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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)

POSITIVE PROFIT ALERT

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

The board of directors (the “**Board**”) of the Company (together with its subsidiaries, the “**Group**”) wishes to inform its shareholders (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (“**FY2019**”) and the financial information currently available to the Group, the Group expects to record a net profit for FY2019 ranging from HKD100 million to HKD120 million as compared to a loss recorded for the year ended 31 December 2018 (“**FY2018**”) of HKD411 million.

The expected turnaround from loss to profit for FY2019 is mainly attributable to (i) the significant positive impact on the results from the profits generated from the joint venture (a loss was generated from the joint venture in FY2018); and (ii) an increase in the Group’s revenue for FY2019 of more than 40% as compared to a revenue of HKD1,277 million recorded in FY2018 as well as a significant increase in gross profit margin in the new products launched in the market in FY2019 (a gross loss was recorded in FY2018).

The Company is still in the process of preparing and finalising the annual results of the Group for FY2019. The information contained in this announcement is solely based on a preliminary assessment by the management of the Company relying on the unaudited management accounts for FY2019 available to the Board, which has not been audited or reviewed by the Company's independent auditor or the audit committee of the Board and may be subject to adjustments. Shareholders and potential investors are advised to refer to the details in the annual results announcement of the Company for FY2019, which is to be published by the end of March 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Coolpad Group Limited
Ma Fei
Executive Director
Joint Company Secretary

Hong Kong, 12 March 2020

As at the date of this announcement, the executive Directors are Mr. Chen Jiajun, Mr. Liang Rui, Mr. Ma Fei, Mr. Xu Yibo and Mr. Lam Ting Fung Freeman; the non-executive Director is Mr. Ng Wai Hung; the independent non-executive Directors are Dr. Huang Dazhan, Mr. Xie Weixin, Mr. Chan King Chung and Mr. Guo Jinghui.