>	<u>118,356</u>
Less: Pledged deposits	(7,779)	(53,211)
	<u>244,392</u>	<u>65,145</u>

At the end of the reporting period, the cash and cash equivalents of the Group denominated in RMB amounted to approximately HK\$115,925,000 (2024: HK\$60,271,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

13 TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the transaction date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	726	82,640
4 to 6 months	–	7,035
7 to 12 months	2	5,671
Over 1 year	46,550	45,208
	<u>47,278</u>	<u>140,554</u>

The trade payables are non-interest bearing and are normally settled on terms of 30 to 60 days.

14 SHARE CAPITAL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Authorised:		
2,000,000,000 (2024: 20,000,000,000) ordinary shares of HK\$0.1 (2024: HK\$0.01) each	<u>200,000</u>	<u>200,000</u>

A summary of the transactions with reference to the movements in the Company's authorised share capital is as follows:

	2025		2024	
	Number of shares	<i>HK\$'000</i>	Number of shares	<i>HK\$'000</i>
Authorised:				
At 1 January	20,000,000,000	200,000	20,000,000,000	200,000
Share consolidation (<i>note (i)(A)</i>)	(19,500,000,000)	–	–	–
Share sub-division (<i>note (i)(B)</i>)	1,500,000,000	–	–	–
At 31 December	<u>2,000,000,000</u>	<u>200,000</u>	<u>20,000,000,000</u>	<u>200,000</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Issued and fully paid:		
331,930,198 (2024: 16,381,007,955) ordinary shares of HK\$0.1 (2024: HK\$0.01) each	<u>33,193</u>	<u>163,810</u>

A summary of the transactions during the year with reference to the movements in the Company's issued share capital is as follows:

	Number of shares in issue	Share capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024, 31 December 2024 and 1 January 2025	16,381,007,955	163,810	3,472,898	3,636,708
Share consolidation (<i>note (i)(A)</i>)	(15,971,482,757)	–	–	–
Capital reduction (<i>note (i)(B)</i>)	–	(120,560)	–	(120,560)
Shares repurchased and cancelled (<i>note (ii)</i>)	(77,595,000)	(10,057)	(89,193)	(99,250)
At 31 December 2025	<u>331,930,198</u>	<u>33,193</u>	<u>3,383,705</u>	<u>3,416,898</u>

Notes:

- (i) On 23 April 2025, the Company proposed a capital reorganisation (“**Capital Reorganisation**”) to be implemented in the following manner:
- (A) the share consolidation whereby every forty issued and unissued existing shares of par value of HK\$0.01 each will be consolidated into one consolidated share (the “**Consolidated Shares**”) of par value of HK\$0.4 each (“**Share Consolidation**”);
 - (B) immediately following the Share Consolidation becoming effective, the capital reduction whereby the par value of each issued consolidated share would be reduced from HK\$0.4 to HK\$0.1 by cancelling the paid-up capital to the extent of HK\$0.3 on each issued consolidated share, and cancelling any fractional consolidated share in the issued share capital of the Company arising from the Share Consolidation (“**Capital Reduction**”); and
 - (C) immediately following the Share Consolidation and Capital Reduction becoming effective, the sub-division, whereby each authorised but unissued consolidated shares be subdivided into four (4) new shares of par value of HK\$0.1 each (“**Sub-division**”).

The Share Consolidation was passed and approved as an ordinary resolution and the proposed Capital Reduction and Share Sub-division was passed and approved as a special resolution by the shareholders of the Company at the annual general meeting held on 6 June 2025. Accordingly, the Share Consolidation has become effective on 10 June 2025. Details are set out in the announcement of the Company dated 23 April 2025, the circular of the Company dated 14 May 2025 and the poll results announcement of the Company dated 6 June 2025.

The completion of Capital Reduction and Sub-division is subject to compliance with relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules. All the conditions precedent for the implementation of the Capital Reduction and the Share Sub-division have been fulfilled and become effective on 24 September 2025. Details are set out in the announcement of the Company dated 24 September 2025.

- (ii) The Company repurchased and cancelled 77,595,000 of its shares on the Hong Kong Stock Exchange at a total consideration of HK\$99,250,000 during the year ended 31 December 2025 (“**Share Repurchase**”). The purchased shares were cancelled during the period and the total amount paid for the repurchase of the shares has been charged to share capital and share premium account of the Company.

15 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year’s presentation. The changes included the reclassification of “loss on deregistration of subsidiaries”, “fair value losses on financial assets at FVTPL, net”, “impairment of trade receivables, net”, and “fair value losses on investment properties” classified under “administrative and other operating expenses” to “other income and other gains or losses, net”. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE ANALYSIS BY PRODUCT SEGMENTS

A comparative breakdown of the consolidated revenue streams attributable to the various product segments are set forth in the following table for the years indicated:

	Year ended 31 December			
	2025		2024	
	Revenue	% of	Revenue	% of
	<i>HK\$ million</i>	revenue	<i>HK\$ million</i>	revenue
Sale of mobile phones and related accessories	135.99	49.79	275.14	55.10
Wireless application service income	7.38	2.70	36.66	7.34
Revenue from cryptocurrencies business	67.23	24.61	97.68	19.56
Rental income from investment properties operating leases	62.54	22.90	89.85	18.00
Total	273.14	100.00	499.33	100.00

The Group recorded consolidated revenue for the Year of approximately HK\$273.14 million, representing a decrease of 45.30% as compared with the amount of approximately HK\$499.33 million for the year ended 31 December 2024. The decrease in revenue was primarily attributable to the fact that being subject to the intense competition in the smartphone market, to enhance business efficiency, the Group implemented strategic adjustments and voluntarily ceased the operation of certain loss-making and negative gross profit products.

GROSS PROFIT

	Year ended 31 December			
	2025		2024	
	Gross profit	Gross profit	Gross profit	Gross profit
	<i>HK\$ million</i>	margin (%)	<i>HK\$ million</i>	margin (%)
Total	58.82	21.54	72.32	14.48

GROSS PROFIT (continued)

The Group recorded a gross profit of approximately HK\$58.82 million for the Year as compared with a gross profit of approximately HK\$72.32 million for the previous year ended 31 December 2024. The Group's overall gross profit margin for the Year was 21.54%, as compared with 14.48% of gross profit margin for the year ended 31 December 2024. The decrease of gross profit was primarily attributable to the fact that by upholding the concept of sustainable development and strengthening relationships with tenants, the Group implemented rental concession measures for certain tenants of properties situated in Shenzhen to enhance cooperation stickiness, which is expected to lay a foundation for the stability of future income.

SELLING AND DISTRIBUTION EXPENSES

	Year ended 31 December	
	2025	2024
Selling and distribution expenses (<i>HK\$ million</i>)	15.35	30.17
Selling and distribution expenses/revenue (%)	5.62	6.04

Selling and distribution expenses of the Group during the Year decreased to approximately HK\$15.35 million, representing a decrease of 49.13%, as compared with approximately HK\$30.17 million for the year ended 31 December 2024. The decrease in selling and distribution expenses was primarily attributable to the decrease in marketing expense.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Year ended 31 December	
	2025	2024 (Restated)
Administrative and other operating expenses (<i>HK\$ million</i>)	153.91	211.57
Administrative and other operating expenses/revenue (%)	56.35	42.37

Administrative and other operating expenses decreased by 27.25% from approximately HK\$211.57 million for the year ended 31 December 2024 to approximately HK\$153.91 million for the Year. The decrease in the amount of administrative and other operating expenses was primarily due to the implementation of strategic cost control measures, optimisation of resource allocation, and strengthening of budgetary control mechanisms by the Group.

INCOME TAX CREDIT/(EXPENSE)

During the Year, the Group recorded a loss before tax of approximately HK\$140.78 million, as compared with approximately HK\$250.51 million for the year ended 31 December 2024, and the Group recorded an income tax credit of approximately HK\$29.8 million for the Year as compared with an income tax expense approximately HK\$1.64 million for the year ended 31 December 2024. The turning of income tax expense to income tax credit was primarily attributable to the deferred tax impacts resulting from fair value loss on investment properties for the Year as compared with fair value gain on investment properties in last year.

LIQUIDITY, FINANCIAL RESOURCE AND CAPITAL STRUCTURE

For the Year, the Group's operating capital was mainly generated from cash from its daily operation of its businesses, equity funding, interest-bearing loan and other borrowings. The Group's cash requirements related primarily to production and operating activities, repayment of due liabilities, capital expenditure, interest and other unforeseeable cash requirements. The Group had a gearing ratio of 53% as at 31 December 2025 (2024: 54%). The gearing ratio is equal to net debt divided by the sum of capital and net debt.

Cash and cash equivalents of the Group as at 31 December 2025 amounted to approximately HK\$244.39 million, while it was HK\$65.15 million as at 31 December 2024.

As at 31 December 2025, the Group had total debts (i.e., total borrowings) of approximately HK\$1,225.33 million, which were all denominated in RMB. HK\$33.27 million of the Group's borrowings are due in 2026 with a rate of 2.70% to 5.15% per annum and HK\$1,192.06 million of the Group's borrowings are due in 2038 to 2039 with a rate of 2.70% to 5.15% per annum.

As at 31 December 2025, the Company had 331,930,198 ordinary shares (the "Shares") of par value HK\$0.1 each in issue.

CONTINGENCIES

Litigations with suppliers

The Group received several civil complaints in 2025 from suppliers demanding the Group to immediately repay the overdue accounts payable balance of RMB7,274,000 (equivalent to HK\$8,066,000) (2024: HK\$4,648,000). The arbitration procedures of the civil complaints were still in progress as at the date of approval of the consolidated financial statements.

PLEDGE OF ASSETS

- (a) As at 31 December 2025, the Group's time deposits of approximately HK\$7.78 million were used as a performance guarantee and a letter of credit (2024: HK\$53.21 million).
- (b) As at 31 December 2025, the Group's bank borrowings are:
 - (i) secured by certain property, plant and equipment, investment properties and right-of-use assets of the Group with a carrying value of HK\$157,582,000 (2024: HK\$155,169,000), HK\$3,151,680,000 (2024: HK\$3,151,325,000) and HK\$10,054,198 (2024: HK\$9,194,000);
 - (ii) secured by 75% shareholding interests of Dongguan Yulong Telecommunication Tech Co., Ltd (2024: 75%);
 - (iii) secured by the rights to receive the rental income of Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. ("**Yulong Shenzhen**"). The amount of the secured receivable as at 31 December 2025 is HK\$1,501,000 (2024: HK\$7,587,000); and
 - (iv) guaranteed by Mr. CHEN Jiajun and Yulong Shenzhen jointly and severally.

FINANCIAL REVIEW

For the Year, the Group recorded a turnover of approximately HK\$273.14 million, representing a decrease of 45.30% as compared with approximately HK\$499.33 million for the year ended 31 December 2024. The decrease in revenue was primarily attributable to the fact that being subject to the intense competition in the smartphone market, to enhance business efficiency, the Group implemented strategic adjustments and voluntarily ceased the operation of certain loss-making and negative gross profit products. The Group recorded a gross profit of approximately HK\$58.82 million for the Year as compared with approximately HK\$72.32 million for the previous year ended 31 December 2024. The Group's overall gross profit margin for the Year was 21.54%, as compared with 14.48% for the year ended 31 December 2024. The decrease of gross profit was primarily attributable to the fact that by upholding the concept of sustainable development and strengthening relationships with tenants, the Group implemented rental concession measures for certain tenants of properties situated in Shenzhen to enhance cooperation stickiness, which is expected to lay a foundation for the stability of future income.

FINANCIAL REVIEW (continued)

The selling and distribution expenses of the Group during the Year decreased to approximately HK\$15.35 million, representing a decrease of 49.13%, as compared with approximately HK\$30.17 million for the year ended 31 December 2024. The decrease in selling and distribution expenses was primarily attributable to the decrease in marketing expense. The administrative and other operating expenses decreased by 27.25% from approximately HK\$211.57 million for the year ended 31 December 2024 to approximately HK\$153.91 million for the Year. The decrease in the amount of administrative and other operating expenses was primarily due to the implementation of strategic cost control measures, optimisation of resource allocation, and strengthening of budgetary control mechanisms by the Group.

For the Year, the Group recorded a loss before tax of approximately HK\$140.78 million, as compared with approximately HK\$250.51 million for the year ended 31 December 2024, and the Group recorded an income tax credit of approximately HK\$29.8 million for the Year as compared with an income tax expense approximately HK\$1.64 million for the year ended 31 December 2024. The turning of income tax expense to income tax credit was primarily attributable to the deferred tax impacts resulting from fair value loss on investment properties for the Year as compared with fair value gain on investment properties in last year.

CAPITAL SUPPORT

The Company has not conducted any equity fund raising activities during the Year, and the Company has not formed any detailed plans for material investment and capital asset in the coming year.

BUSINESS REVIEW

In 2025, the global smartphone market continued its structural divergence amid a moderate recovery. According to IDC data, annual shipments recorded a slight year-on-year increase of approximately 1.9%, with growth momentum heavily concentrated in emerging markets. Benefiting from high populations and demand for device replacement in regions including India, Southeast Asia, the Middle East, Africa and Latin America, the shipment achieved 6.8% year-on-year growth, becoming the industry's primary growth engines.

BUSINESS REVIEW (continued)

However, the industry also faces severe challenges. Significant price upsurge for key components such as storage chips have exerted pressure on the costs of mid-to-low-end models. Manufacturers have generally resorted to reducing specifications or raising prices to maintain gross margins, resulting in intensified market competition. Against this backdrop, the Group has prudently evaluated the feasibility of further expanding its investment in the mainstream hardware market or engaging in full-scale competition. It concluded that the current market's high concentration and high entry barriers are inconsistent with the Company's strategic positioning of "asset-light and cash flow-focused". In the first half of 2025, the Group implemented strategic adjustments for the domestic market by proactively discontinuing operations for several products which were loss-making and generated negative margin. Resources were focused on smart ecosystem businesses with high potential and high synergy to accelerate its transition into a provider of multi-scenario smart living solutions.

In terms of the domestic market, the Group continues to deepen the strategic positioning of the "Coolpad" brand in the AIoT sector so as to expand its high value-added product portfolio under an asset-light model. As of the end of 2025, the cumulative range of ecological products spanned 25 categories, representing a significant expansion from the previous year. Newly added categories focused on four key directions, namely smart office, smart home, personal health and audio-visual entertainment. These include smart learning terminals, home audio-visual equipment, personal care and health appliances, smart door locks, meeting collaboration devices, portable computing devices and accessories, effectively extending the brand's application boundaries within AIoT scenarios.

The intelligent experience of these ecological products is powered by the deep technological capabilities of the CoolOS operating system. In 2025, the Group successfully achieved native integration of the "full-capacity" DeepSeek big model within CoolOS, which significantly enhanced the terminal devices' semantic comprehension, scenario awareness and proactive service capabilities, and substantially lowered the barrier to the AI application adoption. This capability not only solidified the Company's technological leadership in AI terminal sector, but also provided core support for the rapid popularization of the ecological products in the emerging markets.

As a key extension of our AI terminal strategic deployment, in June 2025, the Group entered into a strategic partnership with INMO, a leading enterprise of domestic AI+AR smart glasses. Both parties will commence deep collaboration across joint R&D of core technologies, coordinated expansion of sales channels and co-building of brand ecosystems, aiming at jointly developing next-generation smart wearable terminals to further enrich the Group's product portfolio and ecosystem synergy capabilities within multimodal AI interaction scenarios.

BUSINESS REVIEW (continued)

The Group continues to optimize its channel structure, with emphasis on strengthening its presence on emerging e-commerce platforms and social content channels. Performance across channels varied significantly throughout the year: certain major e-commerce platforms maintained steady growth by leveraging brand operation strengths; channels targeting lower-tier markets and utilizing new content marketing models achieved positive progress; newly expanded e-commerce channels based on social content completed initial capability building and began contributing incremental sales. Traditional offline public channels remained generally stable, providing fundamental business support; operator partnership channels underwent phased resource optimization based on product strategy and market environment changes.

In overseas markets, the Group's operations advanced steadily amid complex conditions in 2025 by implementing structural adjustments based on the principles of "reducing cost, enhancing efficiency, and focusing on areas with high-potentials". By shutting down inefficient production capacity, streamlining organizational structures, clearing inventory of outdated products, and concentrating resources on high-potential areas, the operational efficiency and asset turnover rates improved significantly. With product strategy focusing on emerging markets with high growth such as the Middle East, Africa, Eastern Europe, South Asia and Latin America, placing mid-to-low-end models with high cost-performance and fast turnover as its development core, and striving to develop its own brand with customized solutions, the products gained widespread consumer recognition for their reliable quality.

In terms of overseas distribution channels, the Group adheres to the dual-engine approach featuring "offline agency networks + cross-border e-commerce". As of the end of 2025, our business covered over 30 countries and regions, with stable partnerships with leading platforms such as SHEIN, TikTok Shop and AliExpress, etc. This strategy effectively enhanced our brand's international influence and contributed to incremental sales growth. Although performance faced short-term pressure in the first half of the year due to inventory clearance and operational adjustments, the product line renewal was completed successfully in the second half of the Year through new product iterations and supply chain optimization, resulting in significantly improvement in market performance. The Group has established stable "sales generating regions" in Saudi Arabia in the Middle East, Bangladesh and Nepal in South Asia, and certain countries in Latin America. With localized operations and precision marketing, our market share has been further solidified.

In terms of R&D strategy, the Group is steadily marching towards two key directions: first, comprehensively promoting the deep adaptation and experience optimization of the CoolOS UI system on overseas models. Through localized interface design, multilingual support and regional feature tuning, we ensure consistent user experiences globally. Second, accelerating the pre-research project for smart Bluetooth audio glasses. Leveraging the team's expertise in low-power Bluetooth protocol stacks, advanced audio algorithms and intelligent interaction technologies, the hardware architecture design, audio tuning and scenario validation have been systematically undergoing. This effort deeply integrates DeepSeek's big model capabilities to build differentiated advantages for next-generation wearable devices.

BUSINESS REVIEW (continued)

In terms of real estate properties, as of 31 December 2025, the major properties owned by the Group included Coolpad Information Harbor in Shenzhen and Coolpad Technology Ecological Park* (酷派科技生態園) in Dongguan Songshan Lake. The main structures of Phase II and Phase III of Coolpad Information Port in Shenzhen have been fully topped out and passed quality acceptance. Internal installation works, curtain wall construction and public area decoration are being steadily carried out, with the overall progress in line with expectations. Both Shenzhen Coolpad Information Harbor Phase I (Coolpad Building) and the Dongguan Songshan Lake Park have entered stable leasing operations, consistently generating robust rental income. Despite the general leasing market pressures in 2025, the Group maintained relatively stable occupancy rates and high rent collection rates through its location advantages, comprehensive supporting facilities and efficient management.

In the digital currency sector, since the second half of 2023, the Group has proactively positioned itself to capitalize on new opportunities arising from the convergence of Web3.0 and mobile internet. In 2024, based on its assessment of blockchain technology evolution and market trends, the Group procured and deployed high-performance computing server equipment, primarily focused on North America. In 2025, the Group strategically adjusted its business model to commence its full transition to compliant computing power leasing services since February and ceased its direct involvement in cryptocurrency mining. Its proprietary computing resources are now leased to third-party enterprises for their mining operations in a compliant manner, generating stable monthly rental income. This model effectively mitigates risks associated with cryptocurrency price volatility while achieving high asset-utilization efficiency. As of 31 December 2025, the Group possessed an effective computing power of 1,504,800 TH/s.

BUSINESS OUTLOOK

For 2026, the Group will adhere to its core strategy of “asset-light, cash flow-focused and technology-strong”, and focus on its principal AI terminal business in order to steadily facilitate global expansion while prudently managing non-core assets to achieve sustainable, high-quality development.

The Group will continue to facilitate the deep application of “AI+5G” technology in smart terminals. On one hand, it will strengthen strategic cooperation with the leading telecom operators in China to promote the seamless integration of 5G smartphones equipped with the CoolOS operating system and DeepSeek big models with communication services. This will create an integrated “device + connectivity + intelligent services” experience, enhancing product competitiveness and user lifetime value. On the other hand, it will actively expand into mainstream e-commerce platforms and emerging social content channels, refining an omnichannel marketing system that synergizes online and offline efforts to boost brand exposure and market penetration efficiency.

BUSINESS OUTLOOK (continued)

In the domestic market, the Group will consolidate its core smartphone business while accelerating the deployment of its AIoT ecosystem across non-communication categories. Key focus areas include high-potential scenarios such as smart mobility, smart home, personal health care, smart office and home education. By introducing ecological partners, coupled with localized operational experience, the Group will develop AI terminal products with high cost-performance and strong experience to progressively build a multi-scenario smart living ecosystem with smartphones as its core basis. Meanwhile, under the premise of strictly maintaining quality and brand integrity, it will steadily promote brand licensing initiatives, exploring pathways to unlock IP value in education, personal care and smart hardware sectors.

Apart from AI terminals at consumer grade, the Group will fully expand its AI infrastructure business by 2026. It plans to facilitate strategic cooperation with several leading domestic and international enterprises, covering areas including AI computing devices, intelligent storage systems and integrated solutions. The Group strives to establish an AI infrastructure delivery center at the Shenzhen Coolpad Industrial Park within the year to strengthen its end-to-end service capabilities. Leveraging its own product system, the Group will develop AI Agents tailored for vertical industries and conduct market launch upon integration with the compliant hardware carrier. Additionally, it will initiate independent R&D of low-power chips and core storage technologies for specific scenarios, steadily carrying out the intellectual property deployment in underlying AI technologies to gradually build a differentiated, sustainable competitive moat in the AI industry.

In the overseas markets, the Group will seize opportunities from digital upgrades in emerging markets such as Southeast Asia, India, the Middle East and Latin America. With localized operations as the core, it will extend its product lines from smartphones to diverse smart terminals including tablets, audio devices and personal care appliances, thereby optimizing its overseas AIoT ecosystem layout. For key markets with established foundations like Saudi Arabia, Bangladesh and Nepal, the Group will increase investments in brand marketing. Through precise traffic operations and integrated communications, it will build a virtuous growth cycle of “awareness-conversion-repurchase.” In respect of the channels, it will deepen collaborations with leading cross-border e-commerce platforms, and explore joint promotion models with regional channel partners. A dual-track strategy of “our own brand + ODM customization” will be implemented at the same time, which strengthens our own-brand development and allows flexible response to the differentiated needs of international clients so as to increase market share and supply chain resilience.

Regarding the real estate leasing business, the Group will continue to adhere to a prudent approach to focus on the refined operation and management of the Coolpad Information Harbor in Shenzhen and the Coolpad Technology Ecological Park in Dongguan Songshan Lake. By optimizing tenant structure, enhancing park service quality and implementing dynamic rent adjustment mechanism, we strive to maintain stable occupancy rates and rent collection levels amid the current challenging leasing market environment, thereby providing sustainable cash flow support to the Group.

BUSINESS OUTLOOK (continued)

In respect of the digital currency sector, the Group will continue to monitor global shifts in energy, policy and regulatory environments, strictly limiting related operations to compliant computing power leasing services. We will not directly engage in cryptocurrency mining activities. Our existing computing power resources will be used to provide stable leasing services to third-party enterprises on a monthly basis, ensuring asset security, predictable returns and effective mitigation of price volatility risks.

Moving forward, the Group will follow its conduct guidelines of “technology commercialization, streamlined operation and controllable risk management” to actively seize opportunities arising from the transformation of the AI terminal industry while effectively managing operational risks. We will balance short-term improvements in operational quality with long-term investments in core technologies. By optimizing resource allocation and enhancing operational efficiency, we will progressively strengthen profitability to deliver sustainable value returns for shareholders.

FOREIGN EXCHANGE EXPOSURE

The main business operations of the Group during the Year are conducted in Mainland China, its income, cost and assets are denominated primarily in Renminbi (“**RMB**”), while the Group’s consolidated financial statements are expressed in HK\$. The exchange rate risk of the Group arises mainly from foreign exchange exposures associated with the sales, purchases and assets settled in currencies other than HK\$ and the volatility of exchange rates. The Group has not entered into any derivative contracts to hedge against the risk in the Year.

INTEREST RATE RISK

The risk in interest rate concerning the Group primarily relates to its short-term bank loans, long-term bank loan and other borrowings. The interests are calculated at fixed and floating rates. Any rise in the current interest rate will increase the interest cost. As at the end of the Year, the Group had not executed any form of interest rate agreement or derivative to hedge against the fluctuation in interest rate.

EMPLOYEES AND REMUNERATION POLICY

During the Year, the Group’s staff costs (including Directors’ remuneration) amounted to approximately HK\$66.87 million (2024: HK\$105.35 million). The remuneration of the Group’s employees (including the Directors) was commensurate with their responsibilities and market rates, with discretionary bonuses and training given on a merit basis. As of 31 December 2025, the Group had 88 employees (including the Directors) (2024: 225 employees (including the Directors)).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

At the annual general meeting of the Company held on 6 June 2025 (the “AGM”), the grant of the Repurchase Mandate (the “**Repurchase Mandate**”) was approved by the shareholders of the Company to the Directors to exercise the powers of the Company to repurchase a maximum of 10% of the number of Shares in issue as at the date of the AGM, being 40,952,519 Shares.

At the extraordinary general meeting of the Company held on 27 November 2025 (the “EGM”), the grant of the New Repurchase Mandate (the “**New Repurchase Mandate**”) was approved by the shareholders of the Company to the Directors to exercise the powers of the Company to repurchase a maximum of 10% of the number of Shares in issue (excluding those repurchased but not cancelled) as at the date of the EGM, being 36,863,819 Shares.

During the Year, the Company by utilising its internal financial resources, repurchased 77,595,000 Shares in total on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for an aggregate consideration of approximately HK\$99,250,000 before expenses. The Board considered that the trading price of the Shares did not reflect their intrinsic value. The Shares repurchased also reflects the confidence of the Board in the prospects of the Company. The 5,055,000 repurchased Shares were cancelled on 27 June 2025, the 2,604,000 repurchased Shares were cancelled on 20 August 2025, the 18,508,000 repurchased Shares were cancelled on 29 September 2025, and the 51,428,000 repurchased Shares were cancelled on 30 December 2025. The Company did not hold any treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) as at 31 December 2025. Details of the Shares repurchase during the Year are as follows:

Month of Shares repurchase in the Year	Number of Shares repurchased	Highest price paid <i>HK\$</i>	Lowest price paid <i>HK\$</i>	Aggregate consideration paid <i>HK\$</i>
June	5,055,000	0.85	0.74	4,046,804
July	2,604,000	1.52	0.92	3,891,560
September	21,788,000	1.37	1.09	28,094,000
October	11,440,000	1.35	1.23	15,069,840
November	2,736,000	1.28	1.19	3,444,880
December	33,972,000	1.36	1.21	44,701,960

DIVIDEND

The Directors did not recommend the payment of any dividends for the Year (2024: Nil).

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct for securities transactions and dealings (the “**Code of Conduct**”) based on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”). The terms of the Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all relevant persons as defined in the Model Code, including all the Directors, all other employees of the Company, and director and employees of a subsidiary or holding company of the Company who, because of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities. Specific enquiry has been made of all the Directors who have confirmed in writing their compliance with the required standards set out in the Model Code and the Code of Conduct during the Year.

To supplement the Model Code, the Company has also put in place a disclosure of information policy for the handling and disclosure of inside information. The policy sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner and provides the Directors, senior management and relevant employees a general guide in monitoring information disclosure and responding to enquiries. Further, control procedures have been implemented to ensure that the unauthorized access and use of inside information is strictly prohibited.

AUDIT COMMITTEE

The audit committee (“**Audit Committee**”) of the Company, which currently comprises three independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Company and has discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group’s annual results for the Year.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITORS

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

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2025:

“In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2.1 to the consolidated financial statements which mentions that the Group incurred a loss of HK\$110,982,000 for the year ended 31 December 2025 and as at 31 December 2025, the Group had net current liabilities of HK\$690,200,000. As stated in note 2.1, these events or conditions, along with other matters as set forth in note 2.1, indicates that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

IMPORTANT EVENTS AFTER THE YEAR

Acquisition of Listed Securities

In middle February 2026, the Company has adopted an investment plan, under which the Group may acquire up to US\$5.00 million (equivalent to approximately HK\$39.05 million) of securities listed/ETF traded in the United States in relation to the crypto assets sector through on-market transactions (the “**Investment Plan**”). On 25 February 2026 (Hong Kong Time), Digital Tech Inc. (“**Digital Tech**”), a wholly-owned subsidiary of the Company, acquired a total of 39,000 shares of Strategy Inc, a company incorporated in the State of Delaware, the United States, with its Class A common stock listed on Nasdaq Global Select Market (stock symbol: MSTR) (“**MSTR**”) at an aggregate consideration of approximately US\$4.98 million (equivalent to approximately HK\$38.89 million) (excluding stamp duty and related expenses), representing approximately US\$127.58 (equivalent to approximately HK\$996.40) per share of MSTR (the “**MSTR Share(s)**”). For details of the acquisition of MSTR Shares, please refer to the Company’s announcement dated 25 February 2026.

Sale of MSTR Call Options

On 26 February 2026 (Eastern Standard Time), Digital Tech sold a total of 390 MSTR call options underlying 39,000 MSTR Shares, with each MSTR call option corresponds to 100 MSTR Shares (the “**MSTR Call Option(s)**”) at the aggregate premiums of US\$51,210 (equivalent to HK\$399,950), which are exercisable at the discretion of the holders of the MSTR Call Options on the expiration date of 6 March 2026 to purchase the relevant MSTR Shares held by Digital Tech at the strike price of US\$150.00 per MSTR Share. The MSTR Call Options sold on 26 February 2026 were not exercised by the holders thereof upon the expiration date.

On 10 March 2026 (Eastern Standard Time), Digital Tech sold a total of 390 MSTR Call Options underlying 39,000 MSTR Shares at the aggregate premiums of US\$31,080 (equivalent to HK\$242,735), comprising (i) 240 MSTR Call Options underlying 24,000 MSTR Shares at the aggregate premiums of US\$14,180 (equivalent to HK\$110,746), exercisable on 13 March 2026 at the strike price of US\$152.50 per MSTR Share; and (ii) 150 MSTR Call Options underlying 15,000 MSTR Shares at the aggregate premiums of US\$16,900 (equivalent to HK\$131,989), exercisable on 10 April 2026 at the strike price of US\$190.00 per MSTR Share. The 240 MSTR Call Options sold on 10 March 2026 were not exercised by the relevant holders thereof upon the expiration date. As at the date of this announcement, the 150 MSTR Call Options sold on 10 March 2026 have not been exercised by the relevant holders thereof.

On 18 March 2026 (Eastern Standard Time), Digital Tech sold a total of 240 MSTR Call Options underlying 24,000 MSTR Shares at the aggregate premiums of US\$34,140 (equivalent to HK\$266,633), comprising (i) 140 MSTR Call Options underlying 14,000 MSTR Shares at the aggregate premiums of US\$17,340 (equivalent to HK\$135,425), exercisable on 20 March 2026 at the strike price of US\$152.50 per MSTR Share; and (ii) 100 MSTR Call Options underlying 10,000 MSTR Shares at the aggregate premiums of US\$16,800 (equivalent to HK\$131,208), exercisable on 27 March 2026 at the strike price of US\$160.00 per MSTR Share. The 140 MSTR Call Options sold on 18 March 2026 were not exercised by the relevant holders thereof upon the expiration date. As at the date of this announcement, the 100 MSTR Call Options sold on 18 March 2026 have not been exercised by the relevant holders thereof.

For further details of the sale of MSTR Call Options, please refer to the Company’s announcements dated 26 February, 10 March and 18 March 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Under Code Provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Currently, Mr. Chen Jiajun is the chairman of the Board and the chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management and believes that this structure enables the Group to make and implement decision promptly and efficiently.

Save as disclosed above, none of the Directors is aware of any information which would reasonably indicate that the Company has not met the requirements under the Code during the Year.

ANNUAL GENERAL MEETING

The date of annual general meeting of the Company will be stated in the notice of annual general meeting which will be dispatched in due course.

PUBLICATION OF INFORMATION ON THE WEBSITES

The annual report of the Company for the Year containing the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the website of the Stock Exchange at www.hkex.com.hk and the website of the Company at www.coolpad.com.hk in due course.

FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements that are based on the current beliefs, assumptions and expectations of the Board regarding the industry and markets in which the Group operates. These forward statements are subject to risks, uncertainties and other factors beyond the Group's control which may cause actual results or performance to differ materially from those expressed or implied in such forward looking statements. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place undue reliance on the information disclosed herein. Any holder of securities or potential investor of the Company who is in doubt is advised to seek advice from professional advisors.

By order of the Board
Coolpad Group Limited
Chen Jiajun
Executive Director
Chief Executive Officer
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Chen Jiajun and Mr. Ma Fei; (ii) two non-executive Directors, namely Mr. Liang Rui and Mr. Xu Yibo; and (iii) three independent non-executive Directors, namely Mr. Guo Jinghui, Ms. Wang Guan and Mr. Cheuk Ho Kan.

* *For identification purposes only*