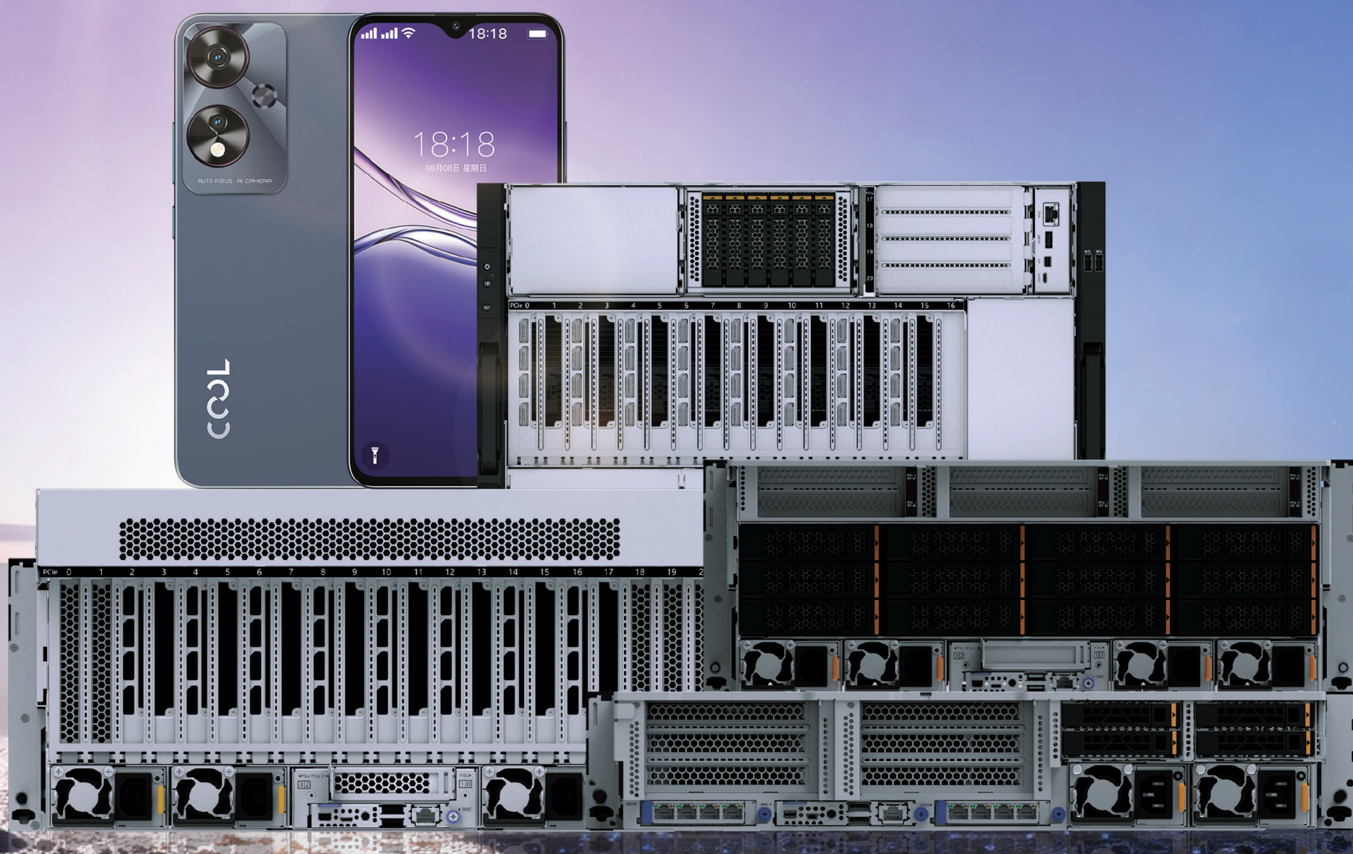
coolpad 酷派

COOLPAD GROUP LIMITED
酷 派 集 團 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)



2026 INTERIM REPORT

CONTENTS

CORPORATE PROFILE

Coolpad Group Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 11 June 2002. The shares of the Company (the "Shares") were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 December 2004 (Stock Code: 2369).

The Company and its subsidiaries (collectively, the "Group") are committed to be a leading smartphone developer and manufacturer in the People's Republic of China (the "PRC"). In the last decade, capitalizing on the development of wireless telecommunications technological know-how in wireless telecommunications across multiple wireless telecommunications network standards including TD-LTE, FDD-LTE, TD-SCDMA, CDMA-EVDO, WCDMA, GSM, and CDMA1X networks, the Group has developed a large number of proprietary technologies and patents in mobile operating systems, radio frequency, protocols and wireless data decomposed transmission technology, etc, and is one of the standard-setters in the communications industry. The Group never stops enhancing its research and development ("R&D") ability and is striving to be an important participant and a leader in the latest field of 5G and Artificial Intelligence. In addition, the Company is engaged in leasing of properties. Starting from the second half of 2024, the Group has actively pursued opportunities in the Web 3.0 digital currency business.

Contribute in advancing technological innovations, as well as to strive along those with endeavours is the vision and mission of the Group. Relying on strong independent R&D strength and innovative market layout, the Group will lead the industry innovation in the digital era and provide consumers with continuously upgraded products and ecological services.

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Coolpad Information Harbor
No. 8 of Gaoxin North 1st Road
Hi-Tech Industry Park (Northern)
Nanshan District
Shenzhen

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suits 1105, 11th Floor, Central Plaza
No.18 Harbour Road, Wanchai
Hong Kong

COMPANY SECRETARIES

Mr. MA Fei

AUDIT COMMITTEE AND REMUNERATION COMMITTEE

Mr. CHEUK Ho Kan *(Chairperson)*
Ms. WANG Guan
Mr. GUO Jinghui

NOMINATION COMMITTEE

Mr. CHEN Jiajun *(Chairperson)*
Mr. CHEUK Ho Kan
Ms. WANG Guan

AUTHORISED REPRESENTATIVES

Mr. MA Fei
Mr. CHEN Jiajun

CONTACT INFORMATION FOR INVESTOR RELATIONS

Tel: +86 755 8626 0086
Email: ir@coolpad.com

AUDITOR

Zhonghui Anda CPA Limited (“Zhonghui Anda”)
Certified Public Accountants
Registered Public Interest Entity Auditor
23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay
Kowloon
Hong Kong

LEGAL ADVISERS TO THE COMPANY AS TO HONG KONG LAW

Baker & McKenzie
14th Floor
One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

LEGAL ADVISERS TO THE COMPANY AS TO CAYMAN ISLANDS LAW

Conyers Dill & Pearman
2901 One Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–16
17th Floor
Hopewell Centre
183 Queen’s Road East
Hong Kong

PRINCIPAL BANKERS

CMB Wing Lung Bank Limited
Bank of China Limited
China Construction Bank Corporation

COMPANY WEBSITE

www.coolpad.com.hk

STOCK CODE

2369

FINANCIAL HIGHLIGHTS

The financial data below are extracted from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026 (the "Reporting Period") prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June		
	2026 **HK$'000** **(Unaudited)**	2025 HK$'000 (Unaudited)	**Change** (%)
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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June **2026** **HK$'000** **(Unaudited)**	At 31 December 2025 HK$'000 (Audited)
Non-current assets	**4,006,596**	3,889,795
Current assets	**358,536**	346,196
Non-current liabilities	**1,582,720**	1,513,585
Current liabilities	**1,102,301**	1,036,396
Net assets	**1,680,111**	1,686,010
Cash and cash equivalents	**239,755**	244,392

TOTAL REVENUE

The financial data below are extracted from the Group's unaudited condensed consolidated financial statements for the Reporting Period prepared under HKFRSs. The following discussion and analysis should be read in conjunction with the Group's condensed consolidated financial statements and its notes.

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
		(Restated)
REVENUE		
Sale of smartphones and devices	**173,467**	82,200
Wireless application service income	**6,353**	6,024
Revenue from cryptocurrencies business	**32,613**	52,020
Gross rental income	**40,526**	34,392
Total revenue	**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	**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	**(56,828)**	(79,586)
Income tax credit/(expense)	**101**	(712)
Loss for the period	**(56,727)**	(80,298)
Basic and diluted for the period	**(HK17.09 cents)**	(HK19.63 cents)

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 (Unaudited)	2025 (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 (Unaudited)	2025 (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.

MANAGEMENT DISCUSSION AND ANALYSIS

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).

PLEDGE OF ASSETS (continued)

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

BUSINESS REVIEW (continued)

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.

* *For identification purpose only*

BUSINESS OUTLOOK (continued)

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.

* *For identification purpose only*

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.

EVENTS AFTER THE REPORTING PERIOD (continued)

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.

CAPITAL SUPPORT

The Company has not conducted any equity fund raising activities during the six months ended 30 June 2026, and the Company has not formed any detailed plans for material investment and capital asset in the coming year.

CHANGES OF INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF LISTING RULES

There is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and up to the date of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors, the chief executive or their respective associates in the share capital, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in Shares

Name of director	*Note*	Directly beneficially owned	Through spouse or child	Through controlled corporation	Beneficiary of a trust	Founder of a trust	Share option	Total	Approximate % of the Company's issued share capital as at 30 June 2026
Mr. CHEN Jiajun	1	–	–	78,283,887	–	–	–	78,283,887	23.58
Mr. MA Fei		–	–	–	–	–	–	–	–
Mr. XU Yibo		112,500	–	–	–	–	–	112,500	0.03
Mr. LIANG Rui		–	–	–	–	–	–	–	–
Mr. GUO Jinghui		–	–	–	–	–	–	–	–
Mr. CHEUK Ho Kan		–	–	–	–	–	–	–	–
Ms. WANG Guan		–	–	–	–	–	–	–	–

Notes:

1. As at 30 June 2026, 58,283,887 Shares were directly held by Great Shine Investment Limited (formerly known as Kingkey Financial Holdings (Asia) Limited) ("Great Shine"), which is 100% directly held by Great Splendid Holdings Limited. Mr. Chen Jiajun is the director of Great Splendid Holdings Limited and holds 100% shares thereof. In addition, 20,000,000 Shares were directly held by Elite Mobile Limited which was ultimately wholly-owned by Mr. Chen Jiajun. Therefore, Mr. Chen Jiajun was indirectly interested in the 78,283,887 Shares, of which 58,283,887 Shares were held through Great Shine and 20,000,000 Shares were held through Elite Mobile Limited.

2. As at 30 June 2026, the total number of issued Shares was 331,930,198.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the following interests and short positions of 5% or more in the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in Shares

Name	*Notes*	Number of Shares interested	Nature of interest	Total number of Shares interested	Approximate % of issued share capital as at 30 June 2026
Mr. CHEN Jiajun	1	78,283,887	Interest of controlled corporation	78,283,887	23.58
Mr. Jeffrey Steven YASS	2	20,000,000	Interest of controlled corporation	20,000,000	6.03
Great Shine Investment Limited	1	58,283,887	Beneficial owner	58,283,887	17.56
Elite Mobile Limited	1	20,000,000	Beneficial owner	20,000,000	6.03
SAI Growth Fund I, LLLP	2	20,000,000	Beneficial owner	26,667,000	6.03

Notes:

1. As at 30 June 2026, the 58,283,887 Shares were directly held by Great Shine, which is 100% directly held by Great Splendid Holdings Limited. Mr. Chen Jiajun is the director of Great Splendid Holdings Limited and holds 100% shares thereof. In addition, 20,000,000 Shares were directly held by Elite Mobile Limited which was ultimately wholly-owned by Mr. Chen Jiajun. Therefore, Mr. Chen Jiajun was indirectly interested in 78,283,887 Shares, of which 58,283,887 Shares were held through Great Shine and 20,000,000 Shares were held through Elite Mobile Limited.

2. As at 30 June 2026, the 20,000,000 Shares were directly held by SAI Growth Fund I, LLLP which was ultimately controlled by Mr. Jeffrey Steven Yass.

3. As at 30 June 2026, the total number of issued Shares was 331,930,198.

Save as disclosed above, as at 30 June 2026, so far as the Directors are aware, there are no other persons, other than the Directors and chief executive of the Company, who had interests or short positions in the shares, underlying shares or debentures of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and are required to be recorded in the register required to be kept pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, at no time for the six months ended 30 June 2026 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE CAPITAL AND SHARE OPTIONS

2014 Share Scheme

A share option scheme (the "2014 Share Scheme") for a term of ten (10) years was adopted by the Company and became effective on 23 May 2014 and has expired on 22 May 2024. Upon the expiry of the 2014 Share Scheme, no further share options can be granted thereunder, but its provisions shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted thereunder prior to its expiry which remain outstanding, and the exercise of such share options shall be subject to and in accordance with the terms on which they were granted, the provisions of the 2014 Share Scheme and the Listing Rules.

2025 Share Scheme

A new share option scheme (the "2025 Share Scheme") for a term of ten (10) years took effect on 6 June 2025 after an ordinary resolution to approve among others, the adoption of the same has been passed by the Shareholders at the annual general meeting of the Company held on the same day.

The number of options available for grant under the scheme mandate of the 2014 Share Scheme/the 2025 Share Scheme at the beginning and the end of the Reporting Period was 27,752,519 and 27,752,519, respectively. As at 31 December 2025, there were 27,048,584 share options outstanding under the 2014 Share Scheme/the 2025 Share Scheme. During the Reporting Period, no share options were granted under the 2025 Share Scheme, 5,848,584 share options were expired, and no share options were forfeited/cancelled. At the end of the Reporting Period, the Company had 8,000,000 share options outstanding under the 2014 Share Scheme, and 13,200,000 share options under the 2025 Share Scheme. The exercise in full of the outstanding share options would result in the issue of 21,200,000 additional Shares.

SHARE OPTION SCHEME

Details of movements of share options granted to the Directors, senior management and employees of the Company during the six months ended 30 June 2026 are as follows:

Name or category of participant	Number of share options						Date of grant of share options	Exercise period of share options	Exercise price of share options	Adjusted exercise price per Share	Closing price of the Company's listed shares immediately before the grant date of options	Weighted average closing price of the Company's listed shares for the five business days immediately preceding the date of grant	Adjusted exercise price per Consolidated Share
	As at 1 January 2026	Granted during the period	Exercised during the period	Expired/ lapsed during the period	Forfeited/ cancelled during the period	As at 30 June 2026			HK$ per Share	HK$ per Share	HK$ per Share	HK$ per Share	HK$ per Share
							(Note 1)		*(Note 6)*	*(Note 7)*			*(Note 4)*
Employees													
In aggregate – granted on 8 April 2021	5,576,526	–	–	5,576,526	–	–	8 April 2021	9 April 2022 to 8 April 2026 *(Note 2)*	0.510	0.4686	0.490	0.473	18.744
In aggregate – granted on 27 December 2023	8,000,000	–	–	–	–	8,000,000	27 December 2023	28 December 2024 to 27 June 2027 *(Note 3)*	0.075	N/A	0.059	0.056	3.000
In aggregate – granted on 15 September 2025	13,200,000	–	–	–	–	13,200,000	15 September 2025	16 September 2026 to 15 April 2028 *(Note 5)*	1.500	N/A	1.240	1.272	N/A
Subtotal	26,776,526	–	–	5,576,526	–	21,200,000							

SHARE OPTION SCHEME (continued)

Name or category of participant	Number of share options: As at 1 January 2026	Granted during the period	Exercised during the period	Expired/ lapsed during the period	Forfeited/ cancelled during the period	As at 30 June 2026	Date of grant of share options (Note 1)	Exercise period of share options	Exercise price of share options HK$ per Share (Note 6)	Adjusted exercise price per Share HK$ per Share (Note 7)	Closing price of the Company's listed shares immediately before the grant date of options HK$ per Share	Weighted average closing price of the Company's listed shares for the five business days immediately preceding the date of grant HK$ per Share	Adjusted exercise price per Consolidated Share HK$ per Share (Note 4)
Granted on 8 April 2021													
Mr. Xu Yibo	163,235	–	–	163,235	–	–	8 April 2021	9 April 2022 to 8 April 2026 *(Note 2)*	0.510	0.4686	0.490	0.473	18.744
Mr. Ma Fei	108,823	–	–	108,823	–	–	8 April 2021	9 April 2022 to 8 April 2026 *(Note 2)*	0.510	0.4686	0.490	0.473	18.744
Subtotal	272,058	–	–	272,058	–	–							
Total	27,048,584	–	–	5,848,584	–	21,200,000							

SHARE OPTION SCHEME (continued)

Notes to the reconciliation of share options outstanding during the Reporting Period:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.

2. For options granted with exercisable date determined based on the grant date of options, the first 25% of the total options can be exercised a year after the grant date, and each 25% of the total options will become exercisable in each subsequent year.

3. For options granted with exercisable date determined based on the grant date of options, the first 25% of the total options can be exercised a year after the grant date, and each 25% of the total options will become exercisable in each six months thereafter.

4. Pursuant to an ordinary resolution of every forty (40) issued and unissued shares of HK$0.01 each in share capital of the Company be consolidated into one Consolidated Share of HK$0.4 each (the "Share Consolidation") passed by the shareholders of the Company at an annual general meeting on 6 June 2025 and became effective on 10 June 2025, adjustments have been made to the share options. On 10 June 2025, the 553,943,382 outstanding share options under the 2014 Share Scheme entitling holders to subscribe for 553,943,382 Existing Shares have been adjusted to 13,848,585 Consolidated Shares and the exercise price per Consolidated Share was also adjusted due to the Share Consolidation.

5. For options granted with exercisable date determined based on the grant date of options and performance target, the first 50% of the total options can be exercised a year after the grant date upon achieving the corresponding performance targets, and the remaining 50% of the total options can be exercised one and a half years after the grant date upon achieving the corresponding performance targets.

6. The exercise price of a share option is the amount that the employee is required to pay to obtain each share under the option.

7. The adjusted exercise price of a share option is the amount that the employee is required to pay to obtain each share under the option adjusted due to the completion of the rights issue on 28 June 2021.

8. The number of shares that may be issued in respect of options and awards granted under all schemes of the issuer during the Reporting Period divided by the weighted average number of shares of in issue for the Reporting Period is 6.39%.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Good corporate governance is conducive to enhancing overall performance and accountability and is essential in modern corporate governance. The board of the Company (the "Board") continuously observes the principles of good corporate governance in the interests of shareholders and devotes considerable effort identifying and formalizing the best practice. During the Reporting Period, the Company had reviewed its corporate governance documents and the Board is of the view that the Company had fully complied with the code provisions of the Corporate Governance Code (the "Code") set out in Appendix C1 to the Listing Rules, save for the following deviation:

Under Code Provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separated 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 report 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
Chairman

Hong Kong, 28 August 2026

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
COOLPAD GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 25 to 52 which comprises the condensed consolidated statement of financial position of Coolpad Group Limited ("the Company") and its subsidiaries ("the Group") as at 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flow for the six-month period then ended, and notes to the interim financial information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

EMPHASIS OF MATTER

We draw attention to note 2.1 to the condensed consolidated financial statements which mentions that the Group incurred a loss of HK$56,727,000 for the six months ended 30 June 2026 and as at 30 June 2026 the Group had net current liabilities of HK$743,765,000. As stated in note 2.1, these events or conditions, along with other matters as set forth in note 2.1, indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Li Shun Fai
Engagement Director
Practising Certificate Number P05498
Hong Kong, 28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	**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

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	**2026** **HK$'000** **(Unaudited)**	2025 HK$'000 (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	9	**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	16	**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	10	**14,712**	7,519
Prepayments, deposits and other receivables		**68,959**	73,640
Financial assets at fair value through profit or loss	16	**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	11	**66,314**	47,278
Other payables and accruals		**803,161**	782,711
Interest-bearing bank and other borrowings	13	**47,301**	33,267
Lease liabilities		**764**	749
Amounts due to associates	15	**31,267**	30,053
Amounts due to related parties	15	**45,678**	37,473
Tax payable		**107,816**	104,865
Total current liabilities		**1,102,301**	1,036,396
Net current liabilities		**(743,765)**	(690,200)
Total assets less current liabilities		**3,262,831**	3,199,595

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 liabilities			
Interest-bearing bank and other borrowings	13	**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	12	**33,193**	33,193
Reserves		**1,646,918**	1,652,817
Total equity		**1,680,111**	1,686,010

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Asset revaluation reserve HK$'000	Statutory reserve HK$'000	Share option reserve HK$'000	Share award reserve HK$'000	Capital redemption reserve HK$'000	Other reserve HK$'000	Exchange fluctuation reserve HK$'000	Accumulated losses HK$'000	Total equity HK$'000
At 1 January 2026 (audited)	33,193	3,383,705	390	927,531	201,080	56,003	43,564	13,467	1,570,874	(31,082)	(4,512,715)	1,686,010
Loss for the period (unaudited)	–	–	–	–	–	–	–	–	–	–	(56,727)	(56,727)
Other comprehensive income for the period (unaudited)												
Exchange differences on translation of foreign operations (unaudited)	–	–	–	–	–	–	–	–	–	42,896	–	42,896
Share of other comprehensive income of associates (unaudited)	–	–	–	–	–	–	–	–	–	4,704	–	4,704
Total comprehensive loss for the period (unaudited)	–	–	–	–	–	–	–	–	–	47,600	(56,727)	(9,127)
Equity-settled share option arrangements (unaudited)	–	–	–	–	–	3,228	–	–	–	–	–	3,228
Transfer of share option reserve upon the expiry of vested share option (unaudited)	–	–	–	–	–	(43,240)	–	–	–	–	43,240	–
At 30 June 2026 (unaudited)	33,193	3,383,705	390	927,531	201,080	15,991	43,564	13,467	1,570,874	16,518	(4,526,202)	1,680,111

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Asset revaluation reserve HK$'000	Statutory reserve HK$'000	Share option reserve HK$'000	Share award reserve HK$'000	Capital redemption reserve HK$'000	Other reserve HK$'000	Exchange fluctuation reserve HK$'000	Accumulated losses HK$'000	Total equity HK$'000
At 1 January 2025 (audited)	163,810	3,472,898	390	918,549	201,080	97,356	43,564	3,410	1,570,874	(114,193)	(4,557,805)	1,799,933
Loss for the period (unaudited)	–	–	–	–	–	–	–	–	–	–	(80,298)	(80,298)
Other comprehensive income for the period (unaudited)												
Exchange differences on translation of foreign operations (unaudited)	–	–	–	–	–	–	–	–	–	51,810	–	51,810
Reserve released upon disposal of subsidiaries (unaudited)	–	–	–	–	–	–	–	–	–	(1,780)	–	(1,780)
Share of other comprehensive income of associates (unaudited)	–	–	–	–	–	–	–	–	–	3,402	–	3,402
Total comprehensive loss for the period (unaudited)	–	–	–	–	–	–	–	–	–	53,432	(80,298)	(26,866)
Equity-settled share option arrangements (unaudited)	–	–	–	–	–	1,950	–	–	–	–	–	1,950
Shares repurchased (unaudited) *(note 12)*	(2,022)	(2,024)	–	–	–	–	–	–	–	–	–	(4,046)
At 30 June 2025 (unaudited)	161,788	3,470,874	390	918,549	201,080	99,306	43,564	3,410	1,570,874	(60,761)	(4,638,103)	1,770,971

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash flows generated from operating activities	**16,462**	32,593
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for items of property, plant and equipment and investment properties	**(20,787)**	(3,465)
Cash transferred to pledged deposits	**(3)**	(2,637)
Net cash outflow from disposal of subsidiaries	**–**	(724)
Additional investment in an associate	**(20)**	(19)
Proceeds from disposal of items of property, plant and equipment	**994**	2,573
Interest received	**559**	29
Purchase of financial assets at fair value through profit or loss	**(47,621)**	–
Proceeds from disposal of financial asset at fair value through profit or loss	**46,020**	–
Net cash flows used in investing activities	**(20,858)**	(4,243)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(22,977)**	(23,934)
Repayment of bank and other borrowings	**(7,977)**	(8,595)
Payments for repurchase of shares	**–**	(4,046)
New bank and other borrowings	**28,489**	23,579
Repayment of lease liabilities (including principal portion)	**(395)**	–
Net cash flows used in financing activities	**(2,860)**	(12,996)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(7,256)**	15,354
Cash and cash equivalents at beginning of period	**244,392**	65,145
Effect of foreign exchange rate changes, net	**2,619**	1,840
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**239,755**	82,339
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**239,755**	82,339

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

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.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.1 Basis of Preparation (continued)

Going concern basis (continued)

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

(i) Existing unutilised loan facility of RMB500 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 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

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.

2.3 HKFRS Accounting Standards Issued but not yet Effective

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

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

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has three (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)

3 OPERATING SEGMENT INFORMATION (continued)

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)

3 OPERATING SEGMENT INFORMATION (continued)

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 HK$'000 (Unaudited)	31 December 2025 HK$'000 (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

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

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

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

Other income and other gains or losses, net

	Six months ended 30 June	
	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 (as defined in note 12) and Share Repurchase (as defined in note 12). The details of which are set out in note 12.

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 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at a cost of HK$9,000 (six months ended 30 June 2025: HK$24,731,000).

Property, plant and equipment with a net book value of HK$377,000 were disposed of by the Group during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$26,000), resulting in a net gain on disposal of HK$725,000 (six months ended 30 June 2025: a net gain of HK$2,547,000).

During the six months ended 30 June 2026, no impairment loss (six months ended 30 June 2025: Nil) was recognised for assets carried at historical cost.

10 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 HK$'000 (Unaudited)	31 December 2025 HK$'000 (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

11 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 HK$'000 (Unaudited)	31 December 2025 HK$'000 (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.

12 SHARE CAPITAL

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Authorised:		
2,000,000,000 (31 December 2025: 2,000,000,000) ordinary shares of HK$0.1 each (31 December 2025: HK$0.1 each)	**200,000**	200,000
Issued and fully paid:		
331,930,198 (31 December 2025: 331,930,198) ordinary shares of HK$0.1 each (31 December 2025: HK$0.1 each)	**33,193**	33,193

12 SHARE CAPITAL (continued)

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

	Number of shares in issue	Share capital HK$'000	Share premium account HK$'000	Total HK$'000
At 1 January 2025 (audited)	16,381,007,955	163,810	3,472,898	3,636,708
Share consolidation (audited) *(note (A)(i))*	(15,971,482,757)	–	–	–
Capital reduction (audited) *(note (A)(ii))*	–	(120,560)	–	(120,560)
Share repurchased and cancelled (audited) *(note B)*	(77,595,000)	(10,057)	(89,193)	(99,250)
At 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	331,930,198	33,193	3,383,705	3,416,898

Notes:

(A) On 23 April 2025, the Company proposed a capital reorganisation ("Capital Reorganisation") to be implemented in the following manner:

(i) the share consolidation whereby every forty issued and unissued existing shares of par value of HK$0.01 each will be consolidated into one consolidated share (the "Consolidated Shares") of par value of HK$0.4 each (the "Share Consolidation");

(ii) immediately following the Share Consolidation becoming effective, the capital reduction whereby the par value of each issued consolidated share would be reduced from HK$0.4 to HK$0.1 by cancelling the paid-up capital to the extent of HK$0.3 on each issued consolidated share, and cancelling any fractional consolidated share in the issued share capital of the Company arising from the Share Consolidation (the "Capital Reduction"); and

(iii) immediately following the Share Consolidation and Capital Reduction becoming effective, the sub-division, whereby each authorised but unissued consolidated shares be subdivided into four (4) new shares of par value of HK$0.1 each (the "Sub-division").

12 SHARE CAPITAL (continued)

Notes: (continued)

(A) (continued)

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

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

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

13 INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Current		
Bank borrowings – secured	**28,842**	33,267
Other borrowings – unsecured and guaranteed	**18,459**	–
	47,301	33,267
Non-current		
Bank borrowings – secured	**1,248,296**	1,192,061
	1,295,597	1,225,328

14 COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Capital contributions payable to certain associates and an unlisted investment measured at fair value	**23,264**	22,360

15 RELATED PARTY TRANSACTIONS

(a) Balances with related parties

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Amounts due to associates *(note (i))*	**31,267**	30,053
Amounts due to other related parties *(note (ii))*	**45,678**	37,473
	76,945	67,526

Notes:

(i) Amounts due to associates represented the deposits and advances payable to associates which arose from in the course of the Group's operation.

(ii) An amount due to Kingkey Property Management Co., Ltd. for the property management service expense, which is unsecured, interest-free and would be settled according to the terms agreed mutually in the normal course of business.

Kingkey Group Company Limited ("Kingkey Group") is an associate of Great Shine Investment Limited, a substantial shareholder of the Company, and therefore a related party of the Group. Kingkey Property Management Co., Ltd. is a subsidiary of Kingkey Group.

15 RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Other related parties:		
Management service expense *(note (i))*	**10,720**	12,351

Note:

(i) The management service expense incurred during the periods represents the property management service provided by Shenzhen Kingkey Property Management Co., Ltd and Dongguan Kingkey Property Management Company Limited. Both Companies are ultimate controlled by Mr. Chen Hua, who is an immediate family member of a substantial shareholder of the Company. The management service fees were made according to the prevailing market rates charged by independent third parties offering comparable management services for properties of comparable scale and grade in the vicinity.

The above transactions with related parties were made based on mutually agreed terms.

The related party transactions above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(c) Compensation of key management personnel of the Group

Compensation of the other key management personnel (except for directors) of the Group is set out below:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	**1,567**	1,769
Pension scheme contributions	**196**	253
Total compensation paid to other key management personnel	**1,763**	2,022

16 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value measurement

The Group measures its investment properties, certain buildings included in property, plant and equipment and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The valuation process and results are discussed with the chief financial officer twice a year for interim and annual financial reporting.

16 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000 (Unaudited)	Significant observable inputs (Level 2) HK$'000 (Unaudited)	Significant unobservable inputs (Level 3) HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Financial assets at fair value through profit or loss	2,262	–	30,316	32,578

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000 (Audited)	Significant observable inputs (Level 2) HK$'000 (Audited)	Significant unobservable inputs (Level 3) HK$'000 (Audited)	Total HK$'000 (Audited)
Financial assets at fair value through profit or loss	–	–	21,914	21,914

16 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value (continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
At 1 January	**21,914**	16,655
Addition	**7,684**	4,828
Total gains or losses recognised in profit or loss#	**–**	(1,794)
Exchange realignment	**718**	452
At 30 June	**30,316**	20,141
# Include gains or losses for assets held at end of reporting period	**–**	(1,794)

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in other income and gains in the statement of profit or loss and other comprehensive income.

16 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2026 and 31 December 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/S multiple of peers	1.0% to -1.0% (31 December 2025: 1.0% to -1.0%)	1% (31 December 2025: 1%) increase/decrease in multiple would result in increase/decrease in fair value by approximately HK$29,000 (31 December 2025: HK$28,000)
		Discount for lack of marketability	1.2% to -1.2% (31 December 2025: 1.2% to -1.2%)	1% (31 December 2025: 1%) increase/decrease in multiple would result in decrease/increase in fair value by approximately HK$43,000 (31 December 2025: HK$41,000)
	Asset-based approach	Net assets	*Note*	*Note*

Note: The fair values of unlisted equity investments are determined with reference to its net asset value. Accordingly, no sensitivity analysis was prepared.

17 EVENTS AFTER THE REPORTING PERIOD

Pursuant to the Company's announcement dated 17 July 2026, the Company announced a proposed placing of up to 66,000,000 new shares under the general mandate at a placing price of HK$0.53 per placing share. The condition of the placing was subsequently fulfilled, and the completion of the placing took place on 10 August 2026. An aggregate of 66,000,000 placing shares were successfully placed by the placing agent to not less than six placees, who, along with their respective ultimate beneficial owners, are independent third parties.

Save as disclosed above, the Group had no other significant event after the reporting period.

18 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.