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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)**

## **SUPPLEMENTAL ANNOUNCEMENT**

References are made to the annual report of Coolpad Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019 (“**FY2019**”) (the “**2019 Annual Report**”) and the announcements of the Company dated 7 October 2019, 8 October 2019, 29 November 2019, 13 December 2019 and 19 December 2019 in relation to, among others, New Prestige Developments Limited’s subscription of the shares of the Company which was completed on 19 December 2019 (“**Share Subscription**”) (the “**Announcements**”). Unless otherwise defined herein, capitalized terms herein shall have the same meanings as those defined in the 2019 Annual Report and the Announcements.

In addition to the information disclosed in the 2019 Annual Report, the Company wishes to provide further information in relation to (i) the Share Subscription; and (ii) the share option scheme adopted on 23 May 2014 (the “**Share Option Scheme**”) as follows:

### **(1) SHARE SUBSCRIPTION**

#### **Equity Fund Raising Activities of the Companies During FY2019**

Save as disclosed below, the Company has not conducted any equity fund raising activities during FY2019.

As disclosed in the Announcements, a total of 800,000,000 Subscription Shares were allotted and issued by the Company to New Prestige Developments Limited at the Subscription Price of HK\$0.215 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement.

The details of the proceeds raised from the Share Subscription are as follows:

<b>Net proceeds raised (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
HK\$171 million	HK\$94 million for the repayments of maturing debt and as to HK\$77 million for working capital and other general corporate purposes	<p>As at the date of this announcement, out of the HK\$171 million of net proceeds raised, approximately HK\$106 million was used on the repayments of maturing debts and approximately HK\$65 million was applied as working capital, repayments of trade payables and for other general corporate purposes.</p> <p>The portion of the net proceeds which was applied on the repayment of the maturing debts had exceeded the original allocation of HK\$94 million by approximately HK\$12 million, which was mainly attributed to the repayment of a high-interest loan together with accrued interests. Accordingly, the Company considers that such application of net proceeds on the repayment of maturing debts by the Group was in the ordinary course of business of the Group, and in the interests of the Company and its shareholders as a whole.</p> <p>Amongst the remaining portion of the net proceeds raised (being approximately HK\$65 million), approximately HK\$13 million was utilized for the daily operating expenses; and HK\$52 million was utilized for the repayment of trade payables.</p>

## **(2) SHARE OPTION SCHEME**

The Share Option Scheme became effective on 23 May 2014 after an ordinary resolution to approve the adoption of the same was passed by the Shareholders at the annual general meeting of the Company held on the same day.

An option under the Share Options Scheme may be accepted by a participant within 28 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day upon which the offer for the grant of the option is accepted but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

As at 30 March 2020, the total number of securities available for issue under the Share Option Scheme was 501,025,478 Shares (representing approximately 8.59% of the issued share capital of the Company as at 30 March 2020).

The Company confirms that, among the grantees under the Share Option Scheme, save as disclosed herein: (i) there are no participants with options granted in excess of the individual limit; (ii) there are no employees working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance; and (iii) there are no suppliers of goods or services. The Company also confirms that, save as disclosed herein, no share options under the Share Option Scheme have been granted to the Company’s chief executive, substantial shareholders or their respective associates during FY2019.

The following share options were outstanding under the Share Option Scheme as at 31 December 2019:

Number of share options

Name or category of participant	As at 1 January 2019	Granted during FY2019	Exercised during FY2019	Expired/ lapsed during FY2019	Forfeited/ cancelled during FY2019	As at 31 December 2019	Date of grant of share options (Note 1)	Exercise period of share options	Exercise price of share options (HK\$ per Share) (Note 5)	Closing price of the Company's listed shares immediately before the grant date of options (HK\$ per Share)	The weighted average closing price of the Company's listed shares for the five business days immediately preceding the date of grant (HK\$ per Share)
<b>Employees</b>											
In aggregate – granted on 10 Jan 2014	3,180,000	-	-	3,180,000	-	-	10-1-14	10-1-15 to 10-1-19 (Note 2)	1.540 (Note 6)	3.140	2.83
In aggregate – granted on 22 Jan 2015	6,744,000	-	-	-	-	6,744,000	22-1-15	22-1-16 to 22-1-20 (Note 2)	1.492	1.490	1.492
In aggregate – granted on 22 Jan 2015	200,000	-	-	-	-	200,000	22-1-15	22-1-17 to 22-1-21 (Note 4)	1.492	1.490	1.492
In aggregate – granted on 16 Oct 2015	6,496,000	-	-	-	-	6,496,000	16-10-15	16-10-16 to 16-10-20 (Note 2)	1.620	1.600	1.576
In aggregate – granted on 13 Nov 2019	-	150,000,000 (Notes 7, 8)	-	-	-	150,000,000	13-11-19	14-05-20 to 13-05-24 (Note 3)	0.2242	0.218	0.2242
In aggregate – granted on 13 Nov 2019	-	257,000,000 (Notes 7, 9)	-	-	-	257,000,000	13-11-19	14-11-20 to 13-11-24 (Note 2)	0.2242	0.218	0.2242
Subtotal	16,620,000	407,000,000	-	3,180,000	-	420,440,000					

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Name or category of participant	As at 1 January 2019	Granted during FY2019	Exercised during FY2019	Expired/ lapsed during FY2019	Forfeited/ cancelled during FY2019	As at 31 December 2019	Date of grant of share options (Note 1)	Exercise period of share options	Exercise price of share options (HK\$ per Share) (Note 5)	Closing price of the Company's listed shares immediately before the grant date of options (HK\$ per Share)	The weighted average closing price of the Company's listed shares for the five business days immediately preceding the date of grant (HK\$ per Share)
<b>Directors</b>											
<b>In aggregate – granted on 22 Jan 2015</b>											
Mr. Ma Fei	256,000	-	-	-	-	256,000	22-1-15	22-1-16 to 22-1-20 (Note 2)	1.492	1.490	1.492
<b>In aggregate – granted on 22 Jan 2015</b>											
Mr. Xu Yibo	2,000,000	-	-	-	-	2,000,000	22-1-15	22-1-17 to 22-1-21 (Note 4)	1.492	1.490	1.492
<b>In aggregate – granted on 16 Oct 2015</b>											
Mr. Ma Fei	592,000	-	-	-	-	592,000	16-10-15	16-10-16 to 16-10-20 (Note 2)	1.620	1.600	1.576
<b>In aggregate – granted on 16 Oct 2015</b>											
Mr. Xu Yibo	10,000,000	-	-	-	-	10,000,000	16-10-15	16-10-17 to 16-10-21 (Note 4)	1.620	1.600	1.576
<b>In aggregate – granted on 13 Nov 2019</b>											
Mr. Liang Rui	-	30,000,000	-	-	-	30,000,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242
Mr. Xu Yibo	-	12,000,000	-	-	-	12,000,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242

Number of share options

Name or category of participant	As at 1 January 2019	Granted during FY2019	Exercised during FY2019	Expired/ lapsed during FY2019	Forfeited/ cancelled during FY2019	As at 31 December 2019	Date of grant of share options (Note 1)	Exercise period of share options (Note 3)	Exercise price of share options (HK\$ per Share) (Note 5)	Company's listed shares immediately before the grant date of options (HK\$ per Share)	Closing price of the Company's listed shares for the five business days immediately preceding the date of grant (HK\$ per Share)	The weighted average closing price of the Company's listed shares
Mr. Ma Fei	-	8,000,000	-	-	-	8,000,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242	
Mr. Lam Ting Fung Freeman	-	2,800,000	-	-	-	2,800,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242	
Mr. Ng Wai Hung	-	2,800,000	-	-	-	2,800,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242	
Dr. Huang Dazhan	-	1,800,000	-	-	-	1,800,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242	
Mr. Xie Weixin	-	1,800,000	-	-	-	1,800,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242	
Mr. Chan King Chung	-	1,800,000	-	-	-	1,800,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242	
Mr. Guo Jinghui	-	1,800,000	-	-	-	1,800,000	13-11-19	14-5-20 to 13-5-24 (Note 3)	0.2242	0.218	0.2242	
Subtotal	-	62,800,000 (Notes 7, 10)	-	-	-	62,800,000						
<b>Total</b>	<b>29,468,000</b>	<b>469,800,000</b>	<b>-</b>	<b>3,180,000</b>	<b>-</b>	<b>496,088,000</b>						

Notes to the reconciliation of share options outstanding during FY2019:

- 1 *The vesting period of the share options is from the date of grant until the commencement of the exercise period.*
- 2 *For options granted with exercisable date determined based on the grant date of options, the first 25% of the total options can be exercised a year after the grant date, and each 25% of the total options will become exercisable in each subsequent year.*
- 3 *For options granted with exercisable date determined based on the grant date of options, the first 25% of the total options can be exercised half a year after the grant date, and each 25% of the total options will become exercisable in each subsequent year.*
- 4 *For options granted with exercisable date determined based on the grant date of options, the first 25% of the total options can be exercised two years after the grant date, and each 25% of the total options will become exercisable in each subsequent year.*
- 5 *The exercise price of a share option is the amount that the employee is required to pay to obtain each share under the option.*
- 6 *The exercise price of the share options granted on 10 January 2014 was adjusted from HK\$3.080 to HK\$1.540 per Share on 13 June 2014.*
- 7 *The fair value of the share options granted during FY2019 was HK\$35,651,000 (HK\$0.08 each).*
- 8 *The fair value of the 150,000,000 options granted to the employees during FY2019 was HK\$10,570,000 (HK\$0.07 each).*
- 9 *The fair value of the 257,000,000 options granted to the employees during FY2019 was HK\$19,821,000 (HK\$0.08 each).*
- 10 *The fair value of the 62,800,000 options granted to the Directors during FY2019 was HK\$5,260,000 (HK\$0.08 each). The fair value of each such option so granted to the Directors during FY2019 was identical.*

*Please also refer to note 32 to the financial statements for the accounting policy adopted for share options.*

The information contained in this supplemental announcement does not affect other information contained in the 2019 Annual Report and save as disclosed above, all other information in the 2019 Annual Report remains unchanged.

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

Hong Kong, 8 September 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.*