
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Coolpad Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

PROPOSALS FOR
(I) GRANT OF ISSUE MANDATE AND REPURCHASE MANDATE;
(II) RE-ELECTION OF RETIRING DIRECTORS;
(III) REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME;
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of the Company to be held at Meeting Room 1, 3/F, Boton Group Building, Chaguang Road, Nanshan District, Shenzhen, People’s Republic of China on Friday, 19 June 2020 at 3:00 p.m. is set out on pages 18 to 23 of this circular.

Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

24 April 2020

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Accompanying: Form of proxy for AGM

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Meeting Room 1, 3/F, Boton Group Building, Chaguang Road, Nanshan District, Shenzhen, People’s Republic of China on Friday, 19 June 2020 at 3:00 p.m., the notice of which is set out on pages 18 to 23 of this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Coolpad Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed general mandate to be granted to the Directors at the AGM to allot, issue and deal with new Shares up to 20% of the number of Shares in issue as at the date of passing of an ordinary resolution granting such mandate
“Latest Practicable Date”	20 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Refreshed Limit”	583,340,748 Shares
“Repurchase Code”	the Code on Share Buy-backs of Hong Kong
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to buy back the fully paid up Shares up to 10% of the number of Shares in issue as at the date of passing of the ordinary resolution granting such mandate
“Scheme Mandate Limit”	has the meaning ascribed to it under the section headed “3. Proposed Refreshment of the Scheme Mandate Limit” in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“%”	per cent

LETTER FROM THE BOARD

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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)

Executive Directors:

Mr. Chen Jiajun (*Chairman*)
Mr. Liang Rui (*Chief executive officer*)
Mr. Lam Ting Fung Freeman
Mr. Xu Yibo
Mr. Ma Fei

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Director:

Mr. Ng Wai Hung

*Head office and principal place
of business in the PRC:*

Coolpad Information Harbor
No. 2 Mengxi Road
Hi-Tech Industry Park (Northern)
Nanshan District
Shenzhen

Independent non-executive Directors:

Dr. Huang Dazhan
Mr. Xie Weixin
Mr. Chan King Chung
Mr. Guo Jinghui

*Principal place of business
in Hong Kong:*

44/F, Office Tower,
Convention Plaza,
1 Harbour Road
Wanchai
Hong Kong

24 April 2020

To the Shareholders

Dear Sir/Madam,

PROPOSALS FOR

(I) GRANT OF ISSUE MANDATE AND REPURCHASE MANDATE;

(II) RE-ELECTION OF RETIRING DIRECTORS;

(III) REFRESHMENT OF THE SCHEME MANDATE LIMIT

UNDER THE SHARE OPTION SCHEME;

AND

NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

LETTER FROM THE BOARD

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the grant of the proposed Issue Mandate, the proposed Repurchase Mandate and the extension of the Issue Mandate; (ii) the re-election of retiring Directors; and (iii) refreshment of the Scheme Mandate Limit under the Share Option Scheme.

1. PROPOSED ISSUE MANDATE AND REPURCHASE MANDATE

At the AGM, the following ordinary resolutions will be proposed:

- (a) to grant the Issue Mandate to the Directors to allot, issue and otherwise deal with new Shares up to 20% of the number of Shares in issue as at the date of passing of the ordinary resolution granting such mandate;
- (b) to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the number of Shares in issue as at the date of passing of the ordinary resolution granting such mandate; and
- (c) to extend the Issue Mandate by an amount representing the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 5,833,407,480 Shares. Accordingly, the exercise of the Issue Mandate in full would enable the Company to issue a maximum of 1,166,681,496 new Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution). The Directors believe that the granting of the Issue Mandate will provide flexibility and discretion to the Directors in the event that the Company becomes desirable to issue new Shares to raise capital, and it is in the best interests of the Company and the Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

An explanatory statement, required by the Listing Rules, on the Repurchase Mandate is set out in Appendix I to this circular. It contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Chen Jiajun, Mr. Liang Rui, Mr. Lam Ting Fung Freeman, Mr. Xu Yibo and Mr. Ma Fei, the non-executive Director was Mr. Ng Wai Hung, and the independent non-executive Directors were Dr. Huang Dazhan, Mr. Xie Weixin, Mr. Chan King Chung and Mr. Guo Jinghui.

LETTER FROM THE BOARD

On 29 October 2019, Mr. Xu Yibo and Mr. Ma Fei were appointed by the Board as executive Directors and Mr. Guo Jinghui was appointed by the Board as an independent non-executive Director. Pursuant to Article 86(3) of the Articles, Mr. Xu Yibo, Mr. Ma Fei, and Mr. Guo Jinghui shall hold office until the AGM and shall then be eligible for re-election. Mr. Xu Yibo, Mr. Ma Fei, and Mr. Guo Jinghui will offer themselves for re-election at the AGM.

Pursuant to Article 87(1) of the Articles, Mr. Liang Rui, Mr. Chan King Chung, Mr. Huang Dazhan and Mr. Xie Weixin shall retire from their respective offices at the AGM, and, being eligible, will offer themselves for re-election.

Pursuant to the code provision set out in paragraph A.4.3 of Appendix 14 to the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by Shareholders. Notwithstanding that Mr. Chan King Chung, Dr. Huang Dazhan and Mr. Xie Weixin have served as independent non-executive Directors of the Company for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Mr. Chan King Chung, Dr. Huang Dazhan and Mr. Xie Weixin remain independent; and (ii) the Board considers that as each of Mr. Chan King Chung, Dr. Huang Dazhan and Mr. Xie Weixin has not been involved in the daily management of the Company nor in any relationships or circumstances which would impair his independent judgment and each of them has consistently demonstrated his abilities to provide independent, balanced and objective advice and insight on the Company's affairs. In view of the aforesaid factors and the fact that the experience and knowledge of the relevant individual in the business sectors in which the Company operates, the Board would recommend Mr. Chan King Chung, Dr. Huang Dazhan and Mr. Xie Weixin for re-election at the AGM.

Details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

3. PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

At the annual general meeting of the Company held on 23 May 2014, an ordinary resolution was passed by the Shareholders to approve the adoption of the Share Option Scheme and termination of the share option scheme adopted on 21 November 2004.

As at 23 May 2014, being the adoption date of the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme was 213,470,900 Shares, being 10% of the Shares in issue on the date when the Share Option Scheme was adopted (the "**Scheme Mandate Limit**").

As disclosed in the announcement of the Company dated 13 June 2014, the Company completed an allotment of 2,134,709,000 Shares pursuant to a bonus issue on the basis of one bonus Share for every existing Share held on 3 June 2014. The Scheme Mandate Limit was

LETTER FROM THE BOARD

adjusted to 426,941,800 Shares as a result of such bonus issue. As disclosed in the announcement of the AGM result of the annual general meeting held on 23 June 2016 of the Company dated 23 June 2016, the scheme mandate limit was adjusted to 501,609,478 Shares. Save for the above adjustments, the Scheme Mandate Limit has not been refreshed since the adoption of the Share Option Scheme.

As at the Latest Practicable Date, out of the total of 771,496,000 options (representing 13.23% of the issued share capital as at the Latest Practicable Date) granted under the Share Option Scheme, 584,000 options (representing 0.01% of the issued share capital as at the Latest Practicable Date) were exercised, 489,088,000 options (representing 8.38% of the issued share capital as at the Latest Practicable Date) were not exercised, 274,824,000 options (representing 4.71% of the issued share capital as at the Latest Practicable Date) were cancelled and none of them has lapsed, 7,000,000 options (representing 0.12% of the issued share capital as at the Latest Practicable Date) have expired.

Unless the Scheme Mandate Limit is refreshed at the AGM, up to 11,937,478 Shares may be issued pursuant to the grant of further options under the existing Scheme Mandate Limit. It is proposed that subject to the approval of the Shareholders at the AGM and such other requirements prescribed under the Listing Rules, the limit on grant of options under the Share Option Scheme will be increased to the Refreshed Limit and, options previously granted under the Share Option Scheme or any other share option scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the Share Option Scheme or such other scheme(s) of the Company) will not be counted for the purpose of calculating the limit as refreshed.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time will not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

As at the Latest Practicable Date, there were 5,833,407,480 Shares in issue. Assuming that no further Shares will be issued or repurchased prior to the date of approving the refreshment of the Scheme Mandate Limit by the Shareholders, the maximum number of Shares which fall to be issued upon exercise of all options that may be granted by the Company under the Refreshed Limit would be 583,340,748 Shares, representing 10% of the Shares in issue as at the date of the approval of the proposed refreshment of the Scheme Mandate Limit to the Refreshed Limit by the Shareholders at the AGM. No outstanding share options of the Company will be lapsed as a result of the refreshment of the Scheme Mandate Limit.

Save for the Share Option Scheme, the Company has no other share option scheme(s) as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Directors consider that, in order to provide the Company with greater flexibility in granting options to eligible person(s) under the Share Option Scheme, the Board decides to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other scheme(s) of the Company shall not exceed the Refreshed Limit.

Conditions

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the AGM to approve the Refreshed Limit such that the total number of securities which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed the Refreshed Limit.

The adoption of the Refreshed Limit is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the Refreshed Limit at the AGM; and
- (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the new Shares to be issued, pursuant to the exercise of any options that may be granted under the Share Option Scheme under the Refreshed Limit.

Application for Listing

Application will be made to the Stock Exchange for the granting of the approval of the listing of, and permission to deal in, the new Shares which fall to be issued upon the exercise of any options that may be granted pursuant to the Share Option Scheme under the Refreshed Limit.

4. AGM

A notice convening the AGM to be held at Meeting Room 1, 3/F, Boton Group Building, Chaguang Road, Nanshan District, Shenzhen, People's Republic of China on Friday, 19 June 2020 at 3:00 p.m., is set out on pages 18 to 23 of this circular.

According to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the AGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and an announcement on the results of the poll will be made after the AGM pursuant to Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

5. ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the AGM is enclosed in this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Such form of proxy for use at the AGM is also published on the website of the Stock Exchange at www.hkexnews.hk. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so wish.

In the interest of all shareholders' health and safety and in order to prevent and control the spread of COVID-19 (the "**Epidemic**"), the Company reminds all shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person, by completing and returning the proxy form. If you have any questions about the resolutions to be considered at the AGM, you may send them to the Company's investor relations email address, ir@yulong.com, and the Company will answer the questions on a timely basis.

6. RECOMMENDATION

The Directors consider that (i) the proposed grant of the Issue Mandate and the extension of the Issue Mandate; (ii) the proposed grant of the Repurchase Mandate; (iii) the proposed re-election of retiring Directors; and (iv) the proposed refreshment of the Scheme Mandate Limit are in the best interest of the Company and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of all resolutions set out in the AGM notice.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully
For and on behalf of
COOLPAD GROUP LIMITED
Chen Jiajun
Executive Director
Chairman

This appendix serves as an explanatory statement as required under the Listing Rules, to provide the requisite information to you for consideration of the proposed Repurchase Mandate.

I. SHARE CAPITAL

As at the Latest Practicable Date, the Company had 5,833,407,480 Shares in issue or an issued share capital of HK\$58,334,074.8. As at the Latest Practicable Date, there were outstanding share options entitling the holders thereof to subscribe for an aggregate of 489,088,000 Shares respectively.

Subject to the passing of the proposed ordinary resolution approving the proposed Repurchase Mandate and on the basis that none of the outstanding share options is exercised and no further Shares are issued, allotted or repurchased by the Company prior to the AGM, the exercise of the proposed Repurchase Mandate in full would result in up to a maximum of 583,340,748 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$5,833,407.48, being repurchased by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which the proposed Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

II. REASONS FOR SHARES REPURCHASE

Although the Directors have no present intention of exercising the proposed Repurchase Mandate, they believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. At any time in the future when the Shares are traded at a discount to their underlying value, the ability of the Company to repurchase the Shares will be beneficial to the Shareholders who retain their investment in the Company as their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company from time to time and thereby resulting in an increase in net assets and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that such exercises will benefit the Company and the Shareholders as a whole.

III. FUNDING OF REPURCHASE

The Directors propose that the repurchase of Shares under the proposed Repurchase Mandate would be financed from the Company's internal resources.

In repurchasing the Shares, the Company may only apply funds legally available for such purposes in accordance with the memorandum of association and the Articles and the applicable laws of the Cayman Islands. The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant shares (subject to the Articles and the laws of the Cayman Islands), profit or the proceeds of a new issue of the shares made for such purpose. It is envisaged that the funds required for any repurchase of Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

The exercise of the proposed Repurchase Mandate in full will not have a material adverse impact on the working capital or the gearing level of the Company (as compared with the position disclosed in its most recent published audited accounts as at 31 December 2019).

The number of the Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

IV. SHARE PRICES

Trading in the shares of the Company has been suspended since 31 March 2017 and has successfully resumed on 19 July 2019. Therefore, there were no highest or lowest prices from 31 March 2017 to 18 July 2019. The lowest price at which the Shares had been traded on the Stock Exchange prior to the aforesaid suspension of trading of the Shares was HK\$0.72. The highest and lowest prices at which the Shares have been traded on the Stock Exchange from 19 July 2019 to the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2019		
July	0.720	0.315
August	0.335	0.255
September	0.345	0.250
October	0.270	0.221
November	0.231	0.171
December	0.305	0.150
2020		
January	0.305	0.199
February	0.222	0.193
March	0.228	0.171
April (up to the Latest Practicable Date)	0.185	0.175

V. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed Repurchase Mandate in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

VI. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors or, to the best of their knowledge and belief having made all reasonable enquiries, any of their close respective associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell any Shares or other securities to the Company. No core connected person has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has undertaken not to do so, in the event that the proposed Repurchase Mandate is approved by the Shareholders.

VII. TAKEOVERS CODE

If, as a result of repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Repurchase Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar as the Directors are aware, substantial Shareholders of the Company having an interest representing 5% or more in the issued share capital of the Company which are disclosable under Part XV of the SFO are as follows:

Name	Notes	Number of shares in which interested	Nature of interest	Total number of shares	Percentage of the Company's issued share capital
Mr. CHEN Jiajun	1	897,437,000	Interest of controlled corporation	897,437,000	15.38
Mr. TU Erfan	2	800,000,000	Interest of controlled corporation	800,000,000	13.71
Mr. GUO Deying	3	462,889,484	Founder of a discretionary trust	463,372,484	7.95
		483,000	Through controlled corporation		

Name	Notes	Number of shares in which interested	Nature of interest	Total number of shares	Percentage of the Company's issued share capital
Kingkey Financial Holdings (Asia) Limited	1	897,437,000	Beneficial owner	897,437,000	15.38
New Prestige Developments Limited	2	800,000,000	Beneficial owner	800,000,000	13.71
Data Dreamland Holding Limited (“Data Dreamland”)	3	462,889,484	Beneficial owner	462,889,484	7.94
HSBC International Trustee Limited (“HSBC Trustee”)	4	463,889,484	Trustee	463,889,484	7.95
Zeal Limited	5	551,367,386	Beneficial owner	551,367,386	9.45

Notes:

1. The 897,437,000 shares were directly held by Kingkey Financial Holdings (Asia) Limited and Kingkey Financial Holdings (Asia) Limited is ultimately owned by Mr. Chen Jiajun. Therefore, Mr. Chen Jiajun is indirectly interested in the 897,437,000 shares of the Company.
2. The 800,000,000 shares were directly held by New Prestige Developments Limited and New Prestige Developments Limited is ultimately owned by Mr. TU Erfan. Therefore, Mr. TU Erfan is indirectly interested in the 800,000,000 shares of the Company.
3. The entire issued share capital of Data Dreamland is held by Barrie Bay (PTC) Limited. Barrie Bay (PTC) Limited is acting as the trustee of the Barrie Bay Unit Trust. The Barrie Bay Unit Trust is a unit trust held by HSBC Trustee, which is acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a discretionary trust set up by Mr. Guo Deying and Ms. Yang Xiao (the spouse of Mr. Guo Deying) and the beneficiary objects of which include the children of Mr. Guo Deying and Ms. Yang Xiao. Mr. Guo Deying is taken to be interested in the 483,000 shares held by Wintech Consultants Limited as he is one out of the three directors of Wintech Consultants Limited and the other two directors are accustomed to act in accordance with Mr. Guo Deying's direction.
4. The 462,889,484 shares were held by Data Dreamland, the entire share capital of which is held by Barrie Bay (PTC) Limited, which is acting as the trustee of the Barrie Bay Unit Trust and the entire issued share capital of which is held by HSBC Trustee. The rest 1,000,000 shares were held by HSBC Trustee privately as the trustee.
5. The 551,367,386 shares were directly held by Zeal Limited, and Zeal limited is wholly owned by Shenzhen LETV Bridge Merger Acquisition Fund Investment Management Enterprise (Limited Partnership) (深圳市樂視鑫根併購基金投資管理企業(有限合夥)).

Assuming that there is no further issue of the Shares between the Latest Practicable Date and the date of repurchase, the exercise of the proposed Repurchase Mandate in full will not result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules.

VIII. SHARES REPURCHASED BY THE COMPANY

The Company did not repurchase any of its Shares whether on the Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

Mr. XU Yibo

Mr. Xu, aged 45, is an executive Director, chief operating officer and an executive vice president of the Group and is responsible for R&D system supply chain of the Company. Mr. Xu majored in electromagnetic field and obtained a bachelor's degree in engineering from Xidian University (西安電子科技大學). Mr. Xu joined the Group in July 1998 and has more than 20 years of experience in mobile communication, terminal security, cloud computing and mega data technology field, making contribution in standard work in more than 10 international and domestic standards organizations, such as 3GPP, IETF, IEEE, IMI-2020(5G) Promotion Group, etc. Mr. Xu participated in the research and development of dual-standby technique which led to his winning of the second prize of National Science and Technology Progress which is the highest award in the terminal field.

Mr. Xu has entered into a service contract with the Company for a fixed term of 3 years commencing on 29 October 2019. Mr. Xu is entitled to an annual salary in the amount of RMB1,920,000 and discretionary bonus in the amount of approximately RMB1,280,000 which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Mr. Xu was deemed to be interested in 27,000,000 Shares under Part XV of the SFO. Mr. Xu has no information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. MA Fei

Mr. Ma, aged 37, is an executive Director, chief financial officer and joint company secretary of the Group. Mr. Ma majored in accounting and obtained a bachelor's degree in management from Xi'an Jiaotong University. Mr. Ma joined the Group in 2006, and has more than 10 years of experience in corporate governance, financial management planning, investment and finance. Mr. Ma has held senior positions in the members of the Group, and is now primarily responsible for the finance, capital and investor relations of the Group. From 2018 to 2019, Mr. Ma won the Shenzhen Innovation Talent Award for two consecutive years.

Mr. Ma has entered into a service contract with the Company for a fixed term of 3 years commencing on 29 October 2019. Mr. Ma is entitled to an annual salary in the amount of RMB840,000 and discretionary bonus in the amount of approximately RMB140,000 which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Mr. Ma is deemed to be interested in 8,592,000 Shares under Part XV of the SFO. Mr. Ma has no information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. GUO Jinghui

Mr. Guo, aged 49, is an independent non-executive Director, Mr. Guo obtained a bachelor's degree in radio technology (無線電技術) from Taiyuan University of Technology. From November 2007 to August 2009, he served as the supervisor of Shenzhen Guangming New District Administration Human Resources Office (深圳市光明新區人力資源管理辦公室主任). From August 2009 to April 2013, he served as a member of the Party Working Committee and the head of the Organization and Personnel Bureau of Shenzhen Guangming New District (深圳市光明新區黨工委委員, 組織人事局局長). From April 2013 to May 2014, he served as a standing committee member and the head of the Organization Department of the Shenzhen Nanshan District committee (深圳市南山區常委、組織部長). From May 2014 to February 2018, he served as the deputy secretary of the party committee (黨委副書記) of Guosen Securities Company Limited.

Mr. Guo has entered into a service contract with the Company for a fixed term of 3 years commencing on 29 October 2019. Mr. Guo is entitled to an annual salary in the amount of HKD360,000 which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his experience and qualifications, duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Mr. Guo was deemed to be interested in 1,800,000 Shares under Part XV of the SFO. Mr. Guo has no information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. LIANG Rui

Mr. Liang, aged 44, an executive Director, chief executive officer of the Group. Mr. Liang obtained a doctoral degree of Technical Economics and Management from the School of Economics and Business Administration of Chongqing University in 2007 and a postdoctoral degree in Applied Economics from the School of Economics and Finance of Xi'an Jiaotong University in 2009. From January 2000 to October 2014, he worked in the Shenzhen Luohu District People's Government, serving as an officer in the Education Bureau, deputy director-general of the State Bureau for Letters and Calls, director-level deputy director of the district (governmental) committee office, and director of the Bureau of Civil Administration. From September 2014 to November 2017, he served as Secretary and director of the Shenzhen Nanhu Sub-district Office. Since December 2017, he has been serving as the president of Shenzhen Shuibei Jewelry Group.

Mr. Liang has entered into a service contract with the Company for a fixed term of 3 years commencing on 19 January 2019. Mr. Liang is entitled to a fixed annual salary in the amount of RMB3,000,000, which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his duties and responsibilities with the Company and the market rate.

As at the Latest Practicable Date, Mr. Liang was deemed to be interested in 30,000,000 Shares under Part XV of the SFO. Mr. Liang has no information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. CHAN King Chung

Mr. Chan, aged 57, is an independent non-executive Director and joined the Group in November 2004. He obtained a bachelor's degree in business administration and accountancy from the Chinese University of Hong Kong in 1987 and City University of Hong Kong in 1993, respectively. Mr. CHAN also obtained a Master degree in accountancy and business administration. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Hong Kong Institute of Company Secretaries. Mr. CHAN has more than 20 years of experience in corporate governance, management and financial controlling.

Mr. Chan has entered into a service contract with the Company for a fixed term of 1 years commencing on 21 November 2019. Mr. Chan is entitled to a fixed annual salary in the amount of RMB360,000, which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his duties and responsibilities with the Company and the market rate.

As at the Latest Practicable Date, Mr. Chan was deemed to be interested in 2,241,600 Shares under Part XV of the SFO. Mr. Chan has no information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Dr. HUANG Dazhan

Dr. Huang, aged 62, is an independent non-executive Director and joined the Group in November 2004. Dr. HUANG obtained his doctorate degree from the Victoria University of Manchester, England, the United Kingdom in 1993. Dr. HUANG currently serves at China Merchants Group.

Dr. Huang has entered into a service contract with the Company for a fixed term of 1 years commencing on 21 November 2019. Dr. Huang is entitled to a fixed annual salary in the amount of RMB360,000, which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his duties and responsibilities with the Company and the market rate.

As at the Latest Practicable Date, Dr. Huang was deemed to be interested in 2,088,000 Shares under Part XV of the SFO. Dr. Huang has no information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. XIE Weixin

Mr. Xie, aged 78, is an independent non-executive Director and joined the Group in November 2004. Mr. XIE graduated from the Department of Electronics Engineering of Xi'an University of Electronics Technology in 1965. Mr. Xie was a visiting scholar in University of Pennsylvania during the period from 1981 to 1983 and from 1989 to 1990, respectively. He was honored as one of the national outstanding middle-aged and young experts. Mr. Xie currently is the chairman of the Academic Committee of Shenzhen University, a professor in College of Information Engineering of Shenzhen University, and Mr. Xie was an independent non-executive director of Shenzhen Sed Industry Co. Limited (the shares of which are listed on the Shenzhen Stock Exchange, Stock Code: 000032) from 2010 to 2014.

Mr. Xie has entered into a service contract with the Company for a fixed term of 1 years commencing on 21 November 2019. Mr. Xie is entitled to a fixed annual salary in the amount of RMB360,000, which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his duties and responsibilities with the Company and the market rate.

As at the Latest Practicable Date, Mr. Xie was deemed to be interested in 2,184,000 Shares under Part XV of the SFO. Mr. Xie has no information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of Coolpad Group Limited (the “**Company**”) will be held at Meeting Room 1, 3/F, Boton Group Building, Chaguang Road, Nanshan District, Shenzhen, People’s Republic of China on Friday, 19 June 2020 at 3:00 p.m. for the following purposes:

As Ordinary Business

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (collectively, “**Directors**” and individually, a “**Director**”) and the auditors of the Company (“**Auditors**”) for the year ended 31 December 2019.
2. (A) (i) To re-elect Mr. Xu Yibo as an executive Director.

(ii) To re-elect Mr. Ma Fei as an executive Director.

(iii) To re-elect Mr. Guo Jinghui as an independent non-executive Director.

(iv) To re-elect Mr. Liang Rui as an executive Director.

(v) To re-elect Mr. Chan King Chung (who has served more than 9 years in the Company) as an independent non-executive Director.

(vi) To re-elect Dr. Huang Dazhan (who has served more than 9 years in the Company) as an independent non-executive Director.

(vii) To re-elect Mr. Xie Weixin (who has served more than 9 years in the Company) as an independent non-executive Director.

(B) To authorise the board of directors (“**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Ernst & Young as Auditors and to authorise the Board to fix their remuneration.

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As Special Business

ORDINARY RESOLUTIONS

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (e) of this Resolution);
 - (ii) an exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) an exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or such other persons eligible to participate in any such scheme(s) or arrangement of Shares or rights to acquire Shares;
 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles**”) or a specific authority granted by the Shareholders in general meeting,

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shall not exceed 20 per cent of the number of Shares in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
 - (e) for the purpose of this Resolution:
 - (i) **“Relevant Period”** means the period from the passing of this Resolution until whichever is the earliest of:
 - (aa) the conclusion of the next annual general meeting of the Company;
 - (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
 - (cc) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.
 - (ii) **“Rights Issue”** means an offer of Shares or other equity securities of the Company open for a period fixed by the Directors to the holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China applicable to the Company).”
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (b) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and regulations of Hong Kong,

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the Cayman Islands, the Articles and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the number of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period (as defined below) shall not exceed 10 per cent of the number of Shares in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and
- (d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of Resolutions 4 and 5 set out in the notice of annual general meeting dated 24 April 2020 (the “**AGM Notice**”) convening the meeting, the number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the general mandate granted under Resolution 4 set out in the AGM Notice be and is hereby extended by the addition thereto of the number of Shares which may be repurchased by the Company pursuant to and in accordance with the general mandate granted under Resolution 5 set out in the AGM Notice, provided that such amount shall not exceed 10 per cent of the number of Shares in issue as at the date of passing of this Resolution 6.”

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7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the shares of the Company to be allotted and issued upon the exercise of options which may be granted under the share option scheme adopted by the Company on 23 May 2014 (the “**Share Option Scheme**”), the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be and is hereby refreshed and renewed provided that the total number of shares of the Company which may be allotted and issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution (the “**Refreshed Limit**”) (and, for the purpose of calculating the Refreshed Limit, options granted prior to the date of passing this resolution under the Share Option Scheme or any other share option scheme(s) of the Company (including without limitation those exercised, outstanding, cancelled or lapsed) shall not be counted) and that the Directors be and are hereby authorized to do such acts and execute such document(s) to effect the Refreshed Limit and, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

By Order of the Board of
COOLPAD GROUP LIMITED
Chen Jiajun
Executive Director
Chairman

Hong Kong, 24 April 2020

Notes:

1. The register of members of the Company will be closed from 16 June 2020 to 19 June 2020 (both days inclusive) during which period no transfer of share(s) will be effected. Members whose name appear on the register of members of the Company at the close of business on 19 June 2020 will be entitled to attend and vote at the Meeting. In order to ensure that the Shareholders are entitled to attend and vote at the Meeting, all transfer documents, together with the relevant share certificates, should be lodged no later than 4:30 p.m. on Monday, 15 June 2020 at the branch share registrar and transfer registrar office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
2. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
3. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.

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4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time fixed for holding the annual general meeting or adjournment thereof.
5. Please refer to Appendix II of the circular of the Company dated 24 April 2020 for the details of the retiring Directors subject to re-election at the Meeting.
6. In the interest of all shareholders' health and safety and in order to prevent and control the spread of COVID-19 (the "**Epidemic**"), the Company reminds all shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolutions at the Meeting instead of attending the Meeting in person, by completing and returning the proxy form. If you have any questions about the resolutions to be considered at the Meeting, you may send them to the Company's investor relations email address, ir@yulong.com, and the Company will answer the questions on a timely basis.
7. Shareholders attending the Meeting shall pay attention to and comply with the relevant regulations and requirements regarding health declaration, quarantine and observation during the Epidemic prevention and control period. The Company will strictly comply with the requirements regarding the Epidemic prevention and control stipulated by government departments, and take relevant prevention and control measures including monitoring the temperatures of shareholders attending the Meeting under the guidance and supervision of relevant government departments. Shareholders having a fever or other symptoms, not wearing a surgical mask as required, or failing to comply with the relevant regulations and requirements regarding the Epidemic prevention and control will not be able to enter the venue of the Meeting.

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