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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)

**POSSIBLE MAJOR TRANSACTION
MANDATE FOR DISPOSAL(S) OF LISTED SECURITIES**

THE POSSIBLE DISPOSAL(S) AND THE DISPOSAL MANDATE

The Company proposes to seek approval for the Disposal Mandate from the Shareholders at the EGM in advance to allow the Directors to dispose of its current holding of CLSK Shares as at the date of this announcement, during the Mandate Period.

IMPLICATIONS UNDER THE LISTING RULES

Assuming that all 1,625,000 CLSK Shares held by the Group will have been disposed of within the Mandate Period at US\$9.70 (equivalent to approximately HK\$75.95) per CLSK Share, being the closing price of CLSK Share as at the trading day immediately before the date of this announcement, one or more applicable percentage ratios of the Possible Disposal(s) when aggregated with the Previous Disposal pursuant to Rule 14.22 of the Listing Rules will exceed 25% but less than 75%, the Possible Disposal(s) may constitute a major transaction of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval at the EGM.

The Company will seek the approval of the Shareholders at the EGM for the Disposal Mandate and the Possible Disposal(s) to allow the Company to dispose of up to 1,625,000 CLSK Shares held by the Group during the Mandate Period.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Disposal Mandate and the Possible Disposal(s). Accordingly, it is expected that no Shareholder is required to abstain from voting at the EGM.

GENERAL

A circular containing, inter alia, (i) further information regarding the Disposal Mandate and the Possible Disposal(s); (ii) other information required under the Listing Rules; and (iii) a notice convening the EGM, is expected to be issued beyond 15 business days after the publication of this announcement, and despatched to the Shareholders on or before 20 June 2025 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Whether and when the Company will proceed with the Possible Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Proposed Disposal(s). There is no assurance that the Company will proceed with the Possible Disposal(s). Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE POSSIBLE DISPOSAL(S) AND THE DISPOSAL MANDATE

As at the date of this announcement, Digital Tech held 1,625,000 CLSK Shares, representing approximately 0.6% of the total number of outstanding shares of CLSK. The Group intends to further dispose of up to its current holding of CLSK Shares through the open market based on the prevailing market conditions and the actual consideration for the Possible Disposal(s) will be the market price of the CLSK Share at the respective date(s) of disposal.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each disposal of CLSK Shares. In order to allow flexibility in effecting future disposal(s) of CLSK Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval for the Disposal Mandate from the Shareholders at the EGM in advance to allow the Directors to dispose of its current holding of CLSK Shares at the date of this announcement, during the Mandate Period.

As the Possible Disposals will be made through the open market, the Company will not be aware of the identities of the buyers of such CLSK Shares and it is expected that the buyer(s) of such CLSK Shares will be independent third party(ies).

The Disposal Mandate shall be conditional upon the approval by the Shareholders at the EGM.

Details of the Disposal Mandate

1. Mandate Period

The Disposal Mandate is for the Mandate Period, i.e. a period of 12 months from the date of passing of the relevant ordinary resolution at the EGM, which provides sufficient time and flexibility for the Possible Disposals.

2. *Maximum number of CLSK Shares to be disposed*

The Disposal Mandate shall authorise and empower the Board to sell up to 1,625,000 CLSK Shares held by the Group, representing approximately 0.6% of the total number of outstanding shares of CLSK as at the date of this announcement.

3. *Scope of Authority*

The Director(s) shall be authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Possible Disposal(s), including but not limited to (i) the number of batches of Possible Disposal(s), (ii) the number of CLSK Shares to be sold in each Possible Disposal, and (iii) the timing of each Possible Disposal.

4. *Manner of Possible Disposal(s)*

In the event of any Possible Disposal, when aggregated with the Possible Disposals that conducted and completed during the Mandate Period, subject to compliance with the relevant requirements under the Listing Rules and applicable laws and regulations, renders any applicable percentage ratio in relation to the Possible Disposals exceeds 25% on an aggregated basis, such Possible Disposal and any further Possible Disposal(s) shall be conducted in the open market through the trading system of NASDAQ and will only be effected if:

- (i) the selling price of each CLSK Share shall be based on the prevailing market price of CLSK Shares at the time of making the Possible Disposal(s) but will not be less than the Minimum Selling Price of US\$15.93 (equivalent to approximately HK\$124.73) per CLSK Share; and
- (ii) all of the applicable percentage ratios under the Listing Rules for the Possible Disposal(s) are below 75%.

5. *Compliance*

The Possible Disposal(s) shall comply with relevant applicable laws and regulations, including any applicable trading regulations in New York. The Group will also report on the progress of the Possible Disposal(s) in the relevant interim report as well as the annual report of the Company in compliance with the Listing Rules.

The Company will re-comply with the Listing Rules requirements and seek another shareholders' approval for the Possible Disposals in the event that the Possible Disposals cannot be completed within the Disposal Mandate.

6. *The Minimum Selling Price*

The Minimum Selling Price of US\$15.93 (equivalent to approximately HK\$124.73) per CLSK Share represents:

- (a) a premium of approximately 64.23% to the closing price of US\$9.70 (equivalent to approximately HK\$75.95) per CLSK Share as quoted on NASDAQ as at the trading day immediately before the date of this announcement; and
- (b) a premium of approximately 64.91% to the closing price of US\$9.66 (equivalent to approximately HK\$75.64) per CLSK Share as quoted on NASDAQ for the last five (5) consecutive trading days up to and including the trading day immediately before the date of this announcement.

The Minimum Selling Price was determined with reference to (i) the volatile market performance of the CLSK Shares as quoted on NASDAQ for the past 12 months which ranged from US\$6.452 to US\$20.640 per CLSK Share; and (ii) the prevailing market conditions and the uncertainty of global economy. The Directors consider that the Minimum Selling Price will allow flexibility for the Company to accommodate fluctuation in the market conditions in effecting the Possible Disposal(s) and at the same time reflect the lowest acceptable price to the Company to dispose of the CLSK Shares, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

Previous Disposal

On 8 May 2024 (Eastern Standard Time), Digital Tech, a direct wholly-owned subsidiary of the Company, disposed of 10 CLSK Shares at an aggregate consideration of approximately US\$163 (equivalent to approximately HK\$1,276) (excluding stamp duty and related expenses), representing approximately US\$16.3 (equivalent to approximately HK\$127.6) per CLSK Share (the “**Previous Disposal**”).

INFORMATION ON CLSK

According to publicly available information, CLSK is a bitcoin mining company incorporated in the State of Nevada, the United States. Its common stock is listed on the NASDAQ. CLSK independently owns and operates a large portfolio of data centers across the United States with locations in Georgia, Tennessee, Mississippi and Wyoming. As of October 31, 2024, CLSK has 676 megawatts of developed capacity and has 50 megawatts of hosted machines in New York, which supports approximately 31.5 exahash per second of bitcoin mining computational power.

Set out below is the financial information of CLSK as extracted from the published documents of CLSK:

	For the year ended 30 September 2023 (audited)		For the year ended 30 September 2024 (audited)		For the three months ended 31 December 2024 (unaudited)	
	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>	<i>US\$'000</i>	<i>HK\$'000</i>
Revenue	168,408	1,318,635	378,968	2,967,319	162,306	1,270,856
Income/(loss) before income tax	(131,303)	(1,028,102)	(142,433)	(1,115,250)	256,008	2,004,543
Net income/(loss)	(138,148)	(1,081,699)	(145,777)	(1,141,434)	246,791	1,932,374

Based on CLSK's published documents, it had an unaudited consolidated net asset value of approximately US\$2,021.586 million (equivalent to approximately HK\$15,829.018 million) as at 31 December 2024, an audited consolidated net asset value of approximately US\$1,760.841 million (equivalent to approximately HK\$13,787.385 million) as at 30 September 2024 and US\$675.668 million (equivalent to approximately HK\$5,290.480 million) as at 30 September 2023, respectively.

INFORMATION OF THE GROUP AND DIGITAL TECH

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 Group actively pursues opportunities in Web 3.0 digital currency business.

Digital Tech is an investment holding company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL MANDATE AND THE POSSIBLE DISPOSAL(S)

Having regard to the current market conditions, the Board considers that the Possible Disposal(s) will provide the Group with an opportunity to realise its investment in CLSK and will enhance the overall liquidity of the Group. The Company considers that the Possible Disposal(s) represents an opportunity to realise its investments and to allow the Group to reallocate its resources.

Given the volatility of the stock market, disposing of shares at the best possible prices requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each Sale. To allow flexibility in effecting future Sales at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval from the Shareholders at the EGM for the Possible Disposal(s).

Each Sale will be made with reference to the market prices on open market. The Board is of the view that the Possible Disposal(s) are on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE POSSIBLE DISPOSAL(S) AND USE OF PROCEEDS

As at the date of this announcement, Digital Tech held approximately 0.6% of the total number of outstanding shares of CLSK. Upon completion of the Possible Disposal(s) in full, the Group will cease to hold any CLSK Shares.

For illustrating the financial impact of the Possible Disposal, on the assumption that all the 1,625,000 CLSK Shares are disposed of at the Minimum Selling Price, the Group is expected to recognise a gain of approximately US\$10,920,250 (equivalent to approximately HK\$85,505,558) which is calculated on the basis of the difference between the proceeds receivable under the Possible Disposal(s) of approximately US\$25,886,250 (equivalent to approximately HK\$202,689,338) and the unaudited carrying value of the 1,625,000 CLSK Shares of approximately US\$14,966,000 (equivalent to approximately HK\$117,183,780) as at 31 December 2024. The actual gain of the Group as a result of the Possible Disposal will depend on the actual Sale price per CLSK Share and will be subject to final audit by the auditors of the Company.

The Company will use the proceeds from the Possible Disposal(s) for general working capital.

IMPLICATIONS UNDER THE LISTING RULES

Assuming that all 1,625,000 CLSK Shares held by the Group will have been disposed of within the Mandate Period at US\$9.70 (equivalent to approximately HK\$75.95) per CLSK Share, being the closing price of CLSK Share as at the trading day immediately before the date of this announcement, one or more applicable percentage ratios of the Possible Disposal(s) when aggregated with the Previous Disposal pursuant to Rule 14.22 of the Listing Rules will exceed 25% but less than 75%, the Possible Disposal(s) may constitute a major transaction of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval at the EGM.

The Company will seek the approval of the Shareholders at the EGM for the Disposal Mandate and the Possible Disposal(s) to allow the Company to dispose of up to 1,625,000 CLSK Shares held by the Group during the Mandate Period.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Disposal Mandate and the Possible Disposal(s). Accordingly, it is expected that no Shareholder is required to abstain from voting at the EGM.

GENERAL

A circular containing, inter alia, (i) further information regarding the Disposal Mandate and the Possible Disposal(s); (ii) other information required under the Listing Rules; and (iii) a notice convening the EGM, is expected to be issued beyond 15 business days after the publication of this announcement, and despatched to the Shareholders on or before 20 June 2025 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Whether and when the Company will proceed with the Possible Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Proposed Disposal(s). There is no assurance that the Company will proceed with the Possible Disposal(s). Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“CLSK”	CleanSpark, Inc., a company incorporated in the State of Nevada, the United States, with its common stock listed on NASDAQ (stock symbol: CLSK)
“CLSK Share(s)”	common stock with par value of US\$0.001 per share of CLSK listed on NASDAQ
“Company”	Coolpad Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2369)
“Digital Tech”	Digital Tech Inc., a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company

“Disposal Mandate”	the general and conditional mandate to be granted by the Shareholders to the Company at the EGM to dispose of up to 1,625,000 CLSK Shares during the Mandate Period
“EGM”	the extraordinary general meeting of the Company to be held and convened to consider, among others, the Disposal Mandate and the Possible Disposal(s) contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mandate Period”	the 12-month period from the date of passing of the relevant resolution(s) approving the Disposal Mandate and the Possible Disposal(s) at the EGM
“Minimum Selling Price”	US\$15.93 (equivalent to approximately HK\$124.73) per CLSK Share
“NASDAQ”	National Association of Securities Dealers Automated Quotations capital market
“Possible Disposal(s)”	the proposed on-market disposal(s) of up to 1,625,000 CLSK Shares by the Group under the Disposal Mandate
“Previous Disposal”	has the meaning ascribed to it in the section headed “The Possible Disposal(s) and the Disposal Mandate – Previous disposal” in this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 22 May 2025

As at the date of this announcement, the Executive Directors are Mr. CHEN Jiajun, Ms. LIU Juan and Mr. MA Fei; the Non-Executive Directors are Mr. LIANG Rui, Mr. NG Wai Hung and Mr. XU Yi Bo; and the independent non-executive Directors are Mr. CHEUK Ho Kan, Mr. GUO Jing Hui and Mr. WANG Guan.

For the purpose of this announcement, unless otherwise specified, conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1.00 = HK\$7.83. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in US\$ and HK\$ have been, could have been or may be converted at such rate or any other exchange rate.