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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)

**SATISFACTION OF ALL RESUMPTION CONDITIONS
AND
RESUMPTION 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, 31 January 2018, 28 February 2018, 20 March 2018, 3 April 2018, 4 May 2018, 10 May 2018, 18 May 2018, 6 June 2018, 23 July 2018, 19 October 2018, 21 December 2018, 15 February 2019, 8 May 2019, 26 June 2019 and 18 July 2019.

BACKGROUND

At the request of the Company, trading in the shares of the Company (the “**Shares**”) on the Stock Exchange has been suspended with effect from 9:00 a.m. on 31 March 2017.

As disclosed in the Company’s announcement dated 29 June 2017, the Stock Exchange imposed on the Company the following resumption conditions (the “**Resumption Conditions**”):

- (a) publish all outstanding financial results under the Listing Rules and address any audit qualifications;
- (b) conduct appropriate investigation(s) to address the audit issues raised by the Company’s auditors (the “**Audit Issues**”); and
- (c) inform the market of all material information for shareholders and investors to appraise the Company’s position.

SATISFACTION OF ALL RESUMPTION CONDITIONS

As at the date of this announcement, the Company has fulfilled all of the Resumption Conditions, details of which are set out below.

Resumption Condition (a) – publish all outstanding financial results under the Listing Rules and address any audit qualifications

The Company has published all the outstanding financial results in satisfaction of Resumption Condition (a). The table below sets out the date of publication of, and the weblink to, the relevant financial results and reports.

Financial results/reports	Date of publication	Weblink
2016 final results (final results for the year ended 31 December 2016)	3 April 2018	http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0403/LTN201804033094.pdf
2016 annual report (annual report for the year ended 31 December 2016)	18 April 2018	http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0418/LTN20180418023.pdf
2017 interim results (interim results for the 6 months ended 30 June 2017)	5 December 2018	http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1205/LTN20181205007.pdf
2017 interim report (interim report for the 6 months ended 30 June 2017)	10 December 2018	http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1210/LTN20181210091.pdf
2017 final results (final results for the year ended 31 December 2017)	5 December 2018	http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1205/LTN20181205011.pdf
2017 annual report (annual report for the year ended 31 December 2017)	10 December 2018	http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1210/LTN20181210103.pdf

2018 interim results (interim results for the 6 months ended 30 June 2018)	29 March 2019	http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0331/LTN20190331095.pdf
2018 interim report (interim report for the 6 months ended 30 June 2018)	17 April 2019	https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417011.pdf
2018 final results (final results for the year ended 31 December 2018)	29 March 2019	http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0331/LTN20190331125.pdf
2018 annual report (annual report for the year ended 31 December 2018)	17 April 2019	https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417015.pdf

In addition, it is noted that the Company's auditors have opined in its auditor's report for the year ended 31 December 2018 that the consolidated financial statements of the Group for the year ended 31 December 2018 give a true and fair view of the financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance. It is further noted that the said auditor's report is not qualified or modified. It follows from the unqualified opinion of the Company's auditors that the audit qualifications in the Company's financial statements for the year ended 31 December 2016 have been addressed.

Resumption Condition (b) – conduct appropriate investigation(s) to address the Audit Issues

Reference is made to the Company's announcements dated 31 January 2018, 3 April 2018 and 18 July 2019 (the "**Announcement**") in relation to the key findings of the independent agreed-upon procedures report.

As disclosed in the Company's announcement dated 31 January 2018, the board of directors of the Company (the "**Board**") established the new independent board committee (the "**New IBC**") to look into and investigate the Audit Issues.

As disclosed in the Company's announcement dated 3 April 2018, Corporate Governance Professionals Limited (formerly known as Baker Tilly Hong Kong Risk Assurance Limited) (the "**Consultant**") has been engaged to conduct certain agreed-upon procedures tailored to address the Audit Issues.

As disclosed in the Announcement, the Consultant has completed the agreed-upon procedures and issued the report (the “**AUP Report**”), the key findings of which have been summarised in the Announcement.

The New IBC and the Board have reviewed and considered the findings set out in the AUP Report prepared by the Consultant, and adopted the AUP Report in full.

The New IBC is of the view that the AUP Report is thorough, comprehensive and in-depth. The New IBC also considers the findings and remarks of the Consultant in the AUP Report fair and reasonable.

In light of the findings and remarks made by the Consultant in the AUP Report, the New IBC considers that the Audit Issues have been duly dealt with and that no further meaningful actions can be taken, given that the relevant personnel of the relevant transactions concerned have already left the Group and that the Group did not suffer substantial financial loss as a result of the relevant transactions.

In addition, the New IBC is of the view that the Audit Issues were primarily attributable to a relatively weak internal control system of the Group. The New IBC holds a firm position that a stringent internal control system is key to success of the Group and is fully determined to strengthen the internal control system of the Group in order to regain the confidence of the Company’s shareholders and investors.

Accordingly, the New IBC has engaged the Consultant to conduct an overall review and to identify the deficiencies of the Group’s internal control system.

The New IBC has reviewed and considered Internal Control Review Reports. The New IBC will ensure that the Group will implement the recommendations of the Consultant as set out in the internal control review reports issued by the Consultant (the “**Internal Control Review Reports**”) to the fullest extent possible.

The Company has disclosed the key findings of the AUP Report and the Internal Control Review Reports in the Announcement.

Resumption Condition (c) – inform the market of all material information for shareholders and investors to appraise the Company’s position

Since the suspension of trading of the Shares, the Company has informed its shareholders and investors of all material information to appraise the Company’s position by way of announcements on the website of the Stock Exchange.

RESUMPTION OF TRADING

Trading in the shares of the Company has been suspended since 9:00 a.m. on 31 March 2017. As all the Resumption Conditions have been satisfied, the Company has made an application to the Stock Exchange for the resumption of trading in the Company's shares on the Stock Exchange with effect from 9:00 a.m. on 19 July 2019.

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

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

Hong Kong, 18 July 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.