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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, 26 January 2018, and 31 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. New Independent Board Committee (the “New IBC”)

As stated in the announcement of the Company dated 31 January 2018, the Board has established the New IBC to look into and investigate the audit issues. The establishment of the New IBC was mainly due to (i) change of board of directors of the Company, and (ii) inclusion of new members with accounting and legal background to facilitate follow up of the audit issues and trading resumption.

Since the suspension of trading in the shares of the Company, the Company has been actively collating and providing all necessary documents to the Company’s auditors with a view to completing the audit of the financial statements of the Group for the year ended 31 December 2016. In particular, the Company formed the previous independent board committee (the “**Previous IBC**”) in order to address the audit issues in relation to the audit of the Company’s annual results for the year ended 31 December 2016. Regarding the issue of going concern, the Company has been devoting its best efforts to refine the Group’s operating plan, cash flow forecasts and to continue to communicate with banks, financial institutions and professional investors as to possible fund raising exercises.

Based on current information available to the members of the New IBC, the scope of the New IBC includes (i) to identify and engage an independent legal advisers to formulate and assess any appropriate follow up actions to be taken in response to the audit issues; (ii) to identify and appoint internal control expert and conduct an overall review on the internal control of the Group; and (iii) to review on the working capital sufficiency of the Group, in conjunction with the management of the Group and the Company's auditors. Further announcement(s) will be made by the Company as and when there is any material development in relation to the works to be conducted by the New IBC.

2. Expected Timetable for Resumption

To provide shareholders and potential investors with updates of the Company's current status and plan for resumption of trading in the shares of the Company, taking into account the current progress of the audit of the consolidated financial statements of the Company for the year ended 31 December 2016, the expected timetable for Resumption is as below:

Key events	2018
Announcement of audited annual results for the year ended 31 December 2016 and the notice of the annual general meeting	Mid March
Publication of 2016 annual report	Late March
Annual general meeting to (i) adopt the audited financial statements together with the reports of the directors and independent auditor for the year ended 31 December 2016; and (ii) re-appoint auditor to hold office until the conclusion of next annual general meeting of the Company	Mid to Late April
Announcement of (i) interim results for the six months ended 30 June 2017 and (ii) annual results for the year ended 31 December 2017 and the notice of annual general meeting	Late July
Publication of 2017 interim report and 2017 annual report	Early August
Annual general meeting to (i) adopt the audited financial statements together with the reports of the directors and independent auditor for the year ended 31 December 2017; and (ii) re-appoint auditor to hold office until the conclusion of next annual general meeting of the Company	Mid September
Announcement of interim results for the six months ended 30 June 2018	Late October
Publication of 2018 interim report	Mid November
Resumption of trading in the shares of the Company	End of November

The Board would like to announce that the audit procedures of the 2016 Annual Results has been in the final stage. 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 despatch the 2016 Annual Report as soon as possible. Meanwhile, the Company will carry on with its preparation to comply with the Resumption Conditions.

Save as mentioned above, there has been no other significant development since the last update announcement dated 31 January 2018.

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

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, 28 February 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.