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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)

UPDATE ON RECENT DEVELOPMENT OF SUSPENSION OF TRADING

This announcement is made by Coolpad Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 30 March 2017, 31 March 2017, 26 April 2017, 23 May 2017, 29 June 2017, 28 July 2017, 15 August 2017, 21 September 2017, 31 October 2017, 29 November 2017, 28 December 2017, 16 January 2018, 19 January 2018 and 26 January 2018 (collectively the “**Announcements**”). Unless the context otherwise requires, the capitalised terms used therein shall have the same meanings as defined in the Announcements.

As at the date of this announcement, the new developments since the last update announcement dated 28 December 2017 are set out below:

1. The Company has submitted the draft independent auditor’s report of the Company to Stock Exchange for review.
2. The Company has recently appointed new Directors, re-designated existing Director and changed the company secretary to improve the board composition and corporate governance of the Company.
3. The Board has taken further steps to respond to the Auditor’s enquiries, and established a new independent board committee consisting of 6 Directors, namely, Mr. Leung Siu Kee, Mr. Lam Ting Fung Freeman, Mr. Liang Rui, Mr. Ng Wai Hung, Mr. Xie Weixin and Mr. Chan King Chung, who had no knowledge of and did not involve in the decision-making process or execution of any agreement in the relevant transactions to look into and investigate the outstanding audit issues.
4. The Company has negotiated a new financing arrangement with the bank, which is now being processed by that bank for internal approval.
5. As stated in the announcement of the Company dated 26 January 2018, Yulong Computer Telecommunication Scientific (Shenzhen) Co., LTD., a subsidiary of the Company, has initiated 6 lawsuits against 4 defendants for invention patents infringement.

6. As stated in the announcement of the Company dated 16 January 2018, three subsidiaries of the Company acting as the borrower, first guarantor and second guarantor, respectively, have recently settled a lawsuit with Shanghai Pudong Development Bank Co., Ltd., Shenzhen Branch.

Save as mentioned above, there has been no other significant development since the last update announcement dated 28 December 2017.

The Board would like to announce that the progress of providing all necessary information and documents to the Auditor to perform and complete the audit procedures of the 2016 Annual Results is still ongoing. The Company is continuing making its efforts in working with the Auditor, by virtue of its sufficient manpower and professional experiences, to publish the 2016 Annual Results and dispatch the 2016 Annual Report as soon as possible. Meanwhile, the Company will carry on with its preparation to comply with the Resumption Conditions.

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9 a.m. on 31 March 2017 pending the publication of the 2016 Annual Results.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Coolpad Group Limited
Jiang Chao
Vice Chairman
Chief Executive Officer

Hong Kong, 31 January 2018

As at the date of this announcement, the executive Directors are Mr. Jiang Chao, Mr. Leung Siu Kee, Mr. Lam Ting Fung Freeman and Mr. Liang Rui; the non-executive Directors are Mr. Liu Hong and Mr. Ng Wai Hung; the independent non-executive Directors are Dr. Huang Dazhan, Mr. Xie Weixin and Mr. Chan King Chung.