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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)**

### **ANNOUNCEMENT**

### **A LAWSUIT RELATED TO THE GROUP**

This announcement is made by Coolpad Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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).

The Company has recently received a civil complaint (the “**Civil Complaint**”) from Bank of Ningbo Co., Ltd. Shenzhen Branch (the “**Loan Bank**” or the “**Plaintiff**”) against the subsidiaries of the Company, Yulong Computer Telecommunication Scientific (Shenzhen) Co., LTD. (the “**Borrower**”) and Dongguan Yulong Telecommunication Tech Co., LTD. (the “**Guarantor**”).

According to the Civil Complaint, the Plaintiff alleges that it signed the “Bank Acceptance Agreement” (the “**Bank Acceptance Agreement**”) with the Borrower on 7 November 2016. According to the Bank Acceptance Agreement, the Borrower applied to the Loan Bank for 7 electronic bank acceptance bills, with a total face amount of RMB70 million, the security deposit of RMB21 million and the expiration date is 7 November 2017. The Guarantor has signed a related guarantee contract with the Plaintiff to provide the maximum joint and several liability guarantee for the Borrower’s debts mentioned above. The Plaintiff claims that the Borrower should unconditionally deposit the bill amount payable in full to the Plaintiff before the expiration date of the bill pursuant to the Bank Acceptance Agreement, and the Plaintiff is entitled to charge five ten thousandths of interest on the unpaid bill amount daily in case the Borrower does not pay the full amount of the bills in accordance with the Bank Acceptance Agreement, as for the unpaid interest payable, the Plaintiff is entitled to charge five ten thousandths compound interest on the unpaid interest daily; if there is any other event in which the Borrower is not in production, closed, involved in litigation or major economic disputes, the property has been seized and frozen or the operating activities are in difficulty, etc. that threatens its normal operation or any other events that have a significant adverse effect on its performance of the obligations under the Bank Acceptance Agreement, the Plaintiff has the right to assume that all the credits of the Borrower granted by the Plaintiff are early due and the Plaintiff is entitled to require the Borrower to deposit all the bill amounts in advance and to file a lawsuit to the People’s Court and apply for preservation measures. After investigation, the Plaintiff alleges that the Borrower and the Guarantor are involved in litigation and face difficulties in their operating activities, so the Plaintiff filed a lawsuit to Shenzhen Futian People’s Court, requesting the Court:

1. To order that the Plaintiff does have a priority claim to the security deposit of RMB21 million paid by the Borrower to the Plaintiff and the interest thereon, the said amount will be used to pay the bank acceptance bills first;
2. To order that the Borrower to immediately repay the difference between the face amount of the bank acceptance bills and the security deposit of RMB49 million to the Plaintiff and to pay the interest and compound interest from the date of the Plaintiff's filing of the lawsuit until the date of the full repayment of the said amount;
3. To order that the Guarantor to undertake the joint and several guarantee liability for all the debts of the Borrower mentioned above; and
4. To order that the Borrower and the Guarantor shall jointly bear all litigation expenses, preservation fees, execution fees, legal fees, travel fees and other fees for the realization of the creditor's rights and all other fees payable.

The Company is of the view that these acceptance bills are not due yet. The Company has consulted PRC lawyers and has been actively collecting evidence to defend itself against the Civil Complaint.

The Company will make further announcement in due course to inform the shareholders of the Company of the progress.

**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, 17 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.*