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coolpad 酷派

COOLPAD GROUP LIMITED

酷派集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

DISCLOSEABLE TRANSACTIONS

- (1) DISPOSAL OF 20% EQUITY INTEREST IN AN ASSOCIATE; AND
(2) DISPOSAL OF 50% EQUITY INTEREST IN A JOINT VENTURE**

(1) THE NANJING DISPOSAL

The Board is pleased to announce that, on 25 September 2023 (after trading hours), the Nanjing Vendor, an indirect wholly-owned subsidiary of the Company, the Nanjing Purchaser and Yulong Weixin entered into the Nanjing Equity Transfer Agreement, pursuant to which, the Nanjing Vendor agreed to sell to the Nanjing Purchaser and the Nanjing Purchaser agreed to purchase from the Nanjing Vendor the Nanjing Sales Equity, representing 20% equity interest in Yulong Weixin, at a total consideration of RMB60 million. Pursuant to the Nanjing Equity Transfer Agreement, Yulong Weixin shall also repay the Shareholder's Loan in the amount of approximately RMB2.48 million to the Nanjing Vendor.

Upon completion of the Nanjing Disposal, the Group will cease to have any interest in Yulong Weixin and Yulong Weixin will cease to be an associate of the Company.

Listing Rules Implications

As one or more applicable percentage ratio(s) in respect of the Nanjing Disposal is more than 5% but less than 25% pursuant to Rule 14.07 of the Listing Rules, under Chapter 14 of the Listing Rules, the entering into of the Nanjing Equity Transfer Agreement and transactions contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

(2) THE DONGGUAN DISPOSAL

The Board is also pleased to announce that, on 25 September 2023 (after trading hours), the Dongguan Vendor, an indirect wholly-owned subsidiary of the Company, the Dongguan Purchaser and Dongguan Tian'an entered into the Dongguan Equity Transfer Agreement, pursuant to which, the Dongguan Vendor agreed to sell to the Dongguan Purchaser and the Dongguan Purchaser agreed to purchase from the Dongguan Vendor the Dongguan Sales Equity, representing 50% equity interest in Dongguan Tian'an, at a total consideration of RMB80 million.

Upon completion of the Dongguan Disposal, the Group will cease to have any interest in Dongguan Tian'an and Dongguan Tian'an will cease to be a joint venture of the Company.

Listing Rules Implications

As one or more applicable percentage ratio(s) in respect of the Dongguan Disposal is more than 5% but less than 25% pursuant to Rule 14.07 of the Listing Rules, under Chapter 14 of the Listing Rules, the entering into of the Dongguan Equity Transfer Agreement and transactions contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

(1) THE NANJING DISPOSAL

The Board is pleased to announce that, on 25 September 2023 (after trading hours), the Nanjing Vendor, an indirect wholly-owned subsidiary of the Company, the Nanjing Purchaser and Yulong Weixin entered into the Nanjing Equity Transfer Agreement, pursuant to which, the Nanjing Vendor agreed to sell to the Nanjing Purchaser and the Nanjing Purchaser agreed to purchase from the Nanjing Vendor the Nanjing Sales Equity, representing 20% equity interest in Yulong Weixin, at a total consideration of RMB60 million. Pursuant to the Nanjing Equity Transfer Agreement, Yulong Weixin shall also repay the Shareholder's Loan in the amount of approximately RMB2.48 million to the Nanjing Vendor.

The Nanjing Equity Transfer Agreement

The principal terms of the Nanjing Equity Transfer Agreement are as follows:

Date

25 September 2023 (after trading hours)

Parties to the Nanjing Equity Transfer Agreement

- (a) the Nanjing Vendor, an indirect wholly-owned subsidiary of the Company (as the vendor of the Nanjing Sales Equity);
- (b) the Nanjing Purchaser (as the purchaser of the Nanjing Sales Equity); and
- (c) Yulong Weixin.

Assets to be disposed of

Pursuant to the Nanjing Equity Transfer Agreement, the Nanjing Vendor agreed to sell to the Nanjing Purchaser and the Nanjing Purchaser agreed to purchase from the Nanjing Vendor the Nanjing Sales Equity, representing 20% equity interest in Yulong Weixin.

Consideration and payment terms

The Nanjing Consideration of the Nanjing Disposal is RMB60 million, which shall be settled in cash by the Nanjing Purchaser in two installments:

- (i) the first instalment of RMB40 million (the “**First Instalment**”) shall be settled within five business days after Yulong Weixin having obtained the new business licence showing the Nanjing Purchaser as its sole owner (the “**Completion**”); and
- (ii) the second instalment of RMB20 million (the “**Second Instalment**”) shall be settled within three months after the Completion.

Basis of the Nanjing Consideration

The Nanjing Consideration was determined after arm’s length negotiations between the Nanjing Vendor and the Nanjing Purchaser taking into account, among others, (i) the fair value of net assets of Yulong Weixin of approximately RMB334.54 million as at 30 June 2023 as set out in the section headed “Information on Yulong Weixin” below; (ii) the historical financial performance of Yulong Weixin; and (iii) the reasons for and benefits of the Nanjing Disposal as set out in the section headed “Reasons for and Benefits of the Nanjing Disposal” in this announcement. The Directors consider that the Nanjing Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Repayment of Shareholder’s Loan

As at the date of this announcement, Yulong Weixin owes the Nanjing Vendor the Shareholder’s Loan in the amount of approximately RMB2.48 million. Pursuant to the Nanjing Equity Transfer Agreement, Yulong Weixin shall repay the Shareholder’s Loan to the Nanjing Vendor within three business days from the date of the Nanjing Equity Transfer Agreement.

Within seven business days after the full repayment of the Shareholder's Loan by Yulong Weixin to the Nanjing Vendor, the Nanjing Purchaser and the Nanjing Vendor shall submit the industrial and commercial filing documents to effect the transfer of the Nanjing Sales Equity and change of director(s) and supervisor(s) of Yulong Weixin who were appointed by the Nanjing Vendor.

Default liability

If, within seven business days after the full repayment of the Shareholder's Loan by Yulong Weixin to the Nanjing Vendor, the Nanjing Vendor fails to cooperate with the Nanjing Purchaser and Yulong Weixin to submit the relevant industrial and commercial filing documents, the Nanjing Vendor shall pay a penalty to the Nanjing Purchaser at a daily rate of 0.05% per day of the First Instalment. If the Nanjing Vendor fails to discharge such duty for over 20 days, the Nanjing Purchaser has the right to terminate the Nanjing Equity Transfer Agreement, following which the Nanjing Vendor shall pay to the Nanjing Purchaser a penalty equivalent to 20% of the Nanjing Consideration within five business days after receipt of the Nanjing Purchaser's written notice.

If the Nanjing Purchaser fails to settle the Nanjing Consideration in accordance with the Nanjing Equity Transfer Agreement, the Nanjing Purchaser shall pay a penalty to the Nanjing Vendor at a daily rate of 0.05% per day of the outstanding amount of the Nanjing Consideration. If the Nanjing Purchaser fails to discharge such duty for over 20 days, the Nanjing Vendor has the right to terminate the Nanjing Equity Transfer Agreement, following which the Nanjing Purchaser shall pay to the Nanjing Vendor a penalty equivalent to 20% of the Nanjing Consideration within five business days after receipt of the Nanjing Vendor's written notice. The Nanjing Vendor shall return to the Nanjing Purchaser any Nanjing Consideration already paid after deducting the aforementioned penalty.

If the Completion cannot take place in accordance with the Nanjing Equity Transfer Agreement for reasons due to Yulong Weixin, Yulong Weixin shall pay a penalty to each of the Nanjing Purchaser and the Nanjing Vendor at a daily rate of 0.05% per day of the First Instalment.

Information on Yulong Weixin

Yulong Weixin is a company established under the laws of the PRC with limited liability. As at the date of this announcement, it is owned as to 80% and 20% by the Nanjing Purchaser and the Nanjing Vendor, respectively. Yulong Weixin is principally engaged in the business of property development in the PRC and its major assets are the Buildings, comprising two 14-story buildings (including two podium floors and three basement floors) with a gross floor area of approximately 89,239.19 square meters.

Set out below is the unaudited financial information of Yulong Weixin for each of the two financial years ended 31 December 2021 and 31 December 2022 prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

	For the year ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue	88,239	24,046
Net profits before taxation and extraordinary items	52,390	40,537
Net profits after taxation and extraordinary items	46,007	35,381

Based on the valuation report prepared by, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent third party valuer, the fair value of net assets of Yulong Weixin as at 30 June 2023, by using asset approach, was approximately RMB334.54 million.

Financial Impact of the Nanjing Disposal

As at the date of this announcement, the Nanjing Vendor owns 20% of the equity interest of Yulong Weixin, which is treated as an investment in associate. Upon completion of the Nanjing Disposal, the Group will cease to have any interest in Yulong Weixin and Yulong Weixin will cease to be an associate of the Company.

Subject to final audit, it is expected that, upon completion, the Group will realise a loss on the Nanjing Disposal before taxation of approximately RMB13.4 million, with reference to the difference between the carrying value of 20% equity interest in Yulong Weixin held by the Group as at 31 August 2023 of approximately RMB73.4 million and the Nanjing Consideration.

Reasons for and Benefits of the Nanjing Disposal

As the Group only holds a minority interest in Yulong Weixin and the development and operation of the Buildings through investment in Yulong Weixin is not likely to provide any synergies effect to the Group's development, the Company is of the view that the Nanjing Disposal and realising the value of the Nanjing Sales Equity will be beneficial to the Company. The net proceeds from the Nanjing Disposal is expected to be approximately RMB60 million and is intended to be used as general working capital.

As the Nanjing Disposal is being carried out after arm's length negotiation and on normal commercial terms, the Directors are of the view that the Nanjing Disposal is in the interests of the Company and the Shareholders as a whole, and the terms of the Nanjing Equity Transfer Agreement are fair and reasonable and on normal commercial terms.

Listing Rules Implications

As one or more applicable percentage ratio(s) in respect of the Nanjing Disposal is more than 5% but less than 25% pursuant to Rule 14.07 of the Listing Rules, under Chapter 14 of the Listing Rules, the entering into of the Nanjing Equity Transfer Agreement and transactions contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

(2) THE DONGGUAN DISPOSAL

The Board is also pleased to announce that, on 25 September 2023 (after trading hours), the Dongguan Vendor, an indirect wholly-owned subsidiary of the Company, the Dongguan Purchaser and Dongguan Tian'an entered into the Dongguan Equity Transfer Agreement, pursuant to which, the Dongguan Vendor agreed to sell to the Dongguan Purchaser and the Dongguan Purchaser agreed to purchase from the Dongguan Vendor the Dongguan Sales Equity, representing 50% equity interest in Dongguan Tian'an, at a total consideration of RMB80 million.

The Dongguan Equity Transfer Agreement

The principal terms of the Dongguan Equity Transfer Agreement are as follows:

Date

25 September 2023 (after trading hours)

Parties to the Dongguan Equity Transfer Agreement

- (a) the Dongguan Vendor, an indirect wholly-owned subsidiary of the Company (as the vendor of the Dongguan Sales Equity);
- (b) the Dongguan Purchaser (as the purchaser of the Dongguan Sales Equity); and
- (c) Dongguan Tian'an.

Assets to be disposed of

Pursuant to the Dongguan Equity Transfer Agreement, the Dongguan Vendor agreed to sell to the Dongguan Purchaser and the Dongguan Purchaser agreed to purchase from the Dongguan Vendor the Dongguan Sales Equity, representing 50% equity interest in Dongguan Tian'an.

Shareholder's loan from the Dongguan Purchaser

As at the date of the announcement, to the best understanding of the Company, the Dongguan Purchaser has provided an aggregated shareholder's loan of approximately RMB700 million to Dongguan Tian'an. Upon signing the Dongguan Equity Transfer Agreement, the Dongguan Purchaser shall further provide a shareholder's loan to Dongguan Tian'an for the purpose of early repayment of the remaining principal and interest of the loans from the Industrial and Commercial Bank of China and The Chinese Mercantile Bank. After completing the repayment, the Dongguan Vendor and the Dongguan Purchaser shall assist Dongguan Tian'an in completing the procedures to release the relevant property mortgage and the equity pledge.

Consideration and payment terms

The Dongguan Consideration of the Dongguan Disposal is RMB80 million, which shall be settled in the following terms:

- (i) the Dongguan Vendor and the Dongguan Purchaser shall assist Dongguan Tian'an in executing a loan agreement with Industrial Bank Co., Ltd. immediately after executing the Dongguan Equity Transfer Agreement;
- (ii) within three business days after receiving the first loan from Industrial Bank Co., Ltd., Dongguan Tian'an shall repay the first batch of shareholder's loan to the Dongguan Purchaser;
- (iii) within three business days after the Dongguan Purchaser receives the repayment of the shareholder's loan described in item (ii) above, the Dongguan Purchaser shall deposit RMB80 million into a bank account jointly managed by the Dongguan Purchaser and the Dongguan Vendor (the "**Joint Account**");
- (iv) the Dongguan Purchaser shall communicate with Industrial Bank Co., Ltd. in advance and ensure that within seven business days after depositing the Dongguan Consideration into the Joint Account, the Industrial Bank Co., Ltd. release the pledge over the Dongguan Sales Equity;
- (v) within three business days after the release of the pledge over Dongguan Sales Equity, Dongguan Tian'an shall submit the industrial and commercial filing documents to effect the transfer of the Dongguan Sales Equity, change of director(s), supervisor(s) and legal representative of Dongguan Tian'an, amendment of the articles of association of Dongguan Tian'an and the replacement of the business license of Dongguan Tian'an; and

- (vi) within three business days after obtaining the acknowledgement of completion of the industrial and commercial registration, the arrangement of the Joint Account shall be terminated and the Dongguan Vendor shall be entitled to the Dongguan Consideration.

The parties to the Dongguan Equity Transfer Agreement further agreed that in the case where the pledge over the Dongguan Sales Equity is not released within the timeframe described in item (iv) above due to the reasons caused by Industrial Bank Co., Ltd., the default liabilities contemplated thereunder shall be waived and parties shall negotiate for an extension of the timeframe thereunder. Nevertheless, the parties to the Dongguan Equity Transfer Agreement undertook to use their best endeavours to perform within the timeframe as described in items (i) to (vi) above.

Basis of the Dongguan Consideration

The Dongguan Consideration was determined after arm's length negotiations between the Dongguan Vendor and the Dongguan Purchaser taking into account, among others, (i) the net assets value of Dongguan Tian'an of approximately RMB80.7 million as at 30 June 2023 as set out in the section headed "Information on Dongguan Tian'an" below; (ii) the historical financial performance of Dongguan Tian'an; and (iii) the reasons for and benefits of the Dongguan Disposal as set out in the section headed "Reasons for and Benefits of the Dongguan Disposal" in this announcement. The Directors consider that the Dongguan Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Withdrawal of lawsuits

As at the date of this announcement, the Dongguan Vendor filed a lawsuit against the Dongguan Purchaser and Dongguan Tian'an, and the Dongguan Purchaser filed a lawsuit against the directors appointed by the Dongguan Vendor.

On the date of signing the Dongguan Equity Transfer Agreement, the Dongguan Vendor, the Dongguan Purchaser and Dongguan Tian'an shall jointly apply to the court to adjourn the court hearings for the abovementioned two lawsuits.

Within three business days after the completion of the registration of transfer of the Dongguan Sales Equity, each of the Dongguan Vendor and the Dongguan Purchaser (including the directors appointed by the Dongguan Purchaser) shall submit to the court an application for withdrawal of the abovementioned two lawsuits and withdraw the abovementioned two lawsuits filed by them respectively.

Default liability

If either the Dongguan Purchaser or the Dongguan Vendor fails to discharge its obligations under the Dongguan Equity Transfer Agreement in accordance with the said agreement, the defaulting party shall pay a penalty to the non-defaulting party at a

daily rate of 0.03% per day of the Dongguan Consideration. If the defaulting party fails to discharge its obligations for more than one month, the non-defaulting party has the right either (i) to continue to perform its obligations or (ii) to terminate the Dongguan Equity Transfer Agreement after giving a written notice to the defaulting party. In the case where the non-defaulting party chooses to terminate the Dongguan Equity Transfer Agreement, it is entitled to a penalty equivalent to 20% of the Dongguan Consideration from the defaulting party.

If Dongguan Tian'an fails to discharge its obligations in accordance with the said agreement, Dongguan Tian'an shall pay a penalty to the Dongguan Purchaser and the Dongguan Vendor at a daily rate of 0.03% per day of the Dongguan Consideration. For the avoidance of doubt, the delay in performance will not absolve Dongguan Tian'an from its obligations under the Dongguan Equity Transfer Agreement.

Unless otherwise agreed, if either the Dongguan Purchaser or the Dongguan Vendor terminates the Dongguan Equity Transfer Agreement with no reason, the non-defaulting party is entitled to a penalty equivalent to 20% of the Dongguan Consideration from the defaulting party, and has the right to indemnities if the penalty amount is not enough to cover the losses suffered by the non-defaulting party.

Completion

The completion of the Dongguan Disposal will take place the next day after obtaining the acknowledgement of completion of the industrial and commercial registration for transfer of Dongguan Sales Equity.

Upon completion of the Dongguan Disposal and payment of the Dongguan Consideration, all the obligations and liabilities under the investment cooperation agreement entered into by the Dongguan Purchaser and Dongguan Vendor in 2015 shall be automatically terminated.

Information on Dongguan Tian'an

Dongguan Tian'an

Dongguan Tian'an is a company established under the laws of the PRC with limited liability. As at the date of this announcement, it is owned as to 50% and 50% by the Dongguan Purchaser and the Dongguan Vendor, respectively. Dongguan Tian'an is principally engaged in the investment holding and property development. Dongguan Tian'an owns the Dongguan Coolpad Tian'an Cloud Park Phase I Project* (酷派天安雲谷產業園一期項目) which has a gross floor area of approximately 176,684.27 square meters in the Songshan Lake High-tech Industrial Development Zone in Dongguan.

Set out below is the unaudited financial information of Dongguan Tian'an for each of the two financial years ended 31 December 2021 and 31 December 2022 prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

	For the year ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue	26,514	9,999
Net loss before taxation and extraordinary items	(140,550)	(126,259)
Net loss after taxation and extraordinary items	(154,064)	(94,694)

The unaudited net assets value of Dongguan Tian'an as at 30 June 2023 was approximately RMB80.7 million.

Financial Impact of the Dongguan Disposal

As at the date of this announcement, the Dongguan Vendor owns 50% of the equity interest of Dongguan Tian'an, which is considered a material joint venture of the Group and is accounted for using the equity method. Upon completion of the Dongguan Disposal, the Group will cease to have any interest in Dongguan Tian'an and Dongguan Tian'an will cease to be a joint venture of the Company.

Subject to final audit, it is expected that, upon completion, the Group will realise a gain on the Dongguan Disposal before taxation of approximately RMB59.5 million, with reference to the difference between the carrying value of the 50% equity interest in Dongguan Tian'an held by the Group as at 31 August 2023 of approximately RMB20.5 million and the Dongguan Consideration.

Reasons for and Benefits of the Dongguan Disposal

In light of the recent business and financial performance of Dongguan Tian'an and the persistent challenges in the management of this joint venture, and considering that the investment of Dongguan Tian'an and the cooperation with the Dongguan Purchaser is not likely to provide positive effect to the Group's development and achieve its long term goals, the Company is of the view that the Dongguan Disposal and realising cash and unlocking the value of this joint venture will be beneficial to the Company. The net proceeds from the Dongguan Disposal is expected to be approximately RMB80 million and is intended to be used as general working capital.

As the Dongguan Disposal is being carried out after arm's length negotiation and on normal commercial terms, the Directors are of the view that the Dongguan Disposal is in the interests of the Company and the Shareholders as a whole, and the terms of the Dongguan Equity Transfer Agreement are fair and reasonable and on normal commercial terms.

GENERAL INFORMATION OF THE GROUP AND THE PARTIES

The Group

The Group is principally engaged in the production and sale of mobile phones and accessories, the provision of wireless application services and leases of properties.

The Nanjing Vendor

The Nanjing Vendor is an indirect wholly-owned subsidiary of the Company. The Nanjing Vendor is committed to be a leading developer and provider of integrated solutions for Coolpad smartphone sets, mobile data platform system, and value-added business operations in the PRC.

The Nanjing Purchaser

The Nanjing Purchaser is a company established in the PRC principally engaged in business service. The Nanjing Purchaser is an indirect wholly-owned subsidiary of Gemdale Properties and Investment Corporation Limited, the share of which are listed on the Main Board of the Stock Exchange (stock code: 535). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Nanjing Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

The Dongguan Vendor

The Dongguan Vendor is an indirect wholly-owned subsidiary of the Company, principally engaged in manufacturing mobile phones.

The Dongguan Purchaser

The Dongguan Purchaser is a company established in the PRC principally engaged in capital markets services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) the Dongguan Purchaser is owned as to (i) 50% by Tian'an Investment (Shenzhen) Co., Ltd.* (天安投資(深圳)有限公司), which is ultimately owned by Tian An China Investments Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 28) and (ii) 50% by Shenzhen Junye Yungu Chancheng Investment Development Co., Ltd.* (深圳市駿業雲谷產城投資發展有限公司), which is ultimately owned by Li Ming and Yang Yi; and (b) the Dongguan Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors of the Company
“Buildings”	Gemdale Xin Yuhua Innovative Center* (金地威新雨花創新中心), comprising two 14-story buildings (including two podium floors and three basement floors) located at No. 23, Andemen Street, Yuhuatai District, Nanjing, Jiangsu Province, the PRC, the details of which are set out in the paragraph headed “Information on Yulong Weixin” of this announcement
“Company”	Coolpad Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2369)
“Completion”	has the meaning ascribed to it under the paragraph headed “The Nanjing Equity Transfer Agreement – Consideration and payment terms” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company (including independent non-executive director(s))
“Dongguan Consideration”	the consideration for the Dongguan Disposal of RMB80 million
“Dongguan Disposal”	the sale of the Dongguan Sales Equity by the Dongguan Vendor to the Dongguan Purchaser in accordance with the terms and conditions of the Dongguan Equity Transfer Agreement
“Dongguan Equity Transfer Agreement”	the equity transfer agreement dated 25 September 2023 entered into among the Dongguan Vendor, the Dongguan Purchaser and Dongguan Tian’an in relation to the Dongguan Disposal
“Dongguan Purchaser”	Shenzhen Tian’an Junye Investment Development (Group) Co., Ltd.* (深圳天安駿業投資發展(集團)有限公司), a company established under the laws of the PRC

“Dongguan Sales Equity”	50% equity interest in Dongguan Tian’an as held by the Dongguan Vendor as at the date of this announcement
“Dongguan Tian’an”	Dongguan Coolpad Tian’an Investment Development Co., Ltd.* (東莞酷派天安投資發展有限公司), a company established under the laws of the PRC
“Dongguan Vendor”	Dongguan Yulong Telecommunication Tech Co., Ltd.* (東莞宇龍通信科技有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party(ies)”	an individual or a company who or which is independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associates
“Joint Account”	has the meaning ascribed to it under the paragraph headed “The Dongguan Equity Transfer Agreement – Consideration and payment terms” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Consideration”	the consideration for the Nanjing Disposal of RMB60 million
“Nanjing Disposal”	the sale of the Nanjing Sales Equity by the Nanjing Vendor to the Nanjing Purchaser in accordance with the terms and conditions of the Nanjing Equity Transfer Agreement
“Nanjing Equity Transfer Agreement”	the equity transfer agreement dated 25 September 2023 entered into among the Nanjing Vendor, the Nanjing Purchaser and Yulong Weixin in relation to the Nanjing Disposal
“Nanjing Purchaser”	Shanghai Huiheng Industrial Co., Ltd.* (上海威恒實業有限公司), a company established under the laws of the PRC

“Nanjing Sales Equity”	20% equity interest in Yulong Weixin as held by the Nanjing Vendor as at the date of this announcement
“Nanjing Vendor”	Yulong Computer Telecommunication Scientific (Shenzhen) Co, Ltd.* (宇龍計算機通信科技(深圳)有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which, and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the shares of the Company
“Shareholder’s Loan”	the shareholder’s loan owed by Yulong Weixin to the Nanjing Vendor in the amount of approximately RMB2.48 million as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Yulong Weixin”	Nanjing Yulong Weixin Information Scientific Limited* (南京宇龍威新信息科技有限公司), a company established under the laws of the PRC
“%”	per cent.

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

Hong Kong, 25 September 2023

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Chen Jiajun and Mr. Ma Fei; (ii) three non-executive Directors, namely Mr. Liang Rui, Mr. Ng Wai Hung and Mr. Xu Yibo; and (iii) three independent non-executive Directors, namely Mr. Guo Jinghui, Mr. Chiu Sin Nang Kenny and Mr. Ngai Tsz Hin Michael.

* for identification purpose only