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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)

CLARIFICATION ANNOUNCEMENT

ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Reference is made to the announcement of Coolpad Group Limited (the “**Company**”) dated 17 October 2017 (the “**Announcement**”) in relation to issue of convertible bonds under general mandate. Unless the context otherwise requires, capitalised terms used therein shall have the same meanings as defined in the Announcement.

The Board of Company wishes to clarify the followings regarding the principal terms of the Subscription Agreement and the Convertible Bonds:

1. The mechanism of interest rate 5% and 2.5%

The interest rate of 5% and 2.5% may apply to the following situations:

- (1) If the Subscriber decides not to fully convert the Convertible Bonds into shares of the Company at the end of the term of Convertible Bonds, the Subscriber will be entitled to interest payment at the interest rate of 5% for the entire holding period of Convertible Bonds.
- (2) If the Subscriber decides to fully convert the Convertible Bonds into shares of the Company at the end of the term of Convertible Bonds, the Subscriber will be entitled to interest payment at the interest rate of 2.5% for the entire holding period of Convertible Bond. Following the conversion of Convertible Bonds, the Subscriber becomes a shareholder of the Company and will no longer receive any interest payment.

It should be noted that the interest accrued shall be paid one-off when the Convertible Bonds is due.

2. Nomination of a Director by Subscriber

The nomination of a Director (the “**Nomination**”) means that the Subscriber is allowed to propose one Director to the Company. However, the Nomination is subject to review and final approval by the Company’s Nomination Committee, the Board and the general meeting. Pursuant to the Articles of Association of the Company, any Director appointed by the Board shall hold office until the next following annual general meeting (in the case of an addition to the Board) of the Company and shall then be eligible for re-election by the Shareholders of the Company.

Granting Nomination right to the Subscriber does not violate the company law of Cayman Islands where the Company is incorporated and the Company's article of association.

3. No adjustment mechanism

There is no adjustment mechanism and adjusting event that may occur before and on the date of issue, which may affect the aggregate number of Ordinary Shares upon conversion, being 1,001,630,956 Ordinary Shares if fully converted by the Subscriber.

4. Priority to the construction and operation of the real estate projects of the Company

The priority to the construction and operation of real estate project (the “**Priority**”) represents a preliminary agreement between the Company and the Subscriber. Given the Priority, the Company would prioritize and select the Subscriber to construct and operate the potential real estate project only if the Subscriber's proposal is superior or equal to the proposals made by any other bidders.

5. Status of Deed of Convertible Bonds

As at the date of this announcement, the deed of convertible bonds is still under negotiation between the Company and the Subscriber. Upon finalizing of the deed of convertible bonds, the Company will immediately disclose the details of the deed of convertible bonds in due course pursuant to the Listing Rules.

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, 16 November 2017

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