

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**coolpad 酷派**

**COOLPAD GROUP LIMITED**

**酷派集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2369)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF LAND USE RIGHTS AND CONSTRUCTION IN PROGRESS**

The Board is pleased to announce that on 25 April 2019, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Purchaser agreed to purchase the land use rights and Construction in Progress of the Land from the Vendor at a consideration of RMB236,292,626.00 (approximately HK\$274.10 million).

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements (but not the Shareholders' approval requirement) under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 25 April 2019, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Purchaser agreed to purchase the land use rights and Construction in Progress of the Land from the Vendor. Details of the Sale and Purchase Agreement are set out below.

**THE SALE AND PURCHASE AGREEMENT**

**Date**

25 April 2019 (after trading hours)

**Parties**

- (i) Purchaser: Xi'an High-tech Industrial Development Zone Land Reserve Center (西安高新技術產業開發區土地儲備中心)
- (ii) Vendor: Xi'an Coolpad Telecommunications Equipment Co., Ltd. (a wholly-owned subsidiary of the Company)

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

## **Subject Matter**

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to purchase the land use rights and Construction in Progress of the Land. The Land is situated to the west of Xifeng Road and the north of Xiaohu, Chang'an Park, High-tech Zone, Xi'an, Shaanxi Province, the PRC, with an area with land use rights of 87,457.9 sq. m. Construction in Progress includes a composite building under construction, the main body and part of the sub-project of which have been completed. The Land is currently under suspension of construction, which did not generate any income or revenue. The preliminary valuation of the Land and Construction in Progress amounted to RMB0.218 billion (approximately HK\$252.88 million).

The net revenue expected to be received by the Company from the Disposal amounted to RMB52.54 million (approximately HK\$60.95 million), being the difference between the Consideration receivable from the Disposal and the carrying amount of the Land after deduction of the related tax and other direct expenses. The net proceeds from the Disposal will be applied towards the sustainable promotion of the Group's brand overseas, especially in the U.S., the continued investment in new technology and the replenishment of the working capital of the Group.

## **CONSIDERATION**

The Consideration for the disposal of the Land and Construction in Progress is RMB236,292,626.00 (approximately HK\$274.10 million).

The Consideration shall be paid by the Purchaser to the account specified by the Vendor in the following manner:

- (i) RMB120,000,000 (equivalent to approximately HK\$139.20 million) shall be paid on or before 10 May 2019;
- (ii) RMB30,000,000 (equivalent to approximately HK\$34.95 million) shall be paid within 10 working days upon the submission of the required information for completing the reserve procedure of the Land by the Vendor to the Purchaser as requested by the Purchaser and having obtained the approval from the Land and Resources Bureau of Xi'an and the approval document for land resumption;
- (iii) RMB30,000,000 (equivalent to approximately HK\$34.80 million) shall be paid within 10 working days upon the submission of all engineering and technical information of the Construction in Progress by the Vendor to the Purchaser and the Purchaser having reviewed and confirmed the information transfer list signed by both parties within 5 working days thereafter;
- (iv) RMB20,000,000 (equivalent to approximately HK\$23.20 million) shall be paid within 10 working days upon the Vendor having claimed or paid off the credits and debts in relation to the Construction in Progress with contractors and suppliers, obtained relevant proof regarding no credits or debt disputes and relevant proof for agreements on cancellation of contracts or fulfilment of contracts with suppliers and contractors; and
- (v) RMB36,292,626 (equivalent to approximately HK\$42.10 million) shall be paid within 10 working days upon the Vendor having transferred the Land and Construction in Progress on as-is basis, together with the relevant information, to the Purchaser, and the land transfer order having been signed by both parties.

The Purchaser shall assist the Vendor in handling the relevant tax concessions or reductions and exemptions in relation to the various taxes (including land appreciation tax, value-added tax for Construction in Progress, etc.) paid for the Disposal.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to, among others, the remaining carrying value of the Land and Construction in Progress of approximately RMB167.75 million as at 31 March 2019, the market price of the Land and Construction in Progress, as well as tax related to the transaction.

## **COMPLETION**

Completion is conditional upon fulfilment of all of the following conditions:

- (i) all necessary registration, consent and approval of the relevant governmental authorities in respect of the Disposal having been obtained;
- (ii) all necessary filing with the relevant tax authority in respect of the Disposal having been completed; and
- (iii) the Land and Construction in Progress (including relevant engineering and technical information) having been completely transferred to the Purchaser on as-is basis.

The aforesaid conditions shall be fulfilled on or before 30 June 2019 and the Completion will take place on or before that date.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

Given that the Land is currently suspended from construction and did not generate any income or revenue, and the Group has not invested any additional funds for the construction of the land, the Board is of the view that the Disposal will bring profit before tax of approximately RMB52.54 million to the Group, at the same time providing an excellent opportunity for the Group to realize the value of the Land at a reasonable price and hence consolidate the Group's financial position by helping to satisfy some of its liquidity needs.

The Board considers that the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE GROUP AND THE VENDOR**

The Group is principally engaged in developing wireless telecommunications technological know-how in wireless telecommunications across multiple wireless telecommunications network standards and providing integrated solutions for smartphone sets, mobile data platform system, and value-added business operations. The Vendor, a wholly-owned subsidiary of the Company, is principally engaged in investment holding, research and development of wireless devices, sales of self-developed technology and other business not prohibited by the laws of the PRC.

## INFORMATION ABOUT THE PURCHASER

The Purchaser is an institution directly under Xi'an High-tech Industrial Development Zone. It is responsible for the formulation and implementation of preparatory work and land supply plans of state-owned land in the high-tech zone, and holding the acquired and reserved land resources on behalf of the management committee.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements (but not the Shareholders' approval requirement) under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following meanings:

“Board”	the board of Directors of the Company
“Company”	Coolpad Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 2369)
“Completion”	the completion of the Disposal pursuant to the Sale and Purchase Agreement
“Consideration”	the consideration of the Disposal
“Directors”	the directors of the Company
“Disposal”	the disposal of the Land and Construction in Progress by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Land”	situated to the west of Xifeng Road and the north of Xiaohe, Chang'an Park, High-tech Zone, Xi'an, Shaanxi Province, the PRC, with a construction area of approximately 87,457.9 sq.m.

“Construction in Progress”	a composite building under construction located on the Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Xi’an High-tech Industrial Development Zone Land Reserve Center (西安高新技術產業開發區土地儲備中心), an institution directly under Xi’an High-tech Industrial Development Zone
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 April 2019 entered into between the Purchaser and the Vendor in relation to the Disposal
“Vendor”	Xi’an Coolpad Telecommunications Equipment Co., Ltd., a company established in the PRC with limited liability, and a wholly-owned subsidiary of the Company
“Shareholders”	the holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*For the purpose of this announcement, unless otherwise indicated, conversions of RMB into HK\$ is calculated at the exchange rate of RMB1.00 to HK\$1.16. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.*

By order of the Board  
**Coolpad Group Limited**  
**Leung Siu Kee**  
*Executive Director*  
*Company Secretary*

Hong Kong, 25 April 2019

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