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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)**

## **BUSINESS UPDATE**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Coolpad Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of providing the shareholders of the Company (the “**Shareholders**”) and potential investors with certain business updates of the Group.

### **SMARTPHONE AND ACCESSORIES BUSINESS**

#### **Domestic market**

Since 2023, the Group has initiated brand adjustment and channel structure rebuilding.

In terms of branding, to differentiate from different business models and sales channels, independent sub-brands were split up by the Group with “Coolpad” as the parent brand, namely “Daguan”, “Fengshang” and “Cool”, which are aimed at the operator market, the public channel, and the e-commerce market, respectively.

In terms of channels, the Group reconstructed a composite channel structure with a combination of operators, e-commerce platforms and offline channels, and has established co-operation with operators, agents and a range of e-commerce platforms over a half-year period.

Through recent development, the Group has launched five new phone models on the three major brands, namely “Fengshang 40”, “Cool 30”, “Cool 30+”, “Coolpad Daguan 40s” and “Coolpad Daguan 50s”, respectively, which have actively entered into major platforms for sales.

With the conducting of product sales, the Group has entered into in-depth co-operation with major operators in the third quarter and plans to rapidly open up the market through new products in the fourth quarter.

Regarding China Mobile, the Group actively responds to the 5G popularisation strategy by launching a new cost-effective 5G product, “Coolpad Dagan Y60Lite”, which is an entry-level 5G model customised by the Group to China Mobile users and will help China Mobile’s 5G popularisation with extreme cost performance and new functional experience.

Regarding China Telecom, the Group actively responds to the national elderly-friendly strategy, and proactively carries out in-depth cooperation with China Telecom in the fields of mobile phones and accessory products, OS cooperation, channel construction and others. The first elderly-friendly mobile phone, “Zhenqing 20”, will be listed in the fourth quarter, and the subsequent products are supported through the Group’s own channels, marketing, and service system.

The Group, as an experienced national enterprise integrating independent R&D and production, following the release of a series of new products in the fourth quarter, will further promote the popularity and benefits of 5G data terminals, so as to provide users with a more intelligent and convenient 5G experience, and strive to achieve the progress from being a “single mobile phone hardware brand” to a “AI+IoT ecological platform brand”.

## **Overseas markets**

Since the “Coolpad” brand began to enter the overseas market in 2010, after several adjustments, the “Coolpad” brand re-entered the overseas market in 2023, focusing on developing and serving high-growth markets around the world. At present, it has successfully accessed Southeast Asia, South Asia, the Middle East, Latin America and other regions, including the Philippines, the United Arab Emirates, Kuwait, Yemen, Dubai, Myanmar and dozens of other national markets, and still maintains a high rate of expansion.

## **REAL ESTATE PROPERTY LEASING**

Since 1 January 2023, rental income from investment property operating leases has become a stable operating cashflow from ordinary business, hence the investment property operating leasing business forms part of the Group’s principal activities.

As of now, the investment properties held by the Group are mainly the Coolpad Building in Shenzhen and the Phase I factory plants and dormitories in Dongguan Songshan Lake.

As of now, the Group’s projects under construction are mainly the Dongguan Plant Phase III Project (total gross floor area: approximately 228,000 m<sup>2</sup>) and the Shenzhen Coolpad Information Harbor Phases II and III Projects (total gross floor area: approximately 186,000 m<sup>2</sup>). Upon completion of the projects under construction, except for the Shenzhen Coolpad Information Harbor Phases II and III Projects which will be allocated to the co-developer in accordance with the previous cooperation agreement, the remaining part is expected to be used by the Group for leasing to obtain rental income.

The Dongguan Plant Phase III Project has completed the main civil construction and installation works in accordance with the project plan, and the process for inspecting and accepting the project in stages has commenced. It is expected that by the end of 2023, the project will be completed and accepted, and that the process of delivery for use will commence gradually; as of now, the earthworks of Shenzhen Coolpad Information Harbor Phases II and III Projects have been completed. The main structure of the basement of the Phase III project is currently under intensive construction, and the construction work for the Phase II project has reached the second floor above ground. According to the latest project plan, it is expected that the projects will conduct roof-topping works for the main structure in the third quarter of 2024, and be completed and accepted at the end of 2024.

With the gradual completion of the properties under construction, the Group's leasable area will increase from approximately 140,000 m<sup>2</sup> to a total of approximately 400,000 m<sup>2</sup> in the future.

### **WEB 3.0 DIGITAL CURRENCY BUSINESS**

Starting from the second half of 2023, the Group actively pursues business opportunities in Web 3.0 with smartphones and mobile internet in overseas markets, so as to enter into digital currency sector. Digital currency represents an application of Web 3.0 technology. Along with the continuous development of Web 3.0 technology, the rapid development of digital currency has become inevitable. As an indispensable constituent of the history of currency evolution, at present, digital currency has gradually broken through the limitations originating from geography, ethnic culture and other conditions, and has been applied extensively around the world. With the rapid development of digital technology and financial markets, digital currency will also move towards a broader development path where its transaction efficiency and credibility will be comprehensively improved. Increasingly strengthened efforts on supervision will provide more guarantee for the security of monetary funds.

As of 25 October 2023, the Group has an effective computing power of 110,000 TH/S, accumulating around 11.0 BTC and expects to increase its computing power by 66,000 TH/S in November, intending to further continue to expand its investment in digital currencies, especially Bitcoin. Currently, the Group mainly hosts its computing equipment server rooms in North America, and will gradually deploy such in other regions in accordance with the business and legal environment of each region.

**The Board hereby reminds shareholders and potential investors that there is no guarantee that any of the forward-looking statements regarding the business development of the Group contained in this announcement and any of the matters set out therein will be achieved, will actually occur or will be realized. The financial data and/or information relating to the Group as disclosed in this announcement have also not been audited or reviewed by the auditors of the Company. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and should not place undue reliance on the information disclosed in this announcement. If in doubt, shareholders and potential investors should consult their professional advisers for advice.**

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

Hong Kong, 26 October 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 Ms. Wang Guan.*