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COOLPAD GROUP LIMITED

酷派集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

**VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING IN RELATION TO
PROPOSED ACQUISITION**

This announcement is made by Coolpad Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders and potential investors of the Company with the latest business update of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 6 March 2025, Coolpad Investment Limited, a wholly-owned subsidiary of the Company (the “**Purchaser**”), entered into a memorandum of understanding (the “**MOU**”) with Newdecade Energy Ltd (the “**Vendor**”), pursuant to which the Purchaser intends to purchase, and the Vendor intends to sell, the majority shares (the “**Target Shares**”) (expecting to represent 60% to 90% of the total number of issued shares in the Target Company) in 10139882 Manitoba Ltd (the “**Target Company**”) (the “**Proposed Acquisition**”).

The principal terms of the MOU are as follows:

Date: 6 March 2025

Parties: (i) the Purchaser

(ii) the Vendor

(collectively, the “**Parties**”)

The Proposed Acquisition

The Purchaser intends to acquire, and the Vendor intends to sell, the Target Shares, subject to the terms and conditions of the definitive sale and purchase agreement (the “**Definitive Agreement**”) proposed to be further negotiated and entered into between the Parties.

Subject to the terms and conditions contained in the MOU, the Parties agree to use all commercially reasonable efforts to negotiate in good faith, prepare, execute and deliver the Definitive Agreement with respect to the Proposed Acquisition on such terms as may be mutually agreed by and between the Parties.

Consideration

Subject to the terms and conditions contained in the Definitive Agreement, the proposed aggregate consideration for the Proposed Acquisition is intended to be no more than USD3,300,000 (the “**Consideration**”).

It is further intended that the Consideration will be settled by the Purchaser to the Vendor in cash at completion of the sale and purchase of the Target Shares and the other transactions contemplated by the Definitive Agreement.

The Target Company

The Target Company is a company incorporated in Manitoba, Canada with limited liability. It is principally engaged in crypto mining hosting by providing a reliable power supply with high energy efficiency and secure, optimized facilities for cryptocurrency mining rigs. They also offer data center services and manage hosting solutions for their global customers. Their competitive advantages include, but are not limited to, energy efficiency, security, reliability, scalability, and expert support.

Due Diligence Review

The Purchaser (and its agent and/or advisers) shall be entitled to conduct a due diligence review (the “**DD Review**”) of Target Company and its subsidiaries and associated companies (collectively, the “**Target Group**”), the Target Shares and other subject matters incidental thereto as the Purchaser may consider appropriate. The Vendor will use its respective best endeavours to procure its officers, employees, agents and advisers that full access to the premises and records of each member of the Target Group shall be given to the Purchaser and its advisers for the purpose of performing the DD Review.

Exclusivity

Except otherwise permitted in accordance with the MOU, the Vendor irrevocably and unconditionally agrees and undertakes that from the date of the MOU until 30 June 2025 (both dates inclusive) (or such longer period as the Parties may agree in writing) (the “**Exclusivity Period**”), the Vendor shall not, by itself or any of its agents or representatives or other third

parties authorised to act on its behalf, solicit, initiate, enter into, participate in, or continue with, directly or indirectly, any discussions or negotiations with, or encourage the initiation or submission of any expression of interest, enquiry, proposal or offer from, any party (other than the Purchaser) regarding:

- (i) the Proposed Acquisition;
- (ii) any possible purchase, transfer or disposal of any of the Target Shares, any other shares in any member of the Target Group or any material assets owned by any member of the Target Group;
- (iii) any possible purchase, transfer or disposal of any of the shares in or change of control of or the creation of any encumbrances on any direct or indirect shareholder of the Target Company;
- (iv) any possible change in the share capital structure of the Target Company; or
- (v) any other alternative transaction to the Proposed Acquisition or any part thereof which has the similar effect as a change of control of the Target Company.

Termination

The MOU shall terminate immediately at the earlier of:

- (i) agreement in writing by both Parties to terminate the negotiation and discussions relating to the Proposed Acquisition;
- (ii) failure by the Parties to finalise the Definitive Agreement by the end of the Exclusivity Period; or
- (iii) the execution of the Definitive Agreement.

Non-legally Binding Effect

Save for the provisions as to DD review, exclusivity, confidentiality, binding effect (which includes termination of the MOU), governing law and jurisdiction, and Contracts (Rights of Third Parties) Ordinance, the MOU constitutes an expression of intent only and is not intended to, and does not, create any legally binding obligation that is enforceable against any Parties.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the British Columbia, Canada with limited liability. It is principally engaged in providing comprehensive building and construction solutions for cryptocurrency mining facilities, specializing in the design, engineering, and delivery of advanced infrastructure tailored for optimal mining efficiency.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group began engaging in the cryptocurrency business in the second half of 2023. As at the date of this announcement, the Group possesses equipment with a computing power approximately 1.5 million TH/S. The Target Company is currently operating data center power supplies, which are essential for cryptocurrency infrastructure. The acquisition of the Target Company signifies a strategic move towards both upstream and downstream integration in North America. This enables the Group to offer comprehensive hosting services, state-of-the-art infrastructure, and enhanced operational support for our equipment and a diverse range of customers. These infrastructures can also serve as the critical foundation for subsequent artificial intelligence or internet data centers.

The Board believes that the Proposed Acquisition would enable the Group to achieve sustained growth in the evolving cryptocurrency industry by creating synergies through the integration of cryptocurrency mining business resources and enhancing the Group's operational efficiency and long-term profitability. In addition, the infrastructures of the Target Company can not only support the cryptocurrency mining business, but also serve as the critical foundation for subsequent artificial intelligence and Internet data center rooms, providing support for the Group's future expansion in more artificial intelligence technology fields.

GENERAL

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no legally binding agreement has been entered into. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

As the Proposed Acquisition may or may not proceed, shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 6 March 2025

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Chen Jiajun, Mr. Ma Fei and Ms. Liu Juan; (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, Ms. Wang Guan and Mr. Cheuk Ho Kan.