

coolpad 酷派

2025 INTERIM REPORT



COOLPAD GROUP LIMITED
酷派集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2369)

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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 (“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 the 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.

CORPORATE INFORMATION

REGISTERED OFFICE

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Hutchins Drive
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KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Nanshan District
Shenzhen

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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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

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Registered Public Interest Entity Auditor
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LEGAL ADVISERS TO THE COMPANY AS TO CAYMAN ISLANDS LAW

Conyers Dill & Pearman
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586, Gardenia Court
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Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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183 Queen's Road East
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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 2025 (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		
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)	Change (%)
Revenue	174,636	252,328	-30.8
Loss before tax	(79,586)	(90,579)	-12.1
Net loss attributable to owners of the Company	(80,298)	(90,221)	-11.0
Basic and diluted loss per share	(HK19.63 cents)	(HK22.03 cents)	-10.9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Non-current assets	4,003,286	3,969,875
Current assets	408,949	445,871
Non-current liabilities	1,539,783	1,512,446
Current liabilities	1,101,481	1,103,367
Net assets	1,770,971	1,799,933
Cash and cash equivalents	82,339	65,145

MANAGEMENT DISCUSSION AND ANALYSIS

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	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
REVENUE		
Sale of smart phones and devices	82,200	155,086
Wireless application service income	6,024	12,551
Revenue from cryptocurrencies business	52,020	41,244
Gross rental income	34,392	43,447
Total revenue	174,636	252,328
Cost of sales	(147,576)	(198,807)
Gross profit	27,060	53,521
Other income and gains	57,087	38,851
Selling and distribution expenses	(6,518)	(14,696)
Administrative and other expenses	(133,926)	(149,213)
Finance costs	(23,660)	(16,428)
Share of profits/(losses) of associates	371	(2,614)
Loss before tax	(79,586)	(90,579)
Income tax (expense)/credit	(712)	358
Loss for the period	(80,298)	(90,221)
		(Restated)
Basic and diluted for the period	(HK19.63 cents)	(HK22.03 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			
	2025	% of total revenue	2024	% of total revenue
	Revenue HK\$ million (Unaudited)		Revenue HK\$ million (Unaudited)	
Sale of smart phones and devices	82.2	47.1	155.1	61.5
Wireless application service income	6.0	3.4	12.6	5.0
Revenue from cryptocurrencies business	52.0	29.8	41.2	16.3
Revenue from other sources gross rental income	34.4	19.7	43.4	17.2
Total	174.6	100.0	252.3	100.0

The Group's unaudited revenue for the Reporting Period amounted to HK\$174.6 million, representing an decrease of 30.8% as compared with HK\$252.3 million for the six months ended 30 June 2024. This is primarily attributable to the fact that being subject to the intense competition in the smartphone market, to enhance business efficiency, the Company implemented strategic adjustments and voluntarily ceased the operation of certain loss-making and negative gross profit products.

GROSS PROFIT

	Six months ended 30 June			
	2025	Gross profit margin	2024	Gross profit margin
	Gross profit HK\$ million (Unaudited)		Gross profit HK\$ million (Unaudited)	
Total	27.1	15.5%	53.5	21.2%

The Group's overall gross profit for the Reporting Period was HK\$27.1 million, as compared with a gross profit of HK\$53.5 million for the corresponding period in 2024. The overall gross profit of the Group's business decreased mainly due to the fact that by upholding the concept of sustainable development and strengthening relationships with tenants, the Group implemented rental concession measures for certain tenants of properties situated in Shenzhen to enhance cooperation stickiness.

MANAGEMENT DISCUSSION AND ANALYSIS

SELLING AND DISTRIBUTION EXPENSES

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Selling and distribution expenses (HK\$ million)	6.5	14.7
As a percentage of total revenue	3.7%	5.8%

Selling and distribution expenses of the Group decreased by HK\$8.2 million from HK\$14.7 million for the six months ended 30 June 2024 to HK\$6.5 million for the Reporting Period. The selling and distribution expenses as percentage of revenue for the Reporting Period was 3.7%, decreasing by 2.1% compared with 5.8% for the corresponding period in 2024. The decrease of selling and distribution expenses was primarily due to the fact that the company voluntarily terminated the sales of certain loss-making and negative gross profit products in the smartphone business, resulting in a decrease in selling and distribution expenses.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Administrative and other operating expenses (HK\$ million)	133.9	149.2
As a percentage of total revenue	76.7%	59.1%

Administrative and other operating expenses decreased by HK\$15.3 million to HK\$133.9 million for the Reporting Period from HK\$149.2 million for the corresponding period in 2024. The administrative and other operating expenses as percentage of revenue for the Reporting Period was 76.7%, increasing by 17.6% compared with 59.1% for the corresponding period in 2024. 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 expense was HK\$0.7 million as compared with an income tax credit of HK\$0.4 million for the corresponding period in 2024, which was primarily due to the deferred tax impact resulting from fair value change on investment properties.

NET LOSS BEFORE TAX

For the Reporting Period, the Group recorded a net loss before tax of HK\$79.6 million, compared with the net loss before tax of HK\$90.6 million for the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCE AND CAPITAL STRUCTURE

For the Reporting Period, operating capital was mainly generated from cash 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 55% as at 30 June 2025 (31 December 2024: 54%).

Cash and cash equivalents of the Group as at 30 June 2025 amounted to HK\$82.34 million, while it was HK\$65.15 million as at 31 December 2024.

As at 30 June 2025, the Group had total debts (i.e. total borrowings) of approximately HK\$1,233.49 million, which were all denominated in Renminbi ("RMB"). HK\$40.50 million of the Group's borrowings are due in 2026 with a rate of 2.7% to 6.0% per annum and HK\$1,192.99 million of the Group's borrowings are due in 2038 to 2039 with a rate of 2.7% to 5.15% per annum.

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 (40) issued and unissued existing shares of par value of HK\$0.01 each will be consolidated into one (1) consolidated share (the "Consolidated Shares") of par value of HK\$0.4 each ("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 ("Capital Reduction");
- (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 ("Sub-division"); and
- (iv) the credit arising from the Capital Reduction would be applied towards offsetting the accumulated losses. The balance of the credit (if any) after offsetting the accumulated losses would be transferred to a distributable reserve account of the Company which may be applied by the Company.

The proposed Share Consolidation was passed and approved as an ordinary resolution and the proposed Capital Reduction and Share Sub-division was passed and approved as a special resolution by the shareholders of the Company (the "Shareholders") 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 (the "Circular") and the poll results announcement of the Company dated 6 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCE AND CAPITAL STRUCTURE (continued)

As at the date of this report, the Capital Reduction and Share Sub-division are still conditional upon the satisfaction of certain conditions as set out in the Circular. As the hearing of the petition for confirmation of the Capital Reduction has been scheduled on Friday, 19 September 2025 (Cayman Islands time) at the Grand Court of the Cayman Islands, the expected effective date of the Capital Reduction and the Share Sub-Division has been updated to 9:00 a.m. on Wednesday, 24 September 2025. For the revised expected timetable, please refer to announcement of the Company dated 21 August 2025.

As at 30 June 2025, the Company had 404,470,198 ordinary shares of par value HK\$0.4 each in issue ("Shares").

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

INVENTORY

For the Reporting Period, the Group's inventory turnover days were 26.66 days (year ended 31 December 2024: 50.15 days).

TRADE RECEIVABLES

The trade receivables turnover days were 57.57 days for the Reporting Period (year ended 31 December 2024: 62.29 days).

TRADE PAYABLES

The trade payables turnover days were 146.62 days for the Reporting Period (year ended 31 December 2024: 120.14 days).

PLEDGE OF ASSETS

As at 30 June 2025, the Group's time deposits of approximately HK\$54.72 million were used as a performance guarantee and a letter of credit (31 December 2024: HK\$53.21 million).

As at 30 June 2025, the Group's bank borrowings are:

- (i) secured by certain property, plant and equipment, investment properties and right-of-use assets of the Group with a carrying value of HK\$152,836,000 (31 December 2024: HK\$155,170,000), HK\$3,239,396,000 (31 December 2024: HK\$3,151,325,000) and HK\$9,279,000 (31 December 2024: HK\$9,194,000);
- (ii) secured by 75% shareholding interests of Dongguan Yulong Telecommunication Tech Co., Ltd (31 December 2024: 75%);

MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS (continued)

- (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 2025 is HK\$1,799,000 (31 December 2024: HK\$7,587,000); 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\$174.6 million, representing an decrease of 30.8% as compared with HK\$252.3 million for the six months ended 30 June 2024. This is primarily attributable to the fact that being subject to the intense competition in the smartphone market, to enhance business efficiency, the Company implemented strategic adjustments and voluntarily ceased the operation of certain loss-making and negative gross profit products. The Group's overall gross profit for the Reporting Period was HK\$27.1 million, as compared with a gross profit of HK\$53.5 million for the corresponding period in 2024. The overall gross profit of the Group's business decreased mainly due to the fact that by upholding the concept of sustainable development and strengthening relationships with tenants, the Group implemented rental concession measures for certain tenants of properties situated in Shenzhen to enhance cooperation stickiness.

Selling and distribution expenses of the Group decreased by HK\$8.2 million from HK\$14.7 million for the six months ended 30 June 2024 to HK\$6.5 million for the Reporting Period. The decrease of selling and distribution expenses was primarily due to the fact that the company voluntarily terminated the sales of certain loss-making and negative gross profit products in the smartphone business, resulting in a decrease in selling and distribution expenses. Administrative and other operating expenses decreased by HK\$15.3 million to HK\$133.9 million for the Reporting Period from HK\$149.2 million for the corresponding period in 2024. 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\$79.6 million, compared with the net loss before tax of HK\$90.6 million for the six months ended 30 June 2024.

BUSINESS REVIEW

According to data of International Data Corporation, the global smartphone market showed a tendency of "slow but steady growth" in the first half of 2025, with shipments slightly rising with inadequate growth momentum and obvious regional differentiation.

In the first half of 2025, the Group carried out strategic adjustments in the domestic market, terminating the operation of several loss-making and negative-gross-profit products, and focusing on the presence of the operator channels. Meanwhile, in the feature phone segment, the Group continued to maintain its industry-leading position with its technologies and market experience accumulated over the years, enabling it to provide consumers with products with high cost performance and excellent experience.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (continued)

In the first half of 2025, the Group continued to expand the diversification of its ecological products, and introduced new products such as Bluetooth glasses and wireless portable WiFi, further enriching the smart ecological system. Currently, it has developed over ten kinds of products covering a wide variety of areas, such as cloud tablets, mobile phone accessories, smart wearable devices (e.g., smart watches and kid watches), smart healthcare products (e.g., smart blood pressure monitor), smart security (e.g., CCTV), smart earphones (e.g., TWS earphones), in-vehicle equipment, smart dictionary pens, intercoms and network terminal equipment (e.g., mobile WiFi, 5G CPE and wireless portable WiFi) and Bluetooth glasses. The Group has been actively deepening the development and innovation of the ecological chain and industry products to provide consumers with a more diverse smart product matrix.

In February 2025, the Group continued to promote the in-depth integration of COOLOS ecosystem and AI. The system was originally equipped with DeepSeek. This deep integration not only enhanced the intelligence level and user experience of the products, but also strengthened the Group's technological advancement and market competitiveness. Through the technological integration, the Group can accelerate the popularization of AI scenario-based applications, lower the technical threshold, promote the rapid development of AI mobile phones and the AIoT ecosystem, and provide users with access to more efficient and intelligent technological life. In June 2025, the Group reached a strategic cooperation agreement with the domestic top AI/AR glasses manufacturers, aiming to conduct in-depth cooperation in areas such as in-depth joint technical research, joint expansion of sales channels, and brand strategic linkage, in order to jointly create the new-generation smart terminal products and collaborative ecosystem.

In overseas markets, the Group maintained a stable development trend in the first half of 2025. It focused on high-growth global markets, with products covering mid-to-low price segments, and further explored customized demand markets based on its own brands. In terms of the channel strategy, we accelerated the presence of cross-border e-commerce distribution business, and realized online and offline integrated development with offline agents as the core channels. As of 30 June 2025, the Group successfully accessed more than 20 countries and regions such as the Middle East, Africa, Eastern Europe, Asia and Latin America. The Group also established stable cooperation in its distribution with top cross-border e-commerce platforms such as SHEIN, TikTok Shop and AliExpress, maintaining a stable market expansion trend.

Currently, the Group's R&D strategy focuses on two core directions: firstly, it is committed to the comprehensive promotion of deep adaptation and optimization of the COOLOS UI system for overseas models. Through localized interface design, multilingual support, and regional feature optimization, it ensures a smooth user experience and brand consistency in the international market. Secondly, it accelerates the pre-research and development of the smart Bluetooth audio glasses, and conducts hardware architecture design, audio performance debugging, and scenario-based functional verification based on the team's technical accumulation in low-power Bluetooth protocols, audio algorithms, and intelligent interaction fields, which deeply optimizes the integration of AI engines, and lays the foundation for innovative technologies for the next-generation wearable devices. These two plans are carried out simultaneously, aiming to strengthen the Group's global technology ecosystem and differentiated product competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (continued)

In terms of real estate property, as of 30 June 2025, the major properties owned by the Group included Coolpad Information Harbor in Shenzhen and Coolpad Technology Ecological Park* (酷派科技生態園) in Dongguan Songshan Lake. The main structures of Coolpad Information Harbor Phases II and III Projects were topped out, with the internal installation and curtain wall engineering under construction. As for the leasing business, Shenzhen Coolpad Information Harbor Phase I (Coolpad Building) and Coolpad Technology Ecological Park* (酷派科技生態園) in Dongguan Songshan Lake have been put into operation, generating stable income. Despite the current pressure on the leasing market, the Group's occupancy rate of the properties remains stable.

For the digital currency sector, since the second half of 2023, the Group has been actively pursuing business opportunities in Web 3.0 with smartphones and mobile internet in overseas markets to enter into the digital currency sector. In 2024, in light of the atmosphere, market trend and prospects of blockchain technology and cryptocurrency, the Group continued to increase its investment in the digital currency sector. Furthermore, the Group invested in and held securities that were listed in the United States and related to the crypto asset industry.

To strengthen its presence in the digital currency sector and achieve vertical integration, the Group planned to conduct an upstream acquisition at the beginning of 2025. Mainly engaged in cryptocurrency mining and depository services, the target company offers high-efficiency power supply, security optimization facilities, and data center services, with competitive advantages in energy efficiency, security, reliability, and scalability. Due to some uncertainties in the project due diligence and other reasons, this upstream acquisition was ultimately not carried out. The Group is actively communicating with potential partners to discuss possible subsequent cooperation plans for this project and explore cooperation opportunities for other projects.

BUSINESS OUTLOOK

In the domestic market, the Group will comprehensively implement multi-dimensional business expansion plans according to the "AI + 5G" technology integration development strategy. On one hand, it will deepen strategic cooperation with communication operators, and promote the deep integration of smart terminal products and communication services based on the channel resources and user bases. On the other hand, it will actively expand e-commerce channel resources, build a comprehensive marketing network covering all the online and offline channels, and enhance brand exposure and market penetration.

Meanwhile, the Group will systematically optimize and upgrade the existing product matrix, in order to continuously enrich product functions and user experience. By introducing more eco-partners, the Group will expand the boundary of product categories, and build a complete smart terminal ecosystem. Based on the rapid growth of the smart glasses market in recent years, the Group plans to create smart wearable products with high cost performance and excellent user experience by fully leveraging its technological accumulation in low-power Bluetooth connection technology, self-adjusting audio algorithms, and scenario-based intelligent interaction functions, combining its rich local operation experience in the mobile phone market, and deeply integrating AI large models. By continuously optimizing the hardware performance and software services, it aims to meet the demands of customers in different markets for convenience, intelligence and practicality. In addition, the Group will also simultaneously promote the strategic development of the brand licensing business, leverage the brand influence to achieve coordinated development in multiple fields and comprehensively enhance market competitiveness and brand value.

* for identification purposes only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK (continued)

In respect of overseas business, the Group will seize the development opportunities in emerging markets, and continuously expand in potential regions such as Southeast Asia, India, the Middle East and Latin America centered on localized strategies and driven by technological innovation. The Group will continue to optimize the presence of overseas business, accelerate the product iteration and diversified development, and gradually expand its business focus from smartphone business to smart tablets, smart watches and other smart device businesses, in order to build a more complete smart ecosystem. In terms of overseas market development, the Group focuses on the in-depth presence of e-commerce platforms and local channel partners following the market strategy integrating diversification and flexibility, and actively seeks collaborative promotion models with regional operators, in order to achieve rapid enhancement of brand influence. Through the dual-drive mechanism of technological innovation and market application, it aims to accelerate the effective transformation of technological achievements into market competitiveness, thereby injecting new growth momentum into the Group's global strategy expansion. At the same time, the Group will implement a "Brand + ODM" dual-track operation model, continuously strengthen the development of its own brands, and further expand the width and depth of the emerging markets on the above basis in an accurate response to the personalized demands of international customers. For the core target market, the Group will increase investment in brand marketing resources, realize a virtuous cycle with mutual promotion between brand dissemination and market transformation based on accurate traffic operation and an integrated marketing system, comprehensively enhance the global brand influence and market share, and contribute to the achievement of high-quality and sustainable development goals.

In terms of real estate property leasing, the Group will attract new customers through innovative development strategies and diversified channels. The Group will continuously enhance the quality of our existing properties, strengthen asset operation capabilities, and ensure the sustainability and stability of rental income. Meanwhile, the Group will establish a dynamic rental pricing mechanism, and flexibly adjust rental strategies in response to market changes to enhance the market competitiveness of the properties, maximize the asset value, and maintain our leading position in the industry.

The Group will actively explore the possibility of real-world asset tokenization (RWA). As at the date of this report, the Company has established the "Real World Asset Tokenization Division", aiming to more systematically adapt to the technological reform of Web 3.0, actively respond to the innovative directions advocated in the Hong Kong Special Administrative Region Government's "Digital Assets Development Policy Declaration 2.0", and coordinate and promote key works such as RWA. For further details, please refer to the Company's announcements on 21 July and 14 August 2025.

In terms of digital currency, the Group will continue to monitor changes in various factors such as global energy, policy, and legal environment to assess risks related to market trend changes in investment regions. At the same time, the Group will also continue to seek potential upstream and downstream investment opportunities, expand its business scope, and enhance its competitiveness in the cryptocurrency industry.

Looking forward, the Group will adopt more practical and precise strategies to address current challenges, and seize transformation opportunities while controlling operational risks. The Group will focus on the commercialization of technological innovations and gradually improve profitability by optimizing resource allocation and enhancing operational efficiency. In the process of pursuing sustainable business development, the Group will not only focus on improving the short-term operational quality, but also persist in long-term technological investment in order to lay the foundation for future value growth, and ultimately achieve the healthy development of the enterprise and the return of shareholder value.

MANAGEMENT DISCUSSION AND ANALYSIS

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\$42.7 million (six months ended 30 June 2024: HK\$53.6 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 2025, the Group had 134 employees (including the Directors) (31 December 2024: 225 employees (including the Directors)).

SIGNIFICANT INVESTMENTS

As at 30 June 2025, 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

At the annual general meeting of the Company held on 6 June 2025 (the "AGM"), the grant of the Repurchase Mandate (the "Repurchase Mandate") was approved by the Shareholders to the Directors to exercise the powers of the Company to repurchase shares up to a maximum of 10% of the number of Shares in issue as at the date of the AGM, which up to a maximum of 1,638,100,795 Shares can be repurchased under the Repurchase Mandate.

Share consolidation of every 40 issued and unissued existing shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into 1 Consolidated Share of par value of HK\$0.4 each, details of which are set out in the circular of the Company dated 14 May 2025 and announcement dated 23 April 2025. The Share Consolidation was approved by Shareholders by way of an ordinary resolution at AGM and become effective on 10 June 2025. After Share Consolidation, up to a maximum of 40,952,519 Consolidated Shares can be repurchased under the Repurchase Mandate.

MANAGEMENT DISCUSSION AND ANALYSIS

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

(continued)

During the Reporting Period, the Company by using its internal financial resources, repurchased 5,055,000 Consolidated Shares in total on the Stock Exchange for an aggregate consideration of approximately HK\$4.05 million before expenses (the “Share Repurchase”). The Board considered that the trading price of the Shares did not reflect their intrinsic value. The Shares repurchase also reflects the confidence of the Board in the prospects of the Company. The repurchased shares were subsequently cancelled on 27 June 2025. Details of shares purchase are as follows:

Month of purchase in the six months ended 30 June 2025	No. of Consolidated Shares purchased	Purchase consideration per share		Aggregate consideration paid HK\$
		Highest price paid HK\$	Lowest price paid HK\$	
June	5,055,000	0.85	0.74	4,046,804
Total	5,055,000			4,046,804

Save as disclosed above, 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 2025, 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 a general guide in monitoring information disclosure and responding to enquiries. Further, control procedures have been implemented to ensure that the unauthorized access and use of inside information is strictly prohibited.

MANAGEMENT DISCUSSION AND ANALYSIS

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

EGM to Approve Disposal Mandate in relation to Possible Disposal of Shares in CleanSpark, Inc.

On 22 May 2025, the Company announced its proposal to seek shareholders’ approval for possible disposal of up to 1,625,000 shares of US\$0.001 in the share capital of CleanSpark, Inc. (“CLSK Shares”) from time to time during the mandate period (the “Disposals”). The minimum selling price of the Disposals shall be not less than the higher of (i) US\$14.50 per CLSK Share and (ii) the average market price of CLSK Shares for the three months immediately preceding the relevant trading date. For further details, please refer to the announcement of the Company dated 22 May 2025 and the circular of the Company dated 22 August 2025.

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 2025, 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

Mr. Ng Wai Hung retired and resigned as a non-executive Director with effect from 7 June 2025.

Ms. Liu Juan (“Ms. Liu”) resigned as an executive Director with effect from 29 August 2025.

Save as disclosed above, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2025, 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 Consolidated Shares

Name of director	Notes	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 2025
Mr. CHEN Jiajun	1	–	–	78,283,887	–	–	–	78,283,887	19.35
Mr. MA Fei	2	–	–	–	–	–	108,823	108,823	0.03
Ms. LIU Juan	3	2,500	–	–	–	–	–	2,500	–
Mr. XU Yibo	2	112,500	–	–	–	–	163,235	275,735	0.07
Mr. LIANG Rui		–	–	–	–	–	–	–	–
Mr. GUO Jinghui		–	–	–	–	–	–	–	–
Mr. CHEUK Ho Kan		–	–	–	–	–	–	–	–
Ms. WANG Guan		–	–	–	–	–	–	–	–

Notes:

- As at 30 June 2025, 58,283,887 Consolidated 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 Consolidated 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 Consolidated Shares, of which 58,283,887 Consolidated Shares were held through Great Shine and 20,000,000 Consolidated Shares were held through Elite Mobile Limited.
- The interests of these Directors are in the underlying shares of the options granted to the relevant Directors by the Company under the share option scheme adopted by the Company on 23 May 2014.
- Ms. Liu resigned as an executive Director with effect from 29 August 2025.
- As at 30 June 2025, the total number of issued Consolidated Shares was 404,470,198.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2025, 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 Consolidated Shares

Name	Notes	Number of Consolidated Shares interested	Nature of interest	Total number Consolidated of Shares interested	Approximate % of issued share capital as at 30 June 2025
Mr. CHEN Jiajun	1	78,283,887	Interest of controlled corporation	78,283,887	19.35
Mr. Jeffrey Steven YASS	2	26,667,000	Interest of controlled corporation	26,667,000	6.59
Mr. LIN Weihao	3	28,632,300	Interest of controlled corporation	28,632,300	7.08
Mr. LIU Feng	4	23,006,500 12,500,000	Interest of controlled corporation Beneficial owner	35,506,500	8.78
Great Shine Investment Limited	1	58,283,887	Beneficial owner	58,283,887	14.41
Elite Mobile Limited	1	20,000,000	Beneficial owner	20,000,000	4.94
SAI Growth Fund I, LLLP	2 2	20,000,000 6,667,000	Beneficial owner Derivative interest of warrants	26,667,000	6.59
Saints Aura Investment Holdings Limited	3	28,632,300	Beneficial owner	28,632,300	7.08
YH Fund SPC – YH01 SP I	4	23,006,500	Beneficial owner	23,006,500	5.69

MANAGEMENT DISCUSSION AND ANALYSIS

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

Long positions in Consolidated Shares (continued)

Notes:

1. As at 30 June 2025, the 58,283,887 Consolidated 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 Consolidated 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 Consolidated Shares, of which 58,283,887 Consolidated Shares were held through Great Shine and 20,000,000 Consolidated Shares were held through Elite Mobile Limited.
2. As at 30 June 2025, the 20,000,000 Consolidated Shares were directly held by SAI Growth Fund I, LLLP which was ultimately controlled by Mr. Jeffrey Steven Yass. The 6,667,000 warrants were directly held by SAI Growth Fund I, LLLP which was ultimately controlled by Mr. Jeffrey Steven Yass. The warrants conferring the rights to subscribe for a maximum number of 6,667,000 Shares. Therefore, Mr. Jeffrey Steven Yass was indirectly interested in 26,667,000 Shares.
3. As at 30 June 2025, the 28,632,300 Consolidated Shares were directly held by Saints Aura Investment Holdings Limited which was ultimately controlled by Mr. Lin Weihao.
4. As at 30 June 2025: (i) 23,006,500 Consolidated Shares were directly held by YH Fund SPC – YH01 SP I, which was ultimately controlled by Mr. Liu Feng; and (ii) 12,500,000 Consolidated Shares were directly held Mr. Liu Feng.
5. As at 30 June 2025, the total number of issued Consolidated Shares was 404,470,198.

Save as disclosed above, as at 30 June 2025, 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 2025 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 total number of Shares which may be issued upon exercise of all new share options to be granted under the 2025 Share Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 1,638,100,795 Shares, representing approximately 10% of the Shares in issue as at 6 June 2025.

Following the Share Consolidation, adjustments have been made to the share options as stated in the circular of the Company dated 14 May 2025. On 10 June 2025, (i) 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 (ii) the total number of Shares which may be issued upon exercise of all new share options to be granted under the 2025 Share Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company have been adjusted from 1,638,100,795 Shares to 40,952,519 Consolidated Shares.

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 Nil and 40,952,519, respectively. As at 31 December 2024, there were 557,888,236 share options outstanding under the 2014 Share Scheme. During the Reporting Period, no share options were granted under the 2025 Share Scheme, no share options were expired, and options underlying 3,944,854 shares were forfeited/cancelled before the effective date of Share Consolidation on 6 June 2025. No share options were forfeited/cancelled after the effective date of Share Consolidation on 6 June 2025. At the end of the Reporting Period, the Company had 13,848,584 share options outstanding under the 2014 Share Scheme, and there was no outstanding options under the 2025 Share Scheme. The exercise in full of the outstanding share options would result in the issue of 13,848,584 additional Consolidated 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 2025 are as follows:

Name or category of participant	Number of share options						Exercise period of share options	Exercise price of share options HK\$ per Share (Note 5)	Adjusted exercise price per Share HK\$ (Note 6)	Closing price of the Company's listed shares immediately before the grant date of options HK\$ per Share	The 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)
	As at 1 January 2025	Granted during the period	Exercised during the period	Expired/lapsed during the period	Forfeited/cancelled during the period	As at 10 June 2025 before Share Consolidation						
Employees												
In aggregate – granted on 8 April 2021	227,005,884	-	-	-	3,944,854	223,061,030	5,576,526	5,576,526	0.4986	0.490	0.473	18.744
In aggregate – granted on 27 December 2023	320,000,000	-	-	-	-	320,000,000	8,000,000	8,000,000	N/A	0.059	0.056	3.000
Subtotal	547,005,884	-	-	-	3,944,854	543,061,030	13,576,526	13,576,526				

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTION SCHEME (continued)

Name or category of participant	Number of share options						Exercise period of share options	Exercise price of share options HK\$ (Note 5)	Adjusted exercise price per Share HK\$ (Note 6)	Closing price of the Company's listed shares immediately preceding the date of grant HK\$ per Share (Note 4)	The weighted average closing price of the Company's listed shares for the five business days immediately preceding the date of grant HK\$ per Share (Note 4)
	As at 1 January 2025	Granted during the period	Exercised during the period	Expired/ lapsed during the period	Forfeited/ cancelled during the period	As at 10 June 2025 after Share Consolidation					
						As at 10 June 2025	Date of grant of share options				
						(Note 4)	(Note 1)				
Granted on 8 April 2021											
Mr. Xu Yibo	6,529,412	-	-	-	-	6,529,412	8 April 2021	0.510	0.4666	0.490	0.473
						163,235	9 April 2022 to 8 April 2026 (Note 2)	0.510	0.4666	0.490	18.744
Mr. Ma Fei	4,352,940	-	-	-	-	4,352,940	8 April 2021	0.510	0.4666	0.490	0.473
						108,823	9 April 2022 to 8 April 2026 (Note 2)	0.510	0.4666	0.490	18.744
Subtotal	10,882,352	-	-	-	-	10,882,352					
Total	557,888,236	-	-	-	3,944,854	553,943,382					

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

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- 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.
- 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.
- 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 ("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.
- The exercise price of a share option is the amount that the employee is required to pay to obtain each share under the option.
- 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.
- 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 3.4%.

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 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, 25 August 2025

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 26 to 54 which comprises the condensed consolidated statement of financial position of Coolpad Group Limited (“the Company”) and its subsidiaries (“the Group”) as at 30 June 2025 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\$80,298,000 for the six months ended 30 June 2025 and as at 30 June 2025 the Group had net current liabilities of HK\$692,532,000. 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, 25 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
REVENUE	4	174,636	252,328
Cost of sales		(147,576)	(198,807)
Gross profit		27,060	53,521
Other income and gains	4	57,087	38,851
Selling and distribution expenses		(6,518)	(14,696)
Administrative and other expenses		(133,926)	(149,213)
Finance costs		(23,660)	(16,428)
Share of profits/(losses) of associates		371	(2,614)
LOSS BEFORE TAX	5	(79,586)	(90,579)
Income tax (expense)/credit	6	(712)	358
LOSS FOR THE PERIOD		(80,298)	(90,221)
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		51,810	(41,194)
Cumulative exchange (loss)/gain reclassified to profit or loss on disposal and deregistration of subsidiaries		(1,780)	862
Share of other comprehensive gain/(loss) of associates		3,402	(3,435)
		53,432	(43,767)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(26,866)	(133,988)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company		(80,298)	(90,221)
Total comprehensive loss attributable to Owners of the Company		(26,866)	(133,988)
Loss per share	8		(Restated)
– Basic (HK cent)		(19.63)	(22.03)
– Diluted (HK cent)		(19.63)	(22.03)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	9	478,432	493,611
Investment properties		3,239,396	3,151,325
Right-of-use assets		50,095	49,536
Investments in associates		165,949	161,020
Financial assets at fair value through profit or loss	16	20,141	16,655
Other non-current assets		49,273	97,728
Total non-current assets		4,003,286	3,969,875
Current assets			
Inventories		21,557	58,676
Cryptocurrencies		–	10,618
Trade receivables	10	55,094	85,219
Prepayments, deposits and other receivables		53,625	56,742
Financial assets at fair value through profit or loss	16	140,486	116,260
Pledged deposits		55,848	53,211
Bank balances and cash		82,339	65,145
Total current assets		408,949	445,871
Current liabilities			
Trade payables	11	118,562	140,554
Other payables and accruals		782,595	796,865
Interest-bearing bank and other borrowings	13	40,496	21,284
Amounts due to associates	15	30,266	29,429
Amounts due to related parties	15	27,417	15,125
Tax payable		102,145	100,110
Total current liabilities		1,101,481	1,103,367
Net current liabilities		(692,532)	(657,496)
Total assets less current liabilities		3,310,754	3,312,379

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Non-current liabilities			
Interest-bearing bank and other borrowings	13	1,192,993	1,175,953
Deferred tax liabilities		329,641	319,817
Other non-current liabilities		17,149	16,676
Total non-current liabilities		1,539,783	1,512,446
Net assets		1,770,971	1,799,933
EQUITY			
Share capital	12	161,788	163,810
Reserves		1,609,183	1,636,123
Total equity		1,770,971	1,799,933

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company													
	Share capital	Share premium account	Contributed surplus	Asset revaluation reserve	Statutory reserve	Share option reserve	Share award reserve	Capital redemption reserve	Other reserve	Exchange fluctuation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	-	1,799,933
Loss for the period (unaudited)	-	-	-	-	-	-	-	-	-	-	(80,298)	(80,298)	-	(80,298)
Other comprehensive income for the period (unaudited)	-	-	-	-	-	-	-	-	-	51,810	-	51,810	-	51,810
Exchange differences on translation of foreign operations (unaudited)	-	-	-	-	-	-	-	-	-	(1,780)	-	(1,780)	-	(1,780)
Reserve released upon disposal of subsidiaries (unaudited)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates (unaudited)	-	-	-	-	-	-	-	-	-	3,402	-	3,402	-	3,402
Total comprehensive loss for the period (unaudited)	-	-	-	-	-	-	-	-	-	53,432	(80,298)	(26,866)	-	(26,866)
Equity-settled share option arrangements (unaudited)	-	-	-	-	-	1,950	-	-	-	-	-	1,950	-	1,950
Shares repurchased (unaudited) (note 12)	(2,022)	(2,024)	-	-	-	-	-	-	-	-	-	(4,046)	-	(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	-	1,770,971

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	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	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2024 (audited)	163,810	3,472,898	390	916,671	201,080	213,090	43,564	3,410	1,570,874	(63,169)	(4,431,071)	2,091,547	127	2,091,674
Loss for the period (unaudited)	-	-	-	-	-	-	-	-	-	-	(90,221)	(90,221)	-	(90,221)
Other comprehensive income for the period (unaudited)														
Exchange differences on translation of foreign operations (unaudited)	-	-	-	-	-	-	-	-	-	(41,194)	-	(41,194)	-	(41,194)
Reserve released upon deregistration of subsidiaries (unaudited)	-	-	-	-	-	-	-	-	-	862	-	862	-	862
Share of other comprehensive losses of associates and a joint venture (unaudited)	-	-	-	-	-	-	-	-	-	(3,435)	-	(3,435)	-	(3,435)
Total comprehensive loss for the period (unaudited)	-	-	-	-	-	-	-	-	-	(43,767)	(90,221)	(133,988)	-	(133,988)
Deregistration of a non-wholly-owned subsidiary (unaudited)	-	-	-	-	-	-	-	-	-	-	-	-	(127)	(127)
Equity-settled share option arrangements (unaudited)	-	-	-	-	-	4,843	-	-	-	-	-	4,843	-	4,843
Transfer of share option reserve upon the expiry of vested share option (unaudited)	-	-	-	-	-	(15,818)	-	-	-	-	15,818	-	-	-
At 30 June 2024 (unaudited)	163,810	3,472,898	390	916,671	201,080	202,115	43,564	3,410	1,570,874	(106,936)	(4,505,474)	1,962,402	-	1,962,402

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash flows generated from/(used in) operating activities	32,593	(229,338)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for items of property, plant and equipment and investment properties	(3,465)	(177,348)
Cash transferred to pledged deposits	(2,637)	(13,694)
Net cash outflow from disposal of subsidiaries	(724)	–
Additional investment in an associate	(19)	–
Proceeds from disposal of items of property, plant and equipment	2,573	542
Interest received	29	1,814
Purchase of financial assets at fair value through profit or loss	–	(225,547)
Proceeds from disposal of a financial asset at fair value through profit or loss	–	84,111
Proceeds from disposal of an associate	–	22,070
Net cash flows used in investing activities	(4,243)	(308,052)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(23,934)	(16,076)
Repayment of bank and other borrowings	(8,595)	–
Payments for repurchase of shares	(4,046)	–
New bank and other borrowings	23,579	630,719
Repayment of lease liabilities (including principal portion)	–	(861)
Net cash flows (used in)/generated from financing activities	(12,996)	613,782
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,354	76,392
Cash and cash equivalents at beginning of period	65,145	63,547
Effect of foreign exchange rate changes, net	1,840	(1,591)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	82,339	138,348
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	82,339	138,348

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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 2025 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 2024.

Going concern basis

For the six months ended 30 June 2025, the Group incurred a net loss of approximately HK\$80 million and the Group recorded net current liabilities of approximately HK\$693 million as at 30 June 2025. The unrestricted cash and cash equivalent balance amounted to approximately HK\$82 million as at 30 June 2025. 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\$1.24 billion) being utilized and the bank borrowings are drawn down as long term borrowings as existing of 30 June 2025; 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 period ended 30 June 2025, the Group recorded a rental income of approximately HK\$34.4 million (period ended 30 June 2024: HK\$43.4 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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

2.1 Basis of Preparation (continued)

Going concern basis (continued)

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

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

- (i) Existing unutilised loan facility of RMB480 million (equivalent to HK\$525 million) from Kingkey Group Company Limited, a related party of the Group, with an expiry date of 31 December 2025 and mutual intention for both parties to reach an agreement on further extending the loan facility for an additional 1 to 3 years, subject to finalisation.
- (ii) The Group is in progress on obtaining an additional facility amounting to RMB200 million (equivalent to HK\$219 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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

2.1 Basis of Preparation (continued)

Going concern basis (continued)

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 2025. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, 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 HKAS 21

Amendments in relation to Lack of Exchangeability

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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 2024: 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 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 gains	81	35,323	–	35,404
Total	52,101	123,547	34,392	210,040
Segment results	4,752	(86,090)	14,941	(66,397)
<i>Reconciliation:</i>				
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)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

3 OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 June 2024

	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	41,244	167,637	43,447	252,328
Other income and gains	8,212	28,825	–	37,037
Total	49,456	196,462	43,447	289,365
Segment results	18,057	(116,645)	22,675	(75,913)
<i>Reconciliation:</i>				
Interest income				1,814
Finance costs (other than interest on lease liabilities)				(16,370)
Share of losses of associates				(2,614)
Fair value losses on financial assets at fair value through profit or loss, net				2,504
Loss before tax				(90,579)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

3 OPERATING SEGMENT INFORMATION (continued)

The following table presents the assets and liabilities information of the Group's operating segments as at 30 June 2025 and 31 December 2024, respectively.

	Cryptocurrencies business HK\$'000	Mobile phone HK\$'000	Property investment HK\$'000	Total HK\$'000
Segment assets				
At 30 June 2025 (unaudited)	186,884	412,158	3,239,396	3,838,438
At 31 December 2024 (audited)	246,657	496,831	3,151,325	3,894,813
Segment liabilities				
At 30 June 2025 (unaudited)	192	900,965	17,149	918,306
At 31 December 2024 (audited)	2,056	935,363	16,676	954,095

Geographical information

Non-current assets

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
The People's Republic of China ("PRC")	3,630,215	3,555,722
Overseas	186,884	201,170
	3,817,099	3,756,892

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

4 REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue from contracts with customers		
Sale of smart phones and devices	82,200	155,086
Wireless application service income	6,024	12,551
	88,224	167,637
Revenue from other sources		
Revenue from cryptocurrencies business	52,020	41,244
Rental income from investment properties operating leases	34,392	43,447
	86,412	84,691
	174,636	252,328

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

4 REVENUE, OTHER INCOME AND GAINS (continued)

Disaggregated revenue information for revenue from contracts with customer:

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

For the six months ended 30 June 2024

	Total HK\$'000 (Unaudited)
Geographical markets	
The PRC (Mobile phone segment)	119,501
Overseas (Mobile phone segment)	48,136
Total revenue from contracts with customers	167,637
Timing of revenue recognition	
Goods transferred at a point of time	167,637
Total revenue from contracts with customers	167,637

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

4 REVENUE, OTHER INCOME AND GAINS (continued)

Other income and gains

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Bank interest income	29	1,814
Fair value gains on financial assets at fair value through profit or loss, net	21,654	–
Gain on termination of lease	–	2,405
Gain on disposal of cryptocurrencies	81	8,212
Gain on deregistration of subsidiaries	382	787
Government grants and subsidies*	19,606	19,691
Others	15,335	5,942
	57,087	38,851

* 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Cost of inventories sold	98,162	161,438
Depreciation of property, plant and equipment	26,986	14,013
Depreciation of right-of-use assets	897	1,575
Research and development costs:		
Expenditure for the period*	12,203	23,665
Minimum lease rental expense in respect of short-term leases*	1,462	1,823
Interest expense recognised related to lease liabilities	—	58
Write-down of inventories to net realisable value, net ^{&}	6,069	4,622
Direct operating expenses arising on rental-earning investment properties ^{&}	17,892	15,283
Recognition of equity-settled share option expense	1,949	4,843
Gain on disposal of items of property, plant and equipment [#]	(2,547)	(542)
Gain on disposal of cryptocurrencies [#]	(81)	(8,212)
Gain on deregistration of subsidiaries [#]	(382)	(787)
Impairment of trade receivables, net*	13,673	(2,912)
Loss on disposal of subsidiaries*	11,583	—
Loss on termination of leases*	18,588	—
Fair value gains on financial assets at fair value through profit or loss, net [#]	(21,654)	—
Fair value losses on financial assets at fair value through profit or loss, net*	—	2,504
Fair value losses on investment properties*	1,559	5,960

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

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

Included in "Other income and gains" in profit or loss

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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 2024: 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	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax		
Corporate income tax	–	–
Deferred tax	712	(358)
	712	(358)

7 DIVIDEND

The Directors did not recommend the payment of any interim dividends for the six months ended 30 June 2025 (six months ended 30 June 2024: 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\$80,298,000 (six months ended 30 June 2024: a loss of HK\$90,221,000), and the weighted average number of ordinary shares of 409,015,774 in issue during the six months ended 30 June 2025 (six months ended 30 June 2024: 409,525,199 (restated)).

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 weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the six months ended 30 June 2024 has been adjusted for the Share Consolidation. 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 2025 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment at a cost of HK\$24,731,000 (six months ended 30 June 2024: HK\$48,107,000).

Property, plant and equipment with a net book value of HK\$26,000 were disposed of by the Group during the six months ended 30 June 2025 (30 June 2024: Nil), resulting in a net gain on disposal of HK\$2,547,000 (six months ended 30 June 2024: a net gain of HK\$542,000).

During the six months ended 30 June 2025, no impairment loss (six months ended 30 June 2024: 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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 3 months	11,361	67,288
4 to 6 months	7,579	17,978
7 to 12 months	51,109	799
Over 1 year	11,302	11,144
	81,351	97,209
Less: Impairment	(26,257)	(11,990)
	55,094	85,219

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 3 months	8,558	82,640
4 to 6 months	22,076	7,035
7 to 12 months	34,847	5,671
Over 1 year	53,081	45,208
	118,562	140,554

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

12 SHARE CAPITAL

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Authorised: 500,000,000 (31 December 2024: 20,000,000,000) ordinary shares of HK\$0.4 each (31 December 2024: HK\$0.01 each)	200,000	200,000
Issued and fully paid: 404,470,198 (31 December 2024: 16,381,007,955) ordinary shares of HK\$0.4 each (31 December 2024: HK\$0.01 each)	161,788	163,810

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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 (unaudited) (<i>note A</i>)	(15,971,482,757)	–	–	–
Share Repurchase (unaudited) (<i>note B</i>)	(5,055,000)	(2,022)	(2,024)	(4,046)
At 30 June 2025 (unaudited)	404,470,198	161,788	3,470,874	3,632,662

Notes:

- (A) Pursuant to an ordinary resolution passed by the shareholders of the Company at an annual general meeting on 6 June 2025:
- (i) Every forty issued and unissued shares of HK\$0.01 each in share capital of the Company be consolidated into one share ("Consolidated Share") of HK\$0.4 each ("Share Consolidation").
 - (ii) Immediately upon the Share Consolidation becoming effective, the capital reduction be implemented involving a reduction of the par value of each issued Consolidated Share from HK\$0.4 to HK\$0.1 by (a) cancelling the paid-up capital of the Company to the extent of HK\$0.3 on each of the then issued Consolidated Shares, and (b) a cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation ("Capital Reduction").
 - (ii) Immediately following the Share Consolidation and the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Shares will be sub-divided into four (4) new shares of par value of HK\$0.1 each ("Sub-division").

The Share Consolidation was with effective from 10 June 2025.

Prior to the Share Consolidation, the authorised share capital of the Company was HK\$200,000,000 divided into 20,000,000,000 shares of par value of HK\$0.01 each, of which 16,381,007,955 shares of par value of HK\$0.01 each were in issue and were fully paid or credited as fully paid. Immediately following the implementation of the Share Consolidation, the Company's authorised share capital becomes HK\$200,000,000 divided into 500,000,000 shares of par value of HK\$0.4 each, and its issued share capital becomes HK\$163,810,080 divided into 409,525,198 shares of par value of HK\$0.4 each.

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.

- (B) The Company repurchased 5,055,000 of its shares on the Hong Kong Stock Exchange at a total consideration of HK\$4,046,000 ("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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

13 INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Current		
Bank borrowings – secured	32,835	21,284
Other borrowings – unsecured and guaranteed	7,661	–
	40,496	21,284
Non-current		
Bank borrowings – secured	1,192,993	1,175,953
	1,233,489	1,197,237

14 COMMITMENTS

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

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Capital contributions payable to certain associates and an unlisted investment measured at fair value	22,077	21,485

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

15 RELATED PARTY TRANSACTIONS

(a) Balances with related parties

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Amounts due to associates (i)	30,266	29,429
Amounts due to other related parties (ii)	27,417	15,125
	57,683	44,554

(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.

(b) Transactions with related parties

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Other related parties:		
Management service expense (i)	12,351	12,832
Disposal of cryptocurrencies (ii)	—	2,347

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

15 RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties (continued)

- (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 rate charged by independent third parties offering comparable management services for properties of comparable scale and grade in the vicinity.
- (ii) During the period ended 30 June 2024, the Group disposed cryptocurrencies to Mr. Chen Jiajun at a consideration of HK\$2,347,000.

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	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Salaries, allowances and benefits in kind	1,769	2,297
Pension scheme contributions	253	246
Equity-settled share option expense	–	301
Total compensation paid to other key management personnel	2,022	2,844

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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 2025

	Fair value measurement using			Total HK\$'000 (Unaudited)
	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)	
Financial assets at fair value through profit or loss	140,486	–	20,141	160,627

As at 31 December 2024

	Fair value measurement using			Total HK\$'000 (Audited)
	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)	
Financial assets at fair value through profit or loss	116,260	–	16,655	132,915

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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:

	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
At 1 January	16,655	88,461
Addition	4,828	7,521
Total gains or losses recognised in profit or loss [#]	(1,794)	139
Disposal	–	(83,966)
Exchange realignment	452	9
At 30 June	20,141	12,164
[#] Include gains or losses for assets held at end of reporting period	(1,794)	139

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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 2025 and 31 December 2024:

	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 2024: 1.0% to -1.0%)	1% (31 December 2024: 1%) increase/decrease in multiple would result in increase/decrease in fair value by approximately HK\$32,000 (31 December 2024: HK\$31,000)
		Discount for lack of marketability	1.4% to -1.4% (31 December 2024: 1.4% to -1.4%)	1% (31 December 2024: 1%) increase/decrease in multiple would result in decrease/increase in fair value by approximately HK\$42,000 (31 December 2024: 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

17 EVENTS AFTER THE REPORTING PERIOD

On 22 May 2025, the Company announced its proposal to seek shareholders' approval for possible disposal of up to 1,625,000 shares of US\$0.001 in the share capital of CLSK Shares from time to time during the mandate period. The minimum selling price of the Disposals shall be not less than the higher of (i) US\$14.50 per CLSK Share and (ii) the average market price of CLSK Shares for the three months immediately preceding the relevant trading date. For further details, please refer to the announcement of the Company dated 22 May 2025 and the circular of the Company dated 22 August 2025.

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