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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)

SUPPLEMENTAL ANNOUNCEMENT

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Coolpad Group Limited (the “**Company**”) dated 17 July 2026 (the “**Announcement**”) in relation to the placing of up to 66,000,000 new Shares in the Company to the Placees at the Placing Price of HK\$0.53 per Placing Share under the General Mandate. Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Announcement. The board (“**Board**”) of Directors would like to provide further information in relation to the Placing as follows.

FURTHER INFORMATION ON THE REASONS FOR AND BENEFITS OF THE PLACING

The Group is principally engaged in the production and sale of smart phones and devices, provision of wireless application services, leases of properties and cryptocurrencies business. According to the Group’s annual report, the Group’s reportable segments comprise the mobile phone segment, property investment segment and cryptocurrencies business segment.

The Group has disclosed in its annual report that it plans to expand its AI infrastructure business, covering AI computing equipment, intelligent storage systems/solutions and integrated hardware solutions, and to establish an AI infrastructure delivery centre at the Shenzhen Coolpad Industrial Park. The annual report also describes the Group’s strategic direction as focusing on AI terminal business and expanding from AI terminals into AI infrastructure.

The Company wishes to clarify that the planned AI infrastructure business and solutions business is viewed as an extension of the Group's existing technology hardware and solutions-related business, rather than a new business. The Group has experience in smart devices, hardware supply chain management, manufacturing, quality control and cooperation with operators and channel partners. The planned AI infrastructure business and solutions business is closely related to the Group's existing business, as both belong to the broader technology hardware category and differ primarily in application scenarios rather than in their fundamental technological nature. The Company expects the AI server business to leverage the Group's existing global supply chain system, manufacturing and quality control capabilities and domestic and overseas channel network, particularly cooperation with telecommunications operators and other core channel partners. The business model and revenue model of the planned business are expected to be similar to those of the existing business, featuring similar B2B sales cycles, pricing strategies and structure.

At the current planning stage, the business model is expected to focus mainly on the sale of AI server hardware and related AI computing equipment, together with the delivery of private deployment and computing power solutions where applicable. The relevant products include AI server hardware and related computing power solutions, including the planned 2U/4U/5U/6U AI server products and configurable multi-GPU solutions where required. The revenue model is expected to be principally driven by the sale of AI server hardware and related solution delivery, including configurable multi-GPU solutions where required.

The Company further clarifies that the proposed procurement and sale of AI server hardware is not intended to be pure indent trading or simple B2B trading. The Company plans to procure products based on customer and market demand, and the relevant products may be subject to value-added work such as product configuration, compatibility testing, customised testing, installation and/or deployment-related arrangements before delivery to customers. The Company will not separately charge a service fee for such value-added work; instead, such value-added elements are expected to be embedded in the overall product offering and reflected in the selling price of the relevant products.

The Company considers that the planned business has synergy with the Group's existing business. In particular, product sales are expected to utilise the Group's existing sales team and sales channels, including cooperation with operators and channel partners. The business is also expected to leverage the Group's existing experience in technology hardware products, including supply chain management, quality control and delivery management. To the extent product configuration, compatibility testing, customised testing and implementation support are required, the Company expects to utilise its existing product, technical, R&D and/or engineering resources, supplemented by supplier or partner support where appropriate. Accordingly, the planned AI infrastructure business represents a product line expansion from the Group's existing smart device and technology hardware business into AI server hardware and AI computing equipment in response to customer and market demand.

As to the business plan, in the short term, being the second half of 2026, the Company plans to prepare the 2U to 6U AI server product matrix, procure initial core inventories and establish private deployment and computing power solution delivery capability. In the medium term, being 2027, the Company plans to focus on government and small to medium enterprise customers, with three key directions, namely government and enterprise private deployment, computing power services and overseas markets, and intends to leverage its brand and channel network to reach customers in lower-tier markets and form a stable customer base. The Company also plans to explore emerging overseas markets, including Southeast Asia. In the longer term, the Company plans to develop a business model combining hardware sales and computing power services, with a view to increasing revenue contribution and reducing reliance on a single consumer electronics business cycle. The Company notes that the business remains subject to market conditions, customer demand, competition and delivery uncertainties.

Given that the planned AI infrastructure business and solutions business remain at an early planning and development stage and the current scale is not expected to be material as a separate segment, the Company does not currently expect such business to be presented as a separate new reportable business segment.

FURTHER INFORMATION ON THE USE OF PROCEEDS

Assuming all Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$34.98 million and the net proceeds, after deducting the placing commission and relevant expenses, are estimated to be approximately HK\$33.98 million. The Company confirms that the net proceeds are intended to be used entirely for the AI infrastructure business and solutions business, and not for general working capital or other unrelated purposes.

The proposed allocation of the net proceeds is as follows: approximately HK\$31.60 million, representing approximately 93% of the net proceeds, for the procurement of AI server hardware as core inventories, in particular core components; approximately HK\$1.70 million, representing approximately 5% of the net proceeds, for solution delivery, testing platform and implementation capability; and approximately HK\$0.68 million, representing approximately 2% of the net proceeds, for market development and channel promotion. The Company considers that the allocation of approximately 5% of the net proceeds to solution delivery, testing platform and implementation capability is appropriate at the current stage, as the AI infrastructure business is expected to mainly rely on the Group's existing product, technical, R&D and/or engineering resources and personnel teams, supplemented by supplier or partner support where appropriate. Accordingly, the Company does not expect that significant additional investment will be required for this workstream at the current stage.

The AI server hardware and related components to be procured mainly include high-performance servers and their components and accessories. Such procurement is intended to support the sale of AI server products and related computing power solutions, including 2U/4U/5U/6U AI server products and configurable multi-GPU solutions. As disclosed in the Announcement, the procurement of AI hardware and equipment as core inventories is intended to expand the Company's capacity and shorten customer delivery cycles, and the net proceeds are expected to be utilised during the six months ending 31 December 2026. The Company further clarifies that the majority of the net proceeds will be used for the procurement of complete AI server units. After such procurement, the Company expects to utilise its existing team to conduct testing, software installation and other value-added work before delivery to customers. As the relevant products are expected to be procured as complete units and no complex assembly or debugging process is expected to be required, the Company considers that such procurement arrangement would help shorten the customer delivery cycle.

The Company considers that the proposed use of the net proceeds for procurement of AI server hardware is consistent with the planned expansion of its technology hardware and solutions-related business. The procurement will support customer delivery, shorten lead time, and enable the Company to respond to customer and market demand for AI server hardware and related computing power solutions. In view of the demand-driven nature of the business and the relatively high unit value of AI server hardware, maintaining core inventories is expected to facilitate timely fulfilment of customer orders.

Shareholders and potential investors should note that the Placing is subject to the fulfillment of the conditions under the Placing Agreement as set out in the section headed "Conditions of the Placing" in the Announcement. As the Placing may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

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

Hong Kong, 5 August 2026

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Chen Jiajun and Mr. Ma Fei; (ii) two non-executive Directors, namely Mr. Liang Rui and Mr. Xu Yibo; and (iii) three independent non-executive Directors, namely Mr. Guo Jinghui, Ms. Wang Guan and Mr. Cheuk Ho Kan.