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Cocoon Holdings Limited
中國天弓控股有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)

(Stock Code: 428)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026**

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| <ul style="list-style-type: none">– Revenue of the Group for the six months ended 30 June 2026 (the “Reporting Period”) was approximately HK\$21,000 as compared to approximately HK\$70,000 for the six months ended 30 June 2025 (the “Corresponding Period”).– Gross proceeds from disposal of trading securities for the Reporting Period was approximately HK\$25.0 million as compared to approximately HK\$187.0 million for the Corresponding Period.– Loss attributable to owners of the Company for the Reporting Period was approximately HK\$37.5 million as compared to the profit of approximately HK\$3.0 million for the Corresponding Period.– Basic loss per share of the Group was 28.46 HK cents for the Reporting Period as compared to the basic earnings per share of 3.35 HK cents for the Corresponding Period. |
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The board (the “Board”) of directors (the “Directors”) of the Company presents the unaudited condensed consolidated interim results of the Group for the Reporting Period with comparative figures for the Corresponding Period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Notes			
Gross proceeds from disposal of trading securities		24,972	186,976
Revenue	2	21	70
Other (losses)/gains, net	2	(34,741)	7,332
Other operating expenses		(2,739)	(4,047)
Finance costs	4	(16)	(316)
(Loss)/profit before tax	5	(37,475)	3,039
Income tax	6	–	–
(Loss)/profit for the period attributable to owners of the Company		(37,475)	3,039
Other comprehensive expense:			
Item that will not be reclassified to profit or loss:			
– Fair value loss on financial asset at fair value through other comprehensive income (“FVTOCI”)		(4,131)	–
Total comprehensive (expense)/income for the period attributable to owners of the Company		(41,606)	3,039
		<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share	8		
Basic		(28.46)	3.35
Diluted		(28.46)	3.35

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

		At 30 June 2026 (Unaudited) <i>HK\$'000</i>	At 31 December 2025 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current asset			
Plant and equipment		—	—
Current assets			
Deposits, prepayments and other receivables		620	431
Financial assets at fair value through profit or loss (“FVTPL”)	9	88,771	121,429
Financial asset at FVTOCI	10	53,237	57,368
Amounts due from securities brokers		3,521	3,936
Cash and bank balances		879	516
		<u>147,028</u>	<u>183,680</u>
Current liabilities			
Other payables		3,903	3,348
Promissory note		1,412	2,081
		<u>5,315</u>	<u>5,429</u>
Net current assets		<u>141,713</u>	<u>178,251</u>
Net assets		<u>141,713</u>	<u>178,251</u>
Capital and reserves			
Share capital	11	1,542	1,285
Reserves		140,171	176,966
Total equity		<u>141,713</u>	<u>178,251</u>
		<i>HK\$</i>	<i>HK\$</i>
Net asset value per share		<u>0.92</u>	<u>1.39</u>

NOTES

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company and continued in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The principal place of business of the Company is Room 706, 7/F, Singga Commercial Centre, 148 Connaught Road West, Sai Ying Pun, Hong Kong. The principal activities of the Group are investments in securities which are publicly traded on recognised stock exchanges and private entity investments with a potential for earnings growth and capital appreciation.

The unaudited condensed consolidated interim financial information (the “Interim Financial Information”) of the Group for the six months ended 30 June 2026 are prepared in accordance with IAS 34 (“IAS 34”) “Interim Financial Reporting” as issued by the International Accounting Standards Board (the “IASB”). In addition, the Interim Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025. The accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in the consolidated financial statements of the Group for the year ended 31 December 2025.

The preparation of the Interim Financial Information in conformity with IAS 34 requires management of the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In the current year, the Group has adopted the amendments to IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, IAS and Interpretations, as issued by the IASB that are relevant to its operations and effective for its accounting period beginning on or after 1 January 2026. The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s consolidated financial positions and financial performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Information.

The Group has not early adopted any other new and amendments to IFRS Accounting Standards that has been issued but is not yet effective.

2. REVENUE, OTHER (LOSSES)/GAINS, NET

The Group is principally engaged in (i) investing in securities which are publicly traded on recognised stock exchanges; and (ii) private entity investments. Revenue and other (losses)/gains, net recognised during the period are as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
Dividend income from equity securities classified as financial assets at FVTPL	<u>21</u>	<u>70</u>
Other (losses)/gains, net:		
Net unrealised fair value losses on financial assets at FVTPL	(34,233)	(3,449)
Net realised (losses)/gains on financial assets at FVTPL	<u>(793)</u>	<u>10,964</u>
Net (losses)/gains on financial assets at FVTPL	(35,026)	7,515
Gain/(loss) on modification of the promissory note	<u>285</u>	<u>(183)</u>
	<u>(34,741)</u>	<u>7,332</u>

3. SEGMENT INFORMATION

(a) Operating segment information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purpose of resources allocation and assessment of segment performance focuses on performance of the Group's investments. Since the Group's business activities are organised into a single operating segment, being the investments in securities which are publicly traded on recognised stock exchanges and private entity investments, no segment information is presented other than entity-wide disclosures.

(b) Geographical information

The revenue of the Group are solely generated in Hong Kong during the six months ended 30 June 2026 and 2025 while the Group has no non-current asset as at 30 June 2026 and 31 December 2025.

4. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Imputed interest on promissory notes	16	315
Interest on margin financing	<u>–</u>	<u>1</u>
	<u>16</u>	<u>316</u>

5. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after charging the followings:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Directors' emoluments:		
– Fee, salaries and allowance	370	370
– Contributions to defined contribution plan (<i>note</i>)	10	10
– Share-based payment expense	–	611
	<u>380</u>	<u>991</u>
Other staff costs:		
– Salaries and allowance	48	36
– Contributions to defined contribution plan (<i>note</i>)	2	2
	<u>50</u>	<u>38</u>
Total staff costs	430	1,029
Expense related to short-term leases	139	138
Management fees	723	528
Share-based payment expense to other participants	<u>–</u>	<u>882</u>

Note: There was no forfeited contribution under the defined contribution plan which may be used by the Group to reduce the contribution payable in the future years. There was no outstanding contribution to the plan at 30 June 2026 and 31 December 2025.

6. INCOME TAX

No provision for Hong Kong Profits Tax has been made as the Group did not generate assessable profits during the six months ended 30 June 2026.

No provision for Hong Kong Profits Tax has been made as the Group has sufficient estimated unused tax losses to off-set the assessable profits during the six months ended 30 June 2025.

The Group is not subject to taxation in other jurisdictions.

7. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2026, nor has any dividend been proposed since the end of the reporting period (2025: nil).

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the following data:

(Loss)/profit

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/profit attributable to owners of the Company for the purposes of calculating basic and diluted (loss)/earnings per share	<u>(37,475)</u>	<u>3,039</u>

Number of shares

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	Number of	Number of
	shares	shares
	'000	'000
Weighted average number of ordinary shares for the purposes of calculating basic and diluted (loss)/earnings per share	<u>131,673</u>	<u>90,722</u>

For the purpose of calculating diluted loss per share for the six months ended 30 June 2026, no adjustment has been made to the weighted average number of ordinary shares as there are no potential dilutive ordinary shares outstanding.

The computation of dilutive earnings per share for the six months ended 30 June 2025 does not assume the exercise of the Company's share options because the exercise price of these share options was higher than the average market price of the shares of the Company.

9. FINANCIAL ASSETS AT FVTPL

	At 30 June 2026 (Unaudited) HK\$'000	At 31 December 2025 (Audited) HK\$'000
Equity securities – publicly traded in Hong Kong	12,531	12,564
Equity securities – publicly traded in the United States (the “U.S.”)	44,709	79,811
	<u>57,240</u>	<u>92,375</u>
Private entity investments	31,531	29,054
	<u>88,771</u>	<u>121,429</u>

The Group held financial assets at FVTPL of approximately HK\$88,771,000 (31 December 2025: HK\$121,429,000), representing approximately 60.38% of the Group’s total assets (31 December 2025: 66.11%).

As at 30 June 2026, details of the Group’s investments in major equity securities included in financial assets at FVTPL are as follows:

Name of investee	Date	Proportion of investee’s capital owned	Number of shares held	Cost HK\$'000	Fair value HK\$'000	Net assets/ (liabilities) attributable to the investment HK\$'000	Unrealised fair value (losses)/gains on investment recognised in profit or loss during the reporting period/year HK\$'000	Realised gains/(losses) on investment during the reporting period/year HK\$'000	Fair value to total assets of the Group
Publicly traded equity securities									
Hong Kong									
BYD Company Limited (“BYD”) (note (i))	30 June 2026 (unaudited)	0.00%*	55,100	5,990	3,992	1,905	(1,262)	–	2.72%
	31 December 2025 (audited)	0.00%*	55,100	5,990	5,254	1,643	(736)	884	2.86%
Xiaomi Corporation (“Xiaomi”) (note (ii))	30 June 2026 (unaudited)	0.00%*	37,200	1,651	805	449	(491)	(447)	0.55%
	31 December 2025 (audited)	0.00%*	69,800	3,098	2,743	788	(355)	6,443	1.49%
Tencent Holdings Limited (“Tencent”) (note (iii))	30 June 2026 (unaudited)	0.00%*	6,000	3,312	2,579	930	(648)	–	1.75%
	31 December 2025 (audited)	0.00%*	1,500	984	899	227	(109)	(7,474)	0.49%

Name of investee	Date	Proportion of investee's capital owned	Number of shares held	Cost HK\$'000	Fair value HK\$'000	Net assets/ (liabilities) attributable to the investment HK\$'000	Unrealised fair value (losses)/gains on investment recognised in profit or loss during the reporting period/year HK\$'000	Realised gains/(losses) on investment during the reporting period/year HK\$'000	Fair value to total assets of the Group
The U.S.									
Tesla Inc. ("Tesla") (note (iv))	30 June 2026 (unaudited)	0.00%*	1,171	3,700	3,762	213	(975)	(287)	2.56%
	31 December 2025 (audited)	0.00%*	5,231	17,314	18,351	946	49	1,253	9.99%
Readen Holding Corporation ("Readen") (note (v))	30 June 2026 (unaudited)	7.81%	28,600,000	12,046	4,239	4,139	(2,453)	–	2.88%
	31 December 2025 (audited)	7.81%	28,600,000	12,046	6,692	4,071	3,123	–	3.64%
Digital Energy Reserve Inc. ("Digital Energy") (note (vi))	30 June 2026 (unaudited)	1.05%	1,120,000	20,966	30,712	(1)	(9,856)	–	20.89%
	31 December 2025 (audited)	1.05%	1,120,000	20,966	40,568	42	(1,365)	–	22.09%
Sante Technology Holdings Inc. ("SNTE") (note (vii))	30 June 2026 (unaudited)	23.44%	56,000,000	29,598	175	(31)	(3,581)	–	0.12%
	31 December 2025 (audited)	23.44%	56,000,000	29,598	3,756	(31)	(10,571)	–	2.04%
GSG Group Inc. ("GSGG") (delisted during the six months ended 30 June 2026) (note (viii))	31 December 2025 (audited)	15.82%	8,420,000	9,609	10,083	(190)	2,154	28	5.49%
Alphabet Inc. ("Alphabet") (note (ix))	30 June 2026 (unaudited)	0.00%*	1,300	3,186	3,586	267	404	(95)	2.44%
	31 December 2025 (audited)	0.00%*	100	249	245	27	(4)	57	0.13%
Private entity investments									
GSGG (delisted during the six months ended 30 June 2026) (note (viii))	30 June 2026	22.45%	8,400,000	9,586	9,932	(270)	(128)	1	6.76%
LNPR Group Inc. ("LNPR") (note (x))	30 June 2026 (unaudited)	5.15%	3,320,645	24,089	16,780	581	(2,683)	(4)	11.41%
	31 December 2025 (audited)	5.15%	3,323,645	24,111	19,485	499	25	17	10.61%
Chelsea Tech, Inc. ("Chelsea Tech") (note (xi))	30 June 2026 (unaudited)	4.00%	15,958,000	7,979	4,819	130	(4,729)	3	3.28%
	31 December 2025 (audited)	4.00%	16,000,000	8,000	9,569	130	1,569	–	5.21%

* Less than 0.01%

Dividend income of approximately HK\$21,000, comprising dividend from (i) Alphabet of approximately HK\$2,000; and (ii) Tencent of approximately HK\$19,000, was recognised in profit or loss under revenue (note 2) during the six months ended 30 June 2026.

Dividend income of approximately HK\$70,000, comprising dividend from (i) NetEase Inc. of approximately HK\$11,000; and (ii) Tencent of approximately HK\$59,000, was recognised in profit or loss under revenue (note 2) during the six months ended 30 June 2025.

Notes:

- (i) BYD, established in the People's Republic of China (the "PRC"), principally engaged in the manufacture and sales of transportation equipment. BYD is also engaged in the manufacture and sales of electronic parts and components and electronic devices for daily use.
- (ii) Xiaomi, incorporated in the Cayman Islands, is a China-based company principally engaged in the research, development and sales of smartphones, Internet of things and lifestyle products, the provision of Internet services, and investment business.
- (iii) Tencent, incorporated in the Cayman Islands, is principally engaged in the provision of value-added service, FinTech and business services and online advertising services.
- (iv) Tesla engages in the design, development, manufacture, and sale of electric vehicles and energy generation and storage systems. It operates through two segments: Automotive and Energy Generation and Storage. The Automotive segment includes the design, development, manufacture, sale, and leasing

of electric vehicles, as well as sales of automotive regulatory credits. The Energy Generation and Storage segment involves the design, manufacture, installation, sale, and leasing of solar energy generation and energy storage products and related services, as well as sales of solar energy systems incentives.

- (v) Readen, incorporated in the U.S. with its shares publicly traded on Over-the-Counter (“OTC”) market in the U.S. (OTC: RHCO), is a venture capital corporation which is active in the Fintech, online payment and E-commerce industries.
- (vi) Digital Energy (formerly known as Winchester Holding Group), incorporated in the U.S. with its shares publicly traded on OTC market in the U.S. (OTC: WCHS), is an investment holding, is exploring business opportunities in the new energy sector.
- (vii) SNTE, incorporated in the U.S. with its shares publicly traded on OTC market in the U.S. (OTC: SNTE), which intends to acquire potential AI technology related companies by offering a unique platform with technology function, marketing function, finance function and resources integration function. The directors of the Company consider no practical ability to exercise significant influence to the relevant activities of SNTE and classified as financial assets at FVTPL.
- (viii) GSGG is a company incorporated in Nevada, the U.S.. Its shares were previously quoted on OTC market in the U.S. under the symbol “GSGG”. GSGG was focusing on business opportunities arising from the growing demand for rehabilitation and physiotherapy services in the PRC. The directors of the Company consider no practical ability to exercise significant influence to the relevant activities of GSGG and classified as financial assets as FVTPL.
- (ix) Alphabet is Google’s parent company, operating across three main segments: Google Services (search, ads, YouTube, hardware), Google Cloud (enterprise computing and AI), and Other Bets (experimental ventures like Waymo).
- (x) LNPR, incorporated in the U.S., is principally engaged in online education business. According to the management of LNPR, they are seeking their shares publicly traded on OTC market in the U.S..
- (xi) Chelsea Tech is focusing on the development and promotion of metaverse-related technologies and art non-fungible tokens. The Group held an approximately 4.00% equity interest in Chelsea Tech.

As at 30 June 2026 and 31 December 2025, no financial asset at FVTPL was pledged to any securities broker to secure margin loan borrowed by the Group.

10. FINANCIAL ASSET AT FVTOCI

	At 30 June 2026 (Unaudited) HK\$’000	At 31 December 2025 (Audited) HK\$’000
Private entity investment designated at financial asset at FVTOCI	<u>53,237</u>	<u>57,368</u>

On 7 December 2018, the Group subscribed 20% equity interest in an Anguilla incorporated private entity, Perfect Path Limited (“Perfect Path”), which is engaged in gold mining business, at a consideration of HK\$18,500,000.

Despite the Group holds 20% of the voting power in Perfect Path, under contractual arrangements, the other shareholder controls the composition of the board of directors of Perfect Path and have control over Perfect Path. The directors of the Company consider that the Group does not have significant influence over Perfect Path, and it is therefore designated at financial asset at FVTOCI.

As mentioned above, the Group neither has control nor significant influence over Perfect Path and therefore in assessing the fair value of Perfect Path at the end of each reporting period, the Group would take into account the investment strategy of the controlling shareholder of Perfect Path for the determination of the valuation techniques thereon.

Having carefully considered the uncertainties over the economic and the operating environment where the gold mine of Perfect Path locates and operates, the shareholders of Perfect Path had reached the consensus to remain open to potential offer for the sales of the mine. This stance allows the Company to capitalise the increase in gold price over these years through sales of equity interest in Perfect Path so that alternative investment opportunities can be identified to reduce investment risk due to uncertainties.

As at 30 June 2026, details of the Group's financial asset at FVTOCI is as follows:

Name of investee	Place of Incorporation	Date	Proportion of investee's capital owned	Number of shares held	Cost HK\$'000	Fair value HK\$'000	Dividend income received during the period/year HK\$'000	Net assets attributable to the investment (Note) HK\$'000	Unrealised fair value (loss)/gain on investment recognised in other comprehensive income during the period/year HK\$'000	Fair value to the total assets of the Group
Perfect Path	Anguilla	30 June 2026 (unaudited)	20%	200,000	18,500	53,237	–	65,402	(4,131)	36.21%
		31 December 2025 (audited)	20%	200,000	18,500	57,368	–	70,477	28,503	31.23%

Note: Figures were based on the management accounts of Perfect Path provided by the investee.

11. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each, at 1 January 2025,		
31 December 2025 (audited), 1 January 2026 and		
30 June 2026 (unaudited)	100,000,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each, at 1 January 2025	84,953,092	850
Issue of shares upon exercise of share options	4,316,722	43
Issue of shares on placements (<i>notes (i) and (ii)</i>)	39,278,717	392
Ordinary shares of HK\$0.01 each, at 31 December 2025 (audited) and		
1 January 2026	128,548,531	1,285
Issue of shares on placement (<i>note (iii)</i>)	25,709,706	257
Ordinary shares of HK\$0.01 each, at 30 June 2026 (unaudited)	154,258,237	1,542

Notes:

- (i) On 26 May 2025, the Company and a placing agent entered into a placing agreement in respect of the placement of 17,853,962 ordinary shares of HK\$0.01 each at a price of HK\$0.17 per share (the “Placement A”). The Placement A was completed on 12 June 2025.

The net proceeds from the Placement A amounted to approximately HK\$2,979,000 after deducting expense of approximately HK\$56,000. Approximately HK\$178,000 and HK\$2,801,000 were credited to share capital and share premium respectively upon the issue of the new shares.

- (ii) On 22 July 2025, the Company and a placing agent entered into a placing agreement in respect of the placement of 21,424,755 ordinary shares of HK\$0.01 each at a price of HK\$0.178 per share (the “Placement B”). The Placement B was completed on 7 August 2025.

The net proceeds from the Placement B amounted to approximately HK\$3,763,000 after deducting expense of approximately HK\$51,000. Approximately HK\$214,000 and HK\$3,549,000 were credited to share capital and share premium respectively upon the issue of the new shares.

- (iii) On 28 May 2026, the Company and a placing agent entered into a placing agreement in respect of the placement of 25,709,706 ordinary shares of HK\$0.01 each at a price of HK\$0.2 per share (the “Placement C”). The Placement C was completed on 9 June 2026.

The net proceeds from the Placement C amounted to approximately HK\$5,068,000 after deducting expense of approximately HK\$74,000. Approximately HK\$257,000 and HK\$4,811,000 were credited to share capital and share premium respectively upon the issue of the new shares.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW, PROSPECTS AND FUTURE PLAN

During the Reporting Period, global financial markets continued to operate under a complex and challenging macroeconomic environment. Although overall market sentiment improved compared with previous years, investors remained cautious amid inflationary pressure, uncertainty over the interest rate outlook, geopolitical tensions and uneven economic recovery across different markets and sectors. Against this backdrop, the Group continued to adhere to its existing investment strategy, focusing on investments in securities which are publicly traded on recognised stock exchanges and private entity investments with potential for earnings growth and capital appreciation.

The Hong Kong stock market showed signs of recovery during the Reporting Period, supported by improved trading activity and a gradual revival of the IPO market. However, compared with certain other major global equity markets, particularly the United States (the “U.S.”) market, the overall performance of the Hong Kong stock market remained relatively subdued. Investor sentiment in Hong Kong continued to be affected by concerns over the pace of the PRC economic recovery, sectoral divergence, interest rate uncertainty and cautious capital flows. As a result, market valuations in Hong Kong remained under pressure and the recovery was not broad-based.

Given that part of the Group’s investment portfolio was exposed to Hong Kong publicly traded securities, the relatively weak performance of the Hong Kong stock market affected the Group’s investment performance during the Reporting Period. In particular, fluctuations in the market prices of publicly traded securities had an impact on the fair value of the Group’s investment portfolio and, accordingly, the Group’s financial results. The Group continued to closely monitor market conditions and the performance of its portfolio, and adopted a prudent approach in managing its investment exposure.

The U.S. stock market remained generally more resilient during the Reporting Period. U.S. equities were supported by solid economic activity, corporate earnings expectations and continued investor interest in technology, semiconductor and artificial intelligence-related sectors. Nevertheless, inflation remained a key concern, and the future direction of monetary policy remained subject to economic data and market conditions. Accordingly, market volatility persisted from time to time, particularly in relation to interest rate expectations, valuation levels and geopolitical developments.

During the Reporting Period, the Group continued to review its investment portfolio in both Hong Kong and the U.S. markets. The Group maintained a prudent and flexible investment approach, with emphasis on companies with sound fundamentals, growth potential and reasonable valuations. Where appropriate, the Group adjusted its investment positions in response to changes in market conditions, with a view to managing downside risks and preserving flexibility to capture suitable investment opportunities.

Looking ahead to the second half of 2026, the Board remains cautiously optimistic about the prospects of the Hong Kong and U.S. equity markets. In Hong Kong, market sentiment may be supported by the continued development of the capital market, closer connectivity with the PRC economy and policy support for innovation and new economy sectors. However, the pace and breadth of recovery remain uncertain. In the U.S., technological advancement, artificial intelligence development and productivity improvement are expected to remain important drivers of market opportunities, although inflation, interest rates and geopolitical risks may continue to affect market performance.

The Group will continue to strengthen its existing business and focus on financing future investment opportunities domestically and internationally, with a view to achieving financial growth and maximising shareholders' value. The Board will remain prudent in assessing investment opportunities, maintain appropriate portfolio diversification and preserve sufficient liquidity to enable the Group to respond promptly to market changes and capture suitable opportunities as they arise.

Financial Review

The Group's revenue for the Reporting Period comprised dividend income. For the Reporting Period, the Group recorded revenue of approximately HK\$21,000 as compared to approximately HK\$70,000 for the Corresponding Period, representing a decrease of approximately 70.0%. The decrease in revenue was mainly due to a decrease of dividend income during the Reporting Period. Gross proceeds from disposal of publicly trading securities for the Reporting Period were approximately HK\$25.0 million as compared to approximately HK\$187.0 million for the Corresponding Period. The Group recorded a realised loss of approximately HK\$0.8 million (Corresponding Period: gain of HK\$11.0 million) and an unrealised fair value loss of approximately HK\$34.2 million (Corresponding Period: HK\$3.4 million) on financial assets at fair value through profit or loss ("FVTPL") held by the Group during the Reporting Period. The unrealised fair value loss in financial assets at FVTPL held by the Group was mainly attributable to under-performance of certain publicly traded securities in Hong Kong and the U.S. held by the Group. With the unfavorable performance of certain publicly traded securities held by the Group during the Reporting Period, the Group recorded a loss attributable to owners of the Company of approximately HK\$37.5 million as compared to a profit of approximately HK\$3.0 million for the Corresponding Period.

As at 30 June 2026, the Group's private entity investments (comprised of financial asset at fair value through other comprehensive income ("FVTOCI") and certain financial assets at FVTPL) were approximately HK\$84.8 million (31 December 2025: HK\$86.4 million). Deposits, prepayments and other receivables were approximately HK\$0.6 million (31 December 2025: HK\$0.4 million).

As at 30 June 2026, the net assets of the Group were approximately HK\$141.7 million (31 December 2025: HK\$178.3 million), representing a decrease of 20.5%. The financial assets at FVTPL were approximately HK\$88.8 million as at 30 June 2026 (31 December 2025: HK\$121.4 million) and the financial asset at FVTOCI was approximately HK\$53.2 million as at 30 June 2026 (31 December 2025: HK\$57.4 million).

Liquidity, financial resources and capital structure

The Group had available funds as at 30 June 2026 of approximately HK\$4.4 million (31 December 2025: HK\$4.5 million) which were mainly placed in banks and licensed securities firms as general working capital. Bank balances and cash held by the Group are mainly denominated in Hong Kong dollars.

The Group had shareholders' fund of approximately HK\$141.7 million as at 30 June 2026 compared to approximately HK\$178.3 million at 31 December 2025, representing a decrease of approximately 20.5%.

As at 30 June 2026, the Group had borrowings of approximately HK\$1.4 million (31 December 2025: HK\$2.1 million). The gearing ratio of the Group was approximately 1.0% (31 December 2025: 1.2%) which represents the ratio of the Group's borrowings to the net assets of the Group.

No share option was granted during the Reporting Period under the share option scheme, adopted by the Company at annual general meeting on 17 June 2022. During the Reporting Period, no share was issued and allotted upon the exercise of share options under the share option scheme.

The Group did not have any capital expenditure commitment as at 30 June 2026 and 31 December 2025.

Fund raising activities

Save as the placing of new shares as disclosed in note 11 to this announcement and under the heading of "Placing of New Shares" below, there was no significant change in the Group's capital structure for the six months ended 30 June 2026.

Placing of New Shares

Reference is made to the announcements of the Company dated 28 May 2026 and 9 June 2026, respectively (the "Announcements") in relation to, amongst others, the placing (the "Placing") of new shares under the general mandate granted to the Directors at the special general meeting held on 27 May 2026. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

After trading hours on 28 May 2026, the Company and the placing agent (the "Placing Agent") entered into the placing agreement (the "Placing Agreement") pursuant to which the Company has appointed the Placing Agent to procure, on a best efforts basis, not less than six placees, who are professional, institutional, and/or other investors that are third parties independent of the Company, to subscribe for up to 25,709,706 new ordinary shares at a price of HK\$0.200 per placing share. The gross proceeds from the Placing were approximately HK\$5.1 million and the net proceeds were approximately HK\$5.0 million. The Directors believed that the Placing offered a good opportunity to raise funds, enabling the Group to capitalise on current dynamic investment opportunities and better support its operations. It was intended that the net proceeds from the Placing would be utilised for investment in the listed and/or unlisted securities in the aggregate amount of approximately HK\$4.0 million and the remaining balance of approximately HK\$1.0 million would be used as the Group's general working capital. The aggregate nominal value of the

placing shares under the Placing was HK\$257,097.06. The closing price was HK\$0.246 per share as quoted on the Stock Exchange on 28 May 2026, being the date of the Placing Agreement. The net price per placing share was approximately HK\$0.196.

Details of the Placing and Placing Agreement were set out in the Announcements.

As at 30 June 2026, detailed breakdown and description of the utilisation of the net proceeds from the Placing were as follows:

Date of announcement	Event	Net proceeds raised	Intended use of net proceeds		Actual use of proceeds	
28 May 2026 (completed on 9 June 2026)	Placing of new shares under general mandate	Approximately HK\$5.0 million	(i)	Approximately HK\$4.0 million for investment in the listed and/or unlisted securities	(i)	Approximately HK\$1.8 million was used to invest in listed securities before 30 June 2026, the balance of HK\$2.2 million was fully utilised as intended as at the date of this announcement
			(ii)	Approximately HK\$1.0 million for general working capital of the Group	(ii)	Approximately HK\$0.3 million was used for operating expenses before 30 June 2026, the balance of HK\$0.7 million was fully utilised as intended as at the date of this announcement

INVESTMENT REVIEW

The Company is an investment company listed on the Main Board of the Stock Exchange under Chapter 21 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The principal activity of the Company is investment holding and the Group is principally engaged in investments in securities which are publicly traded on recognised stock exchanges and private entity investments with potential for earning growth and capital appreciation. It is the corporate strategy of the Group to strengthen its existing businesses and continue its focus on financing future investment opportunities domestically and internationally to achieve financial growth for the Group and to maximise the shareholders’ value.

As at 30 June 2026, the Company held twenty-four investments, comprising eleven publicly traded equity securities in Hong Kong, four publicly traded equity securities on a stock exchange in the U.S., five publicly traded equity securities on the over-the-counter (“OTC”) market in the U.S., one equity interest in a private entity incorporated in Anguilla and three equity interests in private entities incorporated in the U.S.. To provide shareholders with further information on the Group’s investment portfolio, the Company has set out below information on its ten largest investments and all individual investments with a value exceeding 5% of the Group’s total assets as at 30 June 2026. Further details are also set out in notes 9 and 10 to this announcement.

Significant investments held and their performance

Details of the performance of the significant investments held by the Group as at 30 June 2026 were disclosed under the heading of “Financial Review” above and in notes 9 and 10 to this announcement.

The ten largest investments and all individual investments with value exceeding 5% of the Group’s total assets with brief description of the investee companies as follows and as disclosed in notes 9 and 10 to this announcement:

Private Entity Investment – Perfect Path Limited (“Perfect Path”)

Perfect Path is a private entity incorporated in Anguilla, which principally engaged in gold mining business. The Group held 20% equity interest in Perfect Path. Despite the Group held 20% of the voting power in Perfect Path, under contractual arrangements, the Group has no significant influence over Perfect Path, another single shareholder control the composition of the board of directors and have control over Perfect Path. Perfect Path indirectly owns 45% interest in a gold mine in Thailand (the “Gold Mine”). According to Perfect Path, all relevant application documents for obtaining the Gold Mine licences and permits were submitted to the relevant local government authorities in Thailand, as the relevant application is still in process, Perfect Path has not deployed their business and no income generated during the Reporting Period. After taken into account all relevant economic factors, gold price and vigilantly verified it with Perfect Path, the shareholders of Perfect Path had reached the consensus to remain open to potential offer for the selling of the mine. This stance allows the Company to capitalise by the increasing of gold price these years so that alternative investment opportunities can be identified to reduce investment risk due to uncertainties. No dividend was received from investment in Perfect Path during the Reporting Period (Corresponding Period: nil).

Private Entity Investment – LNPR Group Inc. (“LNPR”)

LNPR is a private entity incorporated in the U.S., which is principally engaged in online education business. The Group held 5.15% equity interest in LNPR. According to LNPR, they are seeking their shares publicly traded on OTC market. The Board considers that the Group may benefit from the potential appreciation in the value of its investment in LNPR if the proposed quotation materialises. No dividend was received from investment in LNPR during the Reporting Period (Corresponding Period: nil).

Publicly Traded Equity Investment – Tencent Holdings Limited (“Tencent”)

Tencent is a company incorporated in the Cayman Islands (stock code: 700). Tencent is principally engaged in the provision of value-added services, financial technology and business services and online advertising services. Net dividend (after expenses) of approximately HK\$19,000 was received from investment in Tencent during the Reporting Period (Corresponding Period: HK\$59,000). The Board believes that Tencent’s leading market position may enable it to benefit from the continued development of the internet industry. The Group regards its investment in Tencent as a long-term investment.

Publicly Traded Equity Investment – BYD Company Limited (“BYD”)

BYD is a company incorporated in the PRC (stock code: 1211). BYD is a PRC-based company principally engaged in the manufacture and sales of transportation equipment. BYD is also engaged in the manufacture and sales of electronic parts and components and electronic devices for daily use. BYD’s products include rechargeable batteries and photovoltaic products, mobile phone parts and assembly, and automobiles and related products. BYD mainly conducts its businesses in the PRC, the U.S. and Europe. No dividend was received from investment in BYD during the Reporting Period (Corresponding Period: nil). The Board believed the leading position of investment in BYD in the market can make them to enjoy the growth of market demand, the Group would hold the investment in BYD and closely monitor its performance and may adjust the portfolio of BYD from time to time.

Publicly Traded Equity Investment – Tesla, Inc. (“Tesla”)

Tesla engages in the design, development, manufacture, and sale of electric vehicles and energy generation and storage systems. It operates through two segments: Automotive and Energy Generation and Storage. The Automotive segment includes the design, development, manufacture, sale, and leasing of electric vehicles, as well as sales of automotive regulatory credits. The Energy Generation and Storage segment involves the design, manufacture, installation, sale, and leasing of solar energy generation and energy storage products and related services, as well as sales of solar energy systems incentives. No dividend was received from investment in Tesla during the Reporting Period (Corresponding Period: nil). The Board believed the leading position of Tesla in the market can make them to enjoy the growth of market demand, the Group would hold the investment in Tesla and closely monitor its performance and may adjust the portfolio from time to time.

Publicly Traded Equity Investment – Alphabet Inc.

Alphabet Inc. is a multinational technology conglomerate and the parent company of Google. Headquartered in Mountain View, California, its diverse portfolio spans search, advertising, cloud computing, and artificial intelligence, including subsidiaries like YouTube, Waymo, DeepMind, and Google Cloud. Net dividend (after expenses) of approximately HK\$2,000 was received from investment in Alphabet Inc. during the Reporting Period (Corresponding Period: nil). The Board believed the leading position of Alphabet Inc. in the market can make them to enjoy the growth of market demand, the Group would hold the investment in Alphabet Inc. and closely monitor its performance and may adjust the portfolio from time to time.

Publicly Traded Equity Investment – Digital Energy Reserve Inc. (formerly known as Winchester Holding Group) (“WCHS”)

WCHS is a company incorporated in the U.S., whose shares are publicly traded on the OTC market in the U.S. under the symbol “WCHS”. The company changed its name from Winchester Holding Group to Digital Energy Reserve Inc. in April 2026. According to information published by WCHS, it was exploring business opportunities in the new energy sector. No dividend income was received from the investment in WCHS during the Reporting Period (Corresponding Period: nil). The Group intends to continue holding its investment in WCHS, closely monitor its performance and adjust its investment portfolio as and when appropriate.

Publicly Traded Equity Investment – Readen Holding Corporation (“RHCO”)

RHCO is a company incorporated in the U.S., whose shares are quoted on the OTC market in the U.S. under the symbol “RHCO”. RHCO operates as a venture capital and holding company principally focusing on financial technology, online payment and e-commerce businesses. No dividend income was received from the investment in RHCO during the Reporting Period (Corresponding Period: nil). The Board considers that the continued development of RHCO’s business portfolio may contribute positively to its future financial performance. The Group intends to closely monitor the performance of RHCO and adjust its investment portfolio as and when appropriate.

Private Entity Investment – Chelsea Tech, Inc. (“Chelsea Tech”)

Chelsea Tech is a private company incorporated in Wyoming, the U.S., focusing on the development and promotion of metaverse-related technologies and art non-fungible tokens. The Group held an approximately 4.00% equity interest in Chelsea Tech. No dividend income was received from investment in Chelsea Tech during the Reporting Period (Corresponding Period: nil).

Equity Investment – GSG Group Inc. (“GSGG”)

GSGG is a company incorporated in Nevada, the U.S.. Its shares were previously quoted on the OTC market in the U.S. under the symbol “GSGG”. According to GSGG’s Form 10-K, GSGG was focusing on business opportunities arising from the growing demand for rehabilitation and physiotherapy services in the PRC. On 17 July 2023, GSGG entered into a share exchange agreement in relation to the professional physiotherapy treatment and healthcare services operations of Harmony Physiotherapy Limited, which reportedly had approximately 15 years of industry experience and provided services primarily to elderly persons requiring physiotherapy, fitness enthusiasts, athletes and individuals seeking injury prevention and rehabilitation services. As disclosed in that annual report, completion of the transaction had been postponed and remained subject to further implementation. No dividend income was received from the investment in GSGG during the Reporting Period (Corresponding Period: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed a total of 5 employees (30 June 2025: 5 employees), including the executive Directors. Employees’ remuneration is determined with reference to the market remuneration.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce its exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its investees. To manage liquidity risk, the Directors and management have been closely monitoring the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and commitments can meet its funding requirements.

SEGMENT INFORMATION

For management purpose, the Group’s business activity is organised into a single operating segment, being investments in securities which are publicly traded on recognised stock exchanges and private entity investments with a potential for earnings growth and capital appreciation. Accordingly, no operating segment information to be presented.

EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group has no significant exposures to fluctuations in foreign exchange rates and, therefore, did not use any financial instruments to hedge such exposures.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no significant contingent liabilities (31 December 2025: nil).

PLEDGE OF ASSETS

As at 30 June 2026, no asset was pledged by the Group (31 December 2025: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company did not redeem any of its listed shares during the Reporting Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2026, the interest or short position of the Directors or chief executives of the Company in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") to the Listing Rules were as follows:

Long positions in the shares of the Company:

Name of Directors	Capacity	Class of shares	Number of shares held	Percentage of shareholding in class as at 30 June 2026
Chau Wai Hing	Beneficial owner	Ordinary shares	849,530	0.55%
Wu Ming Gai	Beneficial owner	Ordinary shares	849,530	0.55%
Wong Sze Lok	Beneficial owner	Ordinary shares	69,072	0.04%

Save as disclosed above, as at 30 June 2026, none of the Directors, chief executives of the Company or their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE

The Company adopted all code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix C1 to the Listing Rules as its own code on corporate governance practices.

The Company has complied with the code provisions as set out in the Code during the six months ended 30 June 2026, except the following deviations:

Code provision C.2.1 of part 2 of the Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The role of the Chairman was assumed by the executive Director, Mr. Chau Wai Hing, who takes responsibilities of the Chairman as specified in the Code on overall strategic planning and development of the Group and effective functioning of the Board.

The chief executive officer of the Company has been vacant following the resignation of Ms. Chan Carman Wing Yan on 20 June 2022. Until the appointment of new chief executive officer, the executive Directors continue to oversee the day-to-day management of the business and operations of the Group.

The Chairman is the leader of the Board and he oversees the Board so that it acts in the best interests of the Group. The Chairman is responsible for deciding the agenda of each Board meeting, taking into account, where appropriate, matters proposed by other Directors for inclusion in the agenda. The Chairman has overall responsibility for providing leadership, vision and direction in the development of the business of the Company. There is currently no separate individual serving as chief executive officer. The Board considers that the existing arrangement is appropriate having regard to the size and nature of the Group’s operations, and will continue to review the structure and identify a suitable candidate for the position of chief executive officer where appropriate. As Mr. Chau Wai Hing is the Chairman since 1 December 2022 and has served as the executive Director, such practice deviates from Code Provision C.2.1 of the Code as set forth in Appendix C1 to the Listing Rules. The Board believes that vesting the roles of both the Chairman and duties of the chief executive officer in the same person can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from code provision C.2.1 of the Code is appropriate in such circumstance. In addition, under the supervision of the Board which comprises two executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company.

The Board considers that there are adequate balance of power and safeguards in place and will review and monitor this situation periodically and will ensure that present structure would not impair the balance of power of the Company.

The Board will continue to monitor and review the Company’s corporate governance practices to ensure compliance with the Code.

AUDIT COMMITTEE

The audit committee (the “Audit Committee”) and management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters, including a review of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2026. The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2026 has not been audited or reviewed by the Company’s auditor. The Audit Committee is of the opinion that such financial information complies with applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

PUBLICATION OF INTERIM REPORT

The 2026 interim report will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company in due course in accordance with the Listing Rules.

By Order of the Board
Cocoon Holdings Limited
Chau Wai Hing
Chairman

Hong Kong, 31 August 2026

As at the date hereof, the Board comprises two executive Directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; and three independent non-executive Directors, namely Ms. Leung Yin Ting, Dr. Wong Sze Lok and Ms. Lin Hsiu Mei.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.