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coolpad 酷派

COOLPAD GROUP LIMITED
酷 派 集 團 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	**Variance**
	HK$'000	*HK$'000*	*(%)*
	(Unaudited)	(Unaudited)	
Revenue	**252,959**	174,636	45
Loss before tax	**(56,828)**	(79,586)	-29
Net loss attributable to owners of the Company	**(56,727)**	(80,298)	-29
Basic and diluted loss per share	**(HK17.09 cents)**	(HK19.63 cents)	-13

The board (the "**Board**") of directors (the "**Directors**") of Coolpad Group Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") together with comparative figures for the corresponding period of 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited) (Restated)
REVENUE	4	**252,959**	174,636
Cost of sales		**(240,864)**	(147,576)
Gross profit		**12,095**	27,060
Other income and other gains or losses, net	4	**21,293**	11,684
Selling and distribution expenses		**(7,563)**	(6,518)
Administrative and other expenses		**(61,027)**	(88,523)
Finance costs		**(22,803)**	(23,660)
Share of profits of associates		**1,177**	371
LOSS BEFORE TAX	5	**(56,828)**	(79,586)
Income tax credit/(expense)	6	**101**	(712)
LOSS FOR THE PERIOD		**(56,727)**	(80,298)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**42,896**	51,810
Cumulative exchange loss reclassified to profit or loss on disposal and deregistration of subsidiaries		**–**	(1,780)
Share of other comprehensive income of associates		**4,704**	3,402
		47,600	53,432
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(9,127)**	(26,866)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
			(Restated)
Loss for the period attributable to owners of the Company		**(56,727)**	(80,298)
Total comprehensive loss attributable to Owners of the Company		**(9,127)**	(26,866)
Loss per share	8		
– Basic *(HK cent)*		**(17.09)**	(19.63)
– Diluted *(HK cent)*		**(17.09)**	(19.63)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**419,861**	461,086
Investment properties		**3,280,584**	3,151,680
Right-of-use assets		**52,080**	51,355
Investments in associates		**176,587**	169,041
Financial assets at fair value through profit or loss		**30,316**	21,914
Other non-current assets		**47,168**	34,719
Total non-current assets		**4,006,596**	3,889,795
Current assets			
Inventories		**24,752**	12,866
Trade receivables	9	**14,712**	7,519
Prepayments, deposits and other receivables		**68,959**	73,640
Financial assets at fair value through profit or loss		**2,262**	–
Pledged deposits		**8,096**	7,779
Bank balances and cash		**239,755**	244,392
Total current assets		**358,536**	346,196
Current liabilities			
Trade payables	10	**66,314**	47,278
Other payables and accruals		**803,161**	782,711
Interest-bearing bank and other borrowings		**47,301**	33,267
Lease liabilities		**764**	749
Amounts due to associates		**31,267**	30,053
Amounts due to related parties		**45,678**	37,473
Tax payable		**107,816**	104,865
Total current liabilities		**1,102,301**	1,036,396

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 30 JUNE 2026

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Net current liabilities	**(743,765)**	(690,200)
Total assets less current liabilities	**3,262,831**	3,199,595
Non-current liabilities		
Interest-bearing bank and other borrowings	**1,248,296**	1,192,061
Lease liabilities	**261**	647
Deferred tax liabilities	**316,086**	303,910
Other non-current liabilities	**18,077**	16,967
Total non-current liabilities	**1,582,720**	1,513,585
Net assets	**1,680,111**	1,686,010
EQUITY		
Share capital	**33,193**	33,193
Reserves	**1,646,918**	1,652,817
Total equity	**1,680,111**	1,686,010

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 CORPORATE AND GROUP INFORMATION

Coolpad Group Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the period, the Company and its subsidiaries (collectively referred to as the "**Group**") was involved in the following principal activities:

– production and sale of smart phones and devices, provision of wireless application services;

– leases of properties; and

– cryptocurrencies business.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

Going concern basis

For the six months ended 30 June 2026, the Group incurred a net loss of approximately HK$57 million and the Group recorded net current liabilities of approximately HK$744 million as at 30 June 2026. The unrestricted cash and cash equivalent balance amounted to approximately HK$240 million as at 30 June 2026. These circumstances may cast significant doubt on the Group's ability to continue as a going concern.

During the period, 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 approximately RMB1.13 billion (equivalent to HK$1.30 billion) being utilized and the bank borrowings are drawn down as long term borrowings as existing of 30 June 2026; and (iii) there were expanded stable cash inflow generated from the Group's operation of its investment properties contributing to the Group's working capital. During the six months ended 30 June 2026, the Group recorded a rental income of approximately HK$40.5 million (six months ended 30 June 2025: HK$34.4 million).

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.

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

(i) Existing unutilised loan facility of RMB500 million (equivalent to HK$577 million) from Kingkey Group Company Limited, a related party of the Group, with an expiry date of 31 December 2028.

(ii) The Group is in progress on obtaining an additional facility amounting to RMB200 million (equivalent to HK$231 million) from a bank subject to the final authorization from the bank.

(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 condensed consolidated statement of financial position as at 30 June 2026. 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 condensed consolidated financial statements.

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following new and revised HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 7 and HKFRS 9	*Classification and Measurement of Financial Instruments*
Amendments to HKFRS 7 and HKFRS 9	*Amendments to Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has three (six months ended 30 June 2025: three) reportable operating segments as follows:

(a) the mobile phone segment engages in the research, development, production and sale of smart phones and devices 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; and

(c) the cryptocurrencies business segment.

Six months ended 30 June 2026

	Cryptocurrencies business *HK$'000* (Unaudited)	Mobile phone *HK$'000* (Unaudited)	Property investment *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue *(note 4)*				
Revenue from external sources	**32,613**	**179,820**	**40,526**	**252,959**
Other income and other gains or losses, net	**–**	**12,395**	**–**	**12,395**
Total	**32,613**	**192,215**	**40,526**	**265,354**
Segment results	**(12,489)**	**(55,556)**	**23,921**	**(44,124)**
Reconciliation:				
Interest income				**559**
Finance costs (other than interest on lease liabilities)				**(22,779)**
Share of profits of associates				**1,177**
Fair value gains on financial assets at fair value through profit or loss, net				**8,339**
Loss before tax				**(56,828)**

Six months ended 30 June 2025

	Cryptocurrencies business *HK$'000* (Unaudited)	Mobile phone *HK$'000* (Unaudited)	Property investment *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue *(note 4)*				
Revenue from external sources	52,020	88,224	34,392	174,636
Other income and other gains or losses, net	81	10,067	(20,147)	(9,999)
Total	52,101	98,291	14,245	164,637
Segment results	4,752	(87,649)	16,500	(66,397)
Reconciliation:				
Interest income				29
Finance costs (other than interest on lease liabilities)				(23,660)
Share of profits of associates				371
Loss on disposal of subsidiaries				(11,583)
Fair value gains on financial assets at fair value through profit or loss, net				21,654
Loss before tax				(79,586)

The following table presents the assets and liabilities information of the Group's operating segments as at 30 June 2026 and 31 December 2025, respectively.

	Cryptocurrencies business *HK$'000*	**Mobile phone** *HK$'000*	**Property investment** *HK$'000*	**Total** *HK$'000*
Segment assets				
At 30 June 2026 (unaudited)	**123,653**	**421,474**	**3,280,584**	**3,825,711**
At 31 December 2025 (audited)	165,020	395,081	3,151,680	3,711,781
Segment liabilities				
At 30 June 2026 (unaudited)	**2,093**	**868,407**	**18,077**	**888,577**
At 31 December 2025 (audited)	293	831,092	16,967	848,352

Geographical information

Non-current assets

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
The People's Republic of China ("**PRC**")	**3,676,040**	3,533,820
Overseas	**123,653**	165,020
	3,799,693	3,698,840

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

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

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of smart phones and devices	**173,467**	82,200
Wireless application service income	**6,353**	6,024
	179,820	88,224
Revenue from other sources		
Revenue from cryptocurrencies business	**32,613**	52,020
Rental income from investment properties operating leases	**40,526**	34,392
	73,139	86,412
	252,959	174,636

Disaggregated revenue information for revenue from contracts with customer:

For the six months ended 30 June 2026

	Total
	HK$'000
	(Unaudited)
Geographical markets	
The PRC (Mobile phone segment)	**160,807**
Overseas (Mobile phone segment)	**19,013**
Total revenue from contracts with customers	**179,820**
Timing of revenue recognition:	
Goods and services transferred at a point of time	**179,820**
Total revenue from contracts with customers	**179,820**

For the six months ended 30 June 2025

	Total
	HK$'000
	(Unaudited)
Geographical markets	
The PRC (Mobile phone segment)	88,174
Overseas (Mobile phone segment)	50
Total revenue from contracts with customers	88,224
Timing of revenue recognition:	
Goods and services transferred at a point of time	88,224
Total revenue from contracts with customers	88,224

	Six months ended 30 June	
Other income and other gains or losses, net	**2026**	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(Restated)
Bank interest income	**559**	29
Fair value gains on financial assets at fair value through profit or loss, net	**8,339**	21,654
Fair value loss on investment properties	**–**	(1,559)
Loss on termination of lease	**–**	(18,588)
Impairment of trade receivables, net	**–**	(13,673)
Loss on disposal of subsidiaries	**–**	(11,583)
Gain on disposal of items of property, plant and equipment	**725**	2,547
Gain on disposal of cryptocurrencies	**–**	81
Gain on deregistration of subsidiaries	**–**	382
Government grants and subsidies*	**322**	19,606
Others	**11,348**	12,788
	21,293	11,684

* 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/(crediting):

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**186,806**	98,162
Depreciation of property, plant and equipment	**52,775**	26,986
Depreciation of right-of-use assets	**1,280**	897
Research and development costs:		
Expenditure for the period*	**4,570**	12,203
Minimum lease rental expense in respect of short-term leases*	**158**	1,462
Interest expense recognised related to lease liabilities	**24**	–
(Reversal of write-down)/write-down of inventories to net realisable value, net&	**(1,483)**	6,069
Direct operating expenses arising on rental-earning investment properties&	**16,605**	17,892
Recognition of equity-settled share option expense	**3,228**	1,949
Gain on disposal of items of property, plant and equipment#	**(725)**	(2,547)
Gain on disposal of cryptocurrencies#	**–**	(81)
Gain on deregistration of subsidiaries#	**–**	(382)
Fair value gains on financial assets at fair value through profit or loss, net#	**(8,339)**	(21,654)

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

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

\# Included in "Other income and other gains or losses, net" in profit or loss

6 INCOME TAX

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.

No provision for Hong Kong profits tax has been made (six months ended 30 June 2025: Nil) as the Group did not generate any assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group's subsidiaries operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
corporate income tax	**–**	–
Deferred tax	**(101)**	712
	(101)	712

7 DIVIDEND

The Directors did not recommend the payment of any interim dividends for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

8 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company of HK$56,727,000 (six months ended 30 June 2025: HK$80,298,000), and the weighted average number of ordinary shares of 331,930,198 in issue during the six months ended 30 June 2026 (six months ended 30 June 2025: 409,015,774).

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the six months ended 30 June 2025 has been adjusted for the Share Consolidation and Share Repurchase.

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2026 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.

9 TRADE RECEIVABLES

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 3 months	**11,146**	3,480
4 to 6 months	**3,954**	2,492
7 to 12 months	**207**	1,547
Over 1 year	**5,853**	6,264
	21,160	13,783
Less: Impairment	**(6,448)**	(6,264)
	14,712	7,519

10 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:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 3 months	**17,868**	726
7 to 12 months	**35**	2
Over 1 year	**48,411**	46,550
	66,314	47,278

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

11 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. The changes included the reclassification of "loss on disposal of subsidiaries", "loss on termination of lease", "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 ANALYSED BY PRODUCT TYPE

A breakdown of the consolidated revenue streams are set forth in the following table for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	Revenue *HK$ million* **(Unaudited)**	**% of total revenue**	Revenue *HK$ million* (Unaudited)	% of total revenue
Sale of smartphones and devices	**173.5**	**68.6**	82.2	47.1
Wireless application service income	**6.4**	**2.5**	6.0	3.4
Revenue from cryptocurrencies business	**32.6**	**12.9**	52.0	29.8
Revenue from other sources				
Gross rental income	**40.5**	**16.0**	34.4	19.7
Total	**253.0**	**100.0**	174.6	100.0

The Group's unaudited revenue for the Reporting Period amounted to HK$253.0 million, representing an increase of 44.9% as compared with HK$174.6 million for the six months ended 30 June 2025. This is primarily attributable to the fact that the Company began to gradually expand into the artificial intelligence infrastructure business, especially the AI hardware and equipment in the first half of 2026.

GROSS PROFIT

	Six months ended 30 June			
	2026		2025	
	Gross profit *HK$ million* **(Unaudited)**	**Gross profit margin**	Gross profit *HK$ million* (Unaudited)	Gross profit margin
Total	**12.1**	**4.8%**	27.1	15.5%

The Group's overall gross profit for the Reporting Period was HK$12.1 million, as compared with a gross profit of HK$27.1 million for the corresponding period in 2025. The overall gross profit of the Group's business decreased mainly due to the decline in gross profit from the cryptocurrency business, which was affected by the market environment.

SELLING AND DISTRIBUTION EXPENSES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Selling and distribution expenses *(HK$ million)*	**7.6**	6.5
As a percentage of total revenue	**3.0%**	3.7%

Selling and distribution expenses of the Group increased by HK$1.1 million from HK$6.5 million for the six months ended 30 June 2025 to HK$7.6 million for the Reporting Period. The selling and distribution expenses as a percentage of revenue for the Reporting Period was 3.0%, decreasing by 0.7 percentage points compared with 3.7% for the corresponding period in 2025. The increase of selling and distribution expenses was primarily due to the Company's expansion of its AI hardware and equipment business in the first half of 2026, resulting in a corresponding increase in selling and distribution expenses.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
		(Restated)
Administrative and other operating expenses *(HK$ million)*	**61.0**	88.5
As a percentage of total revenue	**24.1%**	50.7%

Administrative and other operating expenses decreased by HK$27.5 million to HK$61.0 million for the Reporting Period from HK$88.5 million for the corresponding period in 2025. The administrative and other operating expenses as a percentage of revenue for the Reporting Period was 24.1%, decreasing by 26.6 percentage points compared with 50.7% for the corresponding period in 2025. The decrease 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

For the Reporting Period, the Group's income tax credit was HK$0.1 million as compared with an income tax expense of HK$0.7 million for the corresponding period in 2025, which was primarily due to the deferred tax impact.

NET LOSS BEFORE TAX

For the Reporting Period, the Group recorded a net loss before tax of HK$56.7 million, compared with the net loss before tax of HK$80.3 million for the six months ended 30 June 2025.

LIQUIDITY, FINANCIAL RESOURCE AND CAPITAL STRUCTURE

For the Reporting Period, operating capital was mainly financed by cash generated from its daily operation, interest-bearing loan and capital supports. 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 56% as at 30 June 2026 (31 December 2025: 53%).

Cash and cash equivalents of the Group as at 30 June 2026 amounted to HK$239.76 million, while it was HK$244.39 million as at 31 December 2025.

As at 30 June 2026, the Group had total debts (i.e., total borrowings) of approximately HK$1,295.60 million, which were all denominated in Renminbi ("**RMB**"). HK$47.30 million of the Group's borrowings are due in 2027 with a rate of 2.7% to 6.0% per annum and HK$1,248.30 million of the Group's borrowings are due in 2038 to 2039 with a rate of 2.7% to 5.15% per annum.

As at 30 June 2026, the Company had 331,930,198 ordinary shares of par value HK$0.1 each in issue ("**Shares**").

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities.

INVENTORY

For the Reporting Period, the Group's inventory turnover days were 18.8 days (year ended 31 December 2025: 21.9 days).

TRADE RECEIVABLES

The trade receivables turnover days were 10.6 days for the Reporting Period (year ended 31 December 2025: 10.0 days).

TRADE PAYABLES

The trade payables turnover days were 50.2 days for the Reporting Period (year ended 31 December 2025: 80.5 days).

PLEDGE OF ASSETS

As at 30 June 2026, the Group's time deposits of approximately HK$8.1 million were used as a performance guarantee and a letter of credit (31 December 2025: HK$7.8 million).

As at 30 June 2026, 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$154,581,000 (31 December 2025: HK$157,582,000), HK$3,280,584,000 (31 December 2025: HK$3,151,680,000) and HK$10,319,000 (31 December 2025: HK$10,054,000);

(ii) secured by a 75% shareholding interests of Dongguan Yulong Telecommunication Tech Co., Ltd (31 December 2025: 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 30 June 2026 is HK$2,106,000 (31 December 2025: HK$1,501,000); and

(iv) guaranteed by Mr. CHEN Jiajun and Yulong Shenzhen jointly and severally.

FINANCIAL REVIEW

The Group's unaudited revenue for the Reporting Period amounted to HK$253.0 million, representing an increase of 44.9% as compared with HK$174.6 million for the six months ended 30 June 2025. This is primarily attributable to the fact that the Company began to gradually expand into the artificial intelligence infrastructure business, especially the AI hardware and equipment in the first half of 2026. The Group's overall gross profit for the Reporting Period was HK$12.1 million, as compared with a gross profit of HK$27.1 million for the corresponding period in 2025. The overall gross profit of the Group's business decreased mainly due to the decline in gross profit from the cryptocurrency business, which was affected by the market environment.

Selling and distribution expenses of the Group increased by HK$1.1 million from HK$6.5 million for the six months ended 30 June 2025 to HK$7.6 million for the Reporting Period. The increase of selling and distribution expenses was primarily due to the Company's expansion of its AI hardware and equipment business in the first half of 2026, resulting in a corresponding increase in selling and distribution expenses. Administrative and other operating expenses decreased by HK$27.5 million to HK$61.0 million for the Reporting Period from HK$88.5 million for the corresponding period in 2025. The decrease 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 Reporting Period, the Group recorded a net loss before tax of HK$56.7 million, compared with the net loss before tax of HK$80.3 million for the six months ended 30 June 2025.

BUSINESS REVIEW

In the first half of 2026, the global smartphone market shifted from growth into a pronounced contraction amid the shock of rising memory chip prices, resulting in an increasingly polarized market characterized by a sharp decline in overall shipments, counter-cyclical growth in the premium segment, and an accelerated shakeout at the lower end. According to IDC, global smartphone shipments declined by 5.4% year-on-year in the first half of the year, widening to 6.7% in the second quarter of 2026.

In the domestic market, the Group began implementing a strategic realignment in 2025, voluntarily discontinuing the operation of certain loss-making and negative-gross-margin products. Resources were redirected toward high-potential smart ecosystem businesses with strong strategic fit, accelerating the Group's transformation into a provider of integrated intelligent solutions across multiple scenarios. In the first half of 2026, the Group continued to expand the application of "AI + 5G" technologies across its smart devices. On the one hand, it deepened strategic cooperation with major telecommunications operators in China and promoted the integration of 5G smartphones running the CoolOS operating system and the DeepSeek large language model with telecommunications services. This created a seamless "device + connectivity + intelligent services" experience and enhanced both product competitiveness and customer lifetime value. On the other hand, the Group actively expanded its presence on major e-commerce platforms and emerging social and content channels, further developing an omnichannel marketing system that integrates online and offline channels to increase brand visibility and improve market penetration.

In the first half of 2026, the Group continued to strengthen the strategic positioning of the "Coolpad" brand in the AIoT sector and expanded its portfolio of high-value-added products through an asset-light model. Its ecosystem product portfolio encompassed more than 30 categories, primarily across four areas: smart office, smart home, personal health, and audiovisual entertainment. Products included smart learning devices, home entertainment systems, personal care and wellness appliances, smart door locks, conferencing and collaboration equipment, and accessories for portable computing devices.

In the first half of 2026, the Company began to gradually expand into the artificial intelligence ("**AI**") infrastructure business and commenced the development of artificial intelligence computing equipment, intelligent storage systems/solutions, and integrated hardware solutions for customers. The AI infrastructure business is currently at the planning and development stage and represents an extension of the existing smart device and technology hardware product lines. The business fully leverages the Group's established global supply chain, manufacturing and quality control capabilities, and domestic and international distribution networks – particularly its relationships with telecommunications operators and other key channel partners – and therefore offers strong synergies with the Group's existing businesses.

In overseas markets, the Group's operations advanced steadily in the first half of 2026 despite a complex operating environment. Structural adjustments were implemented in line with the principles of reducing costs, improving efficiency, and concentrating resources on high-potential opportunities. By shutting down underperforming production capacity, streamlining its organization, clearing legacy inventory, and redirecting resources toward high-potential markets, the Group significantly improved operating efficiency and asset turnover. Its product strategy focused on high-growth emerging markets, including the Middle East, Africa, Eastern Europe, South Asia, and Latin America, with competitively priced, fast-selling mid-range and entry-level models serving as the primary growth drivers. The Group pursued both proprietary-brand development and customized solutions, and its products gained broad consumer recognition for their reliable quality.

In overseas distribution, the Group continued to pursue a dual-engine strategy combining proprietary brands with customer customization. As at 30 June 2026, its business covered more than 30 countries and regions. In addition to its national distributor procurement and distribution model, the Group advised overseas customers on local factory development strategies, thereby strengthening their commitment to its proprietary-brand business. These efforts enhanced its international presence and generated incremental sales. In research and development, the Group continued to advance the in-depth adaptation and user-experience optimization of the CoolOS UI for overseas models. Localized interface design, multilingual support, and regional feature tuning helped ensure a consistent experience for users worldwide.

With respect to real estate properties, as at 30 June 2026, the Group's principal property assets consisted of 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 Phases II and III of Coolpad Information Harbor in Shenzhen had been fully topped out. Interior systems installation, curtain-wall work, and the fit-out of common areas were progressing steadily, with the overall construction schedule remaining on track. Phase I of Coolpad Information Harbor in Shenzhen, also known as Coolpad Building, and the Dongguan Songshan Lake Park were both under stable leasing operations and continued to generate recurring rental income. Although the overall leasing market remained under pressure in the first half of 2026, the Group maintained a relatively stable occupancy rate and a high rent-collection rate by leveraging the properties' favorable locations, comprehensive amenities, and efficient management.

In respect of digital currency, the Group has positioned itself since the second half of 2023 to capture new opportunities arising from the convergence of Web 3.0 and the mobile internet. In 2024, based on its assessment of the evolution of blockchain technology and related market trends, the Group procured and deployed high-performance electronic computing servers, primarily in North America. As at 30 June 2026, the Group had effective computing capacity of 1,504,800 TH/s.

BUSINESS OUTLOOK

In the second half of 2026, the Group will continue to center its business on AI devices while expanding into AI infrastructure. It will steadily advance its global footprint and prudently manage non-core assets in pursuit of sustainable, high-quality growth.

In the domestic market, while reinforcing its core smartphone business, the Group will accelerate the development of its AIoT ecosystem beyond communications devices, with a particular focus on high-potential scenarios such as smart mobility, smart home, personal health and care, smart office, and home education. By introducing ecosystem partners and drawing on its experience in localized operations, the Group will develop competitively priced AI devices that deliver compelling user experiences, gradually building a multi-scenario smart lifestyle ecosystem centered on smartphones. Subject to stringent quality control and consistent brand positioning, the Group will also steadily advance its brand-led ecosystem initiatives and explore opportunities in education, personal care, smart hardware, and other sectors.

In terms of the AI infrastructure business, the Group will continue to pursue strategic cooperation with a number of leading companies in China and overseas. In the second half of 2026, the Group plans to establish a portfolio of AI servers covering a range of rack configurations and develop the capability to deliver on-premises deployment and computing capacity solutions. The Company intends to pursue a business model combining hardware sales with computing capacity services, with the aim of increasing revenue contributions and reducing its dependence on the business cycle of any single consumer electronics segment. In addition, the Group will commence in-house research and development of mature-node chips tailored to specific scenarios and core storage technologies. It will steadily build an intellectual property portfolio in foundational AI technologies and gradually establish a differentiated and sustainable competitive moat in the AI industry.

In overseas markets, the Group will capitalize on opportunities arising from digital transformation in emerging markets such as Southeast Asia, India, the Middle East, and Latin America. With local-language and locally adapted operations at the core of its strategy, the Group will extend its product portfolio beyond smartphones to include tablets, audio devices, personal care appliances, and other smart devices, further developing its overseas AIoT ecosystem. In key markets where it has already established a solid foundation – including Latin America, Saudi Arabia, Bangladesh, Nepal, and India – the Group will increase its investment in brand marketing. Through targeted traffic acquisition and management and integrated communications, it will seek to create a self-reinforcing growth cycle from awareness to conversion and repeat purchases. In terms of distribution channels, the Group will continue to deepen its cooperation with leading cross-border e-commerce platforms and explore joint promotional models with regional channel partners. It will concurrently pursue a dual-track "proprietary brand + ODM customization" strategy, strengthening its own brands while responding flexibly to the differentiated requirements of international customers to increase market share and supply chain resilience. The Group will also continue to advance its overseas manufacturing strategy by advising customers on factory establishment or jointly establishing factories with them. This will help mitigate global trade risks, deepen customer relationships, strengthen customer retention, and further increase overseas revenue.

In the real estate property leasing business, the Group will continue to take a prudent approach and focus on the refined operation and management of Coolpad Information Harbor in Shenzhen and Coolpad Technology Ecological Park* (酷派科技生態園) in Dongguan Songshan Lake. By optimizing the tenant mix, improving the quality of services offered within the parks, and implementing a dynamic rent-adjustment mechanism, the Group will seek to maintain stable occupancy and rental collection rates despite continued pressure in the leasing market, thereby providing sustainable cash flow support for the Group.

In the digital currency sector, the Group will continue to monitor changes in the global energy, policy, and regulatory environment and will strictly confine the relevant business to legally compliant computing capacity leasing activities.

Looking ahead, the Group will continue to follow the operating principles of "technology commercialization, lean operations, and disciplined risk control." While effectively managing operating risks, it will actively capitalize on the opportunities presented by the transformation of the AI device industry. We will balance improvements in near-term operating performance with long-term investment in core technologies and will gradually strengthen our profitability by optimizing resource allocation and enhancing operating efficiency, thereby creating sustainable value for shareholders.

FOREIGN EXCHANGE EXPOSURE

The main business operations of the Group during the Reporting Period are conducted in the PRC, its income, cost and assets are denominated primarily in 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 the units' functional currencies and the volatility of exchange rates. The Group has not entered into any derivative contracts to hedge against the risk during the Reporting Period.

INTEREST RATE RISK

The risk in interest rate concerning the Group primarily related to its interest-bearing bank loans 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 Reporting Period, 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

The total staff costs (including Directors' remuneration) for the Reporting Period amounted to approximately HK$25.1 million (six months ended 30 June 2025: HK$42.7 million). The remunerations of the Group's employees (including the Directors) commensurate with their responsibilities and market rates, with discretionary bonuses given on a merit basis. The Group also provides on-the-job training to its employees from time to time. As at 30 June 2026, the Group had 82 employees (including the Directors) (31 December 2025: 88 employees (including the Directors)).

SIGNIFICANT INVESTMENTS

As at 30 June 2026, the Group had no significant investment with a value of 5% or more of the Group's total assets.

MATERIAL ACQUISITIONS AND DISPOSALS

Our Group did not have any material acquisitions and disposals of subsidiaries, associated companies and joint ventures during the Reporting Period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Reporting Period. As at 30 June 2026, the Company did not hold any shares as treasury shares.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the Reporting Period.

SECURITIES TRANSACTIONS BY DIRECTORS

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 directors 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 Reporting Period.

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 with general guidance on 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 currently comprises three independent non-executive Directors. The Audit Committee has reviewed the unaudited interim results of the Group for the Reporting Period. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

EVENTS AFTER THE REPORTING PERIOD

Placing of New Shares under General Mandate

On 17 July 2026, the Company entered into a placing agreement with the placing agent in relation to the placing, on a best effort basis, of up to 66,000,000 new ordinary shares of the Company (the "**Placing Shares**") to not less than six placees at the placing price of HK$0.53 per Placing Share under the general mandate granted to the Directors at the annual general meeting of the Company held on 20 May 2026. Completion of the placing took place on 10 August 2026 and an aggregate of 66,000,000 Placing Shares were successfully placed by the placing agent to not less than six placees at the placing price of HK$0.53 per Placing Share, with net proceeds of approximately HK$33.98 million after deduction of the placing commission and all relevant expenses, which will be used for the purpose as disclosed in the announcements of the Company dated 17 July 2026 and 5 August 2026. For further details, please refer to the announcements of the Company dated 17 July 2026, 5 August 2026 and 10 August 2026.

Acquisitions of Listed Securities

On 11 August 2026, the Company announced that, during the period from 30 July to 10 August 2026 (Eastern Standard Time), Digital Tech Inc., a direct wholly-owned subsidiary of the Company, acquired on the open market a total of 24,800 Class A common stock of Strategy Inc. ("**MSTR**", its Class A common stock, the "**MSTR Shares**") listed on Nasdaq Global Select Market at an aggregate consideration of approximately US$2,382,612 (equivalent to approximately HK$18,608,200) (excluding stamp duty and related expenses), representing approximately US$96.07 (equivalent to approximately HK$750.33) per MSTR Share. The consideration was settled in cash by the Group's internal financial resources, the acquisitions were conducted in the open market at the then prevailing market prices, and the acquisitions, on an aggregated basis, constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and were subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules. For further details, please refer to the announcement of the Company dated 11 August 2026.

Save as disclosed above, the Group had no other significant event after the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Under Code Provision C.2.1 of the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the Listing Rules, 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 Reporting Period.

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-looking 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.

For and on behalf of
Coolpad Group Limited
Chen Jiajun
Executive Director
Chief Executive Officer
Chairman

Hong Kong, 28 August 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 purpose only*