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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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 31 March 2017, 3 April 2017, 26 April 2017, 23 May 2017, 29 June 2017 and 28 July 2017 (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 Company’s operations have not improved, and continues to be loss-making. Based on the preliminary assessment of the Group’s unaudited consolidated management accounts, the Group recorded an operating income of approximately HK\$2,716 million as at 31 July 2017, representing a year-on-year decline of 52%, and as the current assets of the Group are less than the current liabilities, the recent pressure on repayment of liabilities has increased. In face of the going concern issues raised by the Auditor, the Board of the Company is actively preparing for the Group’s one-year operating plan, and to carry out cash flow forecasts and management evaluation, including but not limited to communicating with banks, organizations, and interested parties, in order to respond as soon as possible. Save as mentioned above, there has been no other significant development.

The Board would like to announce that the progress of providing all necessary information and documents to the Auditor to perform and complete the audit procedures of the 2016 Annual Results is still ongoing. The Company is continuing its efforts in working with the Auditor, by virtue of its sufficient manpower and professional experiences, to publish the 2016 Annual Results and dispatch the 2016 Annual Report as soon as possible. Meanwhile, the Company will carry on with its preparations to comply with the Resumption Conditions.

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9 a.m. on 31 March 2017 pending the publication of the 2016 Annual Results.

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

By order of the Board
Coolpad Group Limited
JIA YUETING
Chairman

Hong Kong, 15 August 2017

As at the date of this announcement, the executive directors of the Company are Mr. Jia Yueting, Mr. Jiang Chao, Mr. Liu Hong, Mr. Liu Jiangfeng, Mr. Abulikemu Abulimiti and Mr. Zhang Wei, and the independent non-executive directors are Dr. Huang Dazhan, Mr. Xie Weixin, and Mr. Chan King Chung.