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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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

**(1) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE ENTIRE EQUITY INTEREST
IN SHENZHEN HUIYING FINANCE CO., LTD.*;**

AND

(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (“EGM”) of the Company to be held at Meeting Room 1, 3/F, Boton Group Building, intersection of Chuangke Road and Chaguang Road, Nanshan District, Shenzhen, the People’s Republic of China on Friday, 19 June 2020 at 3:30 p.m. (or as soon as practicable immediately after the conclusion or adjournment of the annual general meeting of the Company convened to be held at 3:00 p.m. on the same date and at the same place) is set out on pages 25 to 26 of this circular.

Whether or not you intend to attend and vote at the EGM 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 EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

4 June 2020

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DEFINITIONS

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

“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 (stock code: 2369)
“Completion”	completion of the Equity Transfer
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Equity Transfer Agreement and the transactions contemplated thereunder
“Epidemic”	shall have the meaning ascribed to it in the section headed “ACTIONS TO BE TAKEN” in the Letter from the Board of this circular
“Equity Transfer” or “Disposal”	the transfer of the entire equity interest in the Subject Company by the Vendor to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into among the Vendor, the Purchaser and the Subject Company on 17 April 2020 in relation to the Equity Transfer
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Intra-Group Liabilities”	shall have the meaning ascribed to it in the section headed “EQUITY TRANSFER AGREEMENT” in the Letter from the Board of this circular
“Latest Practicable Date”	1 June 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	14 September 2020, or such later date as may be agreed between the Vendor and the Purchaser in writing
“PRC” or “Mainland China”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Shenzhen Foresee Capital Group Limited* (深圳市四海恒通投資控股集團有限公司), a company incorporated under the laws of the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HKD0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Company”	Shenzhen Huiying Finance Co., Ltd.* (深圳市匯盈小額貸款有限責任公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this circular
“US”	The United States of America
“US\$”	United States dollars, the lawful currency of the US

DEFINITIONS

“Vendor” Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd.* (宇龍計算機通信科技(深圳)有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company

“%” per cent

* *In this circular, the English translation of certain Chinese names, entities and addresses is included for information purposes only and should not be regarded as official English translation of such Chinese names, entities and addresses.*

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
Wan Chai
Hong Kong

4 June 2020

To the Shareholders

Dear Sir/Madam,

**(1) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE ENTIRE EQUITY INTEREST
IN SHENZHEN HUIYING FINANCE CO., LTD.*;**

AND

(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Company's announcement dated 17 April 2020 in which it was announced that on 17 April 2020, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Vendor has agreed to dispose of, and the Purchaser has agreed to acquire, the entire equity interest in the Subject Company for an aggregate consideration of RMB328,000,000.

LETTER FROM THE BOARD

The Equity Transfer constitutes a major transaction of the Company. Accordingly, the Equity Transfer Agreement and the transactions contemplated thereunder is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with information in relation to, among other things, (i) further details regarding the Equity Transfer; (ii) the financial information of the Group; and (iii) a notice convening the EGM at which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Equity Transfer Agreement and the transactions contemplated thereunder.

EQUITY TRANSFER AGREEMENT

The principal terms and conditions of the Equity Transfer Agreement are set out below.

Date

17 April 2020 (after trading hours)

Parties

The Vendor (as vendor), the Purchaser (as purchaser) and the Subject Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this circular, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Assets to be disposed of

Pursuant to the Equity Transfer Agreement, the Vendor has agreed to dispose of, and the Purchaser agreed to acquire, the entire equity interest in the Subject Company.

Consideration and payment terms

The aggregate consideration for the Equity Transfer is RMB328,000,000, and shall be payable, in cash, by the Purchaser in three instalments:

- (1) the first instalment of RMB100,000,000 is payable within five days upon the execution of the Equity Transfer Agreement and the approval(s) with respect to the Equity Transfer by the Financial Development Services Office of the People's Government of Shenzhen having been obtained (whichever is later);
- (2) the second instalment of RMB223,000,000 is payable on or before the date of Completion and the date of completion of the registration of change of the legal representative, director(s), supervisor(s) and senior management of the Subject Company (whichever is later); and

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- (3) the third instalment of RMB5,000,000 is payable within 60 days from the date of Completion and the date of completion of the registration of change of the legal representative, director(s), supervisor(s) and senior management of the Subject Company (whichever is later).

The arrangement under paragraph (3) above was determined with reference to the following factors:

- (i) the Vendor's commercial intention to handover, among others, the accounting books and records of the Subject Company to the Purchaser, the process of which is expected to take approximately 1-2 months to complete following Completion; and
- (ii) arm's length negotiations between the Vendor and the Purchaser having considered the normal commercial terms for transactions of similar nature.

Basis of determination

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account factors including: (1) the unaudited net asset value of the Subject Company as at 31 December 2019 of approximately RMB325,279,000; (2) the historical financial performance of the Subject Company; (3) the registered capital of the Subject Company; and (4) other reasons for and benefits of the Equity Transfer as stated under the section headed "Reasons for and Benefits of the Disposal" in this circular. The Directors consider that the consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Conditions precedent

It is currently contemplated that the Vendor will, prior to Completion, settle the amount of HK\$351,000,000 (equivalent to approximately RMB320,200,000) as intra-Group liabilities owed to the Subject Company (the "**Intra-Group Liabilities**"). Such amount shall be settled by the Group by applying part of the consideration received from the Purchaser as at the date of the settlement.

Completion is conditional upon the following conditions being satisfied on or before the Long Stop Date:

- (1) the Equity Transfer Agreement and the transactions contemplated thereunder having been approved by the Shareholders at the EGM in compliance with the Listing Rules; and
- (2) the applicable regulatory approval(s) in respect of the Equity Transfer having been obtained.

LETTER FROM THE BOARD

In the event that the above conditions precedent are not fulfilled before the Long Stop Date, the Purchaser and the Vendor may agree in writing to postpone such date to a later date, or to terminate the Equity Transfer Agreement. In the event of termination, the Purchaser is entitled to receive a refund in the amount of RMB100,000,000 (being the first instalment), free of interest, from the Vendor within five days from the date of termination of the Equity Transfer Agreement.

As at the Latest Practicable Date, the applicable regulatory approval in respect of the Equity Transfer in the PRC had been obtained. Accordingly, condition precedent (2) above had been fulfilled as at the Latest Practicable Date.

Completion

Completion shall take place within 5 days following fulfillment of all conditions precedent.

Upon Completion, the Company shall cease to hold (directly or indirectly) any interest in the Subject Company, and as a result, the Subject Company will cease to be a subsidiary of the Company and the financial results thereof will no longer be consolidated into the consolidated financial statements of the Group.

INFORMATION OF THE GROUP, THE VENDOR, THE PURCHASER AND THE SUBJECT COMPANY

The Group

The Group is a wireless solution and equipment provider, and is principally engaged in the production and sale of mobile phones and accessories, and the provision of wireless application services and financing services.

The Vendor

The Vendor is a leading developer and provider of integrated solutions for smartphone sets under the brand name “Coolpad”, mobile data platform system, and value-added business operations in the PRC. It mainly provides “Coolpad” products for enterprises, government and mobile operators as well as individual consumers in the PRC.

The Purchaser

The Purchaser is a group holding company incorporated under the laws of the PRC and is principally engaged in the provision of asset management services.

As at the Latest Practicable Date, the Purchaser is wholly-owned by Shenzhen Hedeli Investment Co., Ltd.* (深圳市和德利投資有限公司), which is a company directly owned by Mr. Huang Pei Hong* (黃培虹) and Mr. Huang Chun Xiang* (黃純祥).

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this circular, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Subject Company

The Subject Company is a company incorporated under the laws of the PRC which is principally engaged in the provision of a range of financing services in Mainland China. As at the date of this circular, the Subject Company is an indirect wholly-owned subsidiary of the Company, and the registered capital of which is RMB300,000,000.

Set out below are the unaudited financial information of the Subject Company for the two years ended 31 December 2019 and 31 December 2018, respectively:

	For the year ended 31 December 2019	For the year ended 31 December 2018
	<i>RMB</i>	<i>RMB</i>
Revenue	18,718,000	19,186,000
<i>Revenue generated from intra-Group entities</i>	18,578,000	18,280,000
<i>Revenue generated from external business generated from customers outside the Group</i>	140,000	906,000
Profit/(loss) before tax	3,221,000	1,666,000
<i>Profit/(loss) before tax generated from intra-Group entities</i>	4,534,000	3,079,000
<i>Profit/(loss) before tax generated from external business generated from customers outside the Group</i>	(1,313,000)	(1,413,000)
Profit after tax	2,144,000	1,187,000
	<i>RMB</i>	<i>RMB</i>
Net asset value	325,279,000	323,135,000

Although in overall terms the Subject Company may have recorded an increase in net profit from 2018 to 2019, such increase was primarily attributed to the intra-Group businesses and not to external business generated from customers outside the Group.

In view of the diminishing domestic demand for financing services, the stringent supervision imposed by the regulators in the PRC, and the overall financial position of the Group (in particular, the cash and cash equivalent and the working capital of the Group), on the balance of consideration the Company does not consider the business to be sustainable in

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the long-run. Therefore, over the two years ended 31 December 2018 and 2019, the Group has gradually diminished its external businesses operated by the Subject Company, resulting in a net loss position for the Subject Company's external businesses for the two years ended 31 December 2018 and 2019.

FINANCIAL EFFECT OF THE EQUITY TRANSFER

Upon Completion, the Subject Company will cease to be a subsidiary of the Company and its financial results, assets and liabilities will be no longer included in the consolidated financial statements of the Group.

Earnings

The estimated gain on the total comprehensive income of HK\$2,300,000 (equivalent to approximately RMB2,100,000) as a result of the Disposal was calculated based on the difference between the total consideration for the Equity Transfer of approximately HK\$360,000,000 (equivalent to approximately RMB328,000,000) and the derecognition of the unaudited net asset value of the Subject Company, being HK\$357,000,000 (equivalent to approximately RMB325,300,000), and the expected related expenses for the Equity Transfer of approximately HK\$700,000 (equivalent to approximately RMB600,000). However, given that the accounting policies of the Group (which is developed based on Hong Kong Accounting Standards 21) require that the component of other comprehensive income resulted from the effects of changes in foreign exchange rates on the Disposal to be recognised as profit or loss, after deducting the exchange reserve recorded in the other comprehensive income related to the Subject Company in the amount of HK\$45,000,000 (equivalent to approximately RMB41,000,000) from the estimated gain on total comprehensive income of HK\$2,300,000 (equivalent to approximately RMB2,100,000), an estimated loss of approximately HK\$42,700,000 (equivalent to approximately RMB38,900,000) is expected to be recorded.

Save as disclosed above, as the Group has other business operations other than the financing services operated by the Subject Company, the Directors do not foresee any significant impact on the earnings as well as the unaudited net asset value of the Group as a result of the Disposal.

Assets and liabilities

As illustrated in the section headed "EQUITY TRANSFER AGREEMENT – Conditions precedent" in this circular, part of the aggregate consideration for the Equity Transfer (i.e. HK\$360,000,000 (equivalent to approximately RMB328,000,000)) will be applied to settle the Intra-Group Liabilities (i.e. HK\$351,000,000 (equivalent to approximately RMB320,200,000)).

As a result of the planned settlement of the Intra-Group Liabilities, the increase in cash and cash equivalents of the Subject Company shall be off-set by the decrease in intra-Group receivables of the Subject Company. Therefore, the total assets of the Subject Company prior

LETTER FROM THE BOARD

to Completion of HK\$359,000,000 (equivalent to approximately RMB327,000,000) is expected to be more or less the same following Completion. Taking into consideration of the above factors and the expected expenses related to the Disposal, the consolidated total assets of the Group is expected to increase by approximately HK\$300,000 (subject to audit).

Given that the total liabilities of the Subject Company were relatively limited and only amounted to HK\$2,000,000 (equivalent to approximately RMB1,700,000) prior to Completion, the Directors do not foresee any significant impact on the unaudited total liabilities of the Group as a result of the Disposal.

The above financial impact is shown for illustrative purposes only and Shareholders shall note that the actual gain or loss as a result of the Equity Transfer to be recognised in the consolidated financial statements of the Group is subject to review and final audit by the auditors of the Company.

Use of Proceeds

It is expected that the Company will record net sales proceeds of approximately HK\$359,300,000 (equivalent to approximately RMB327,400,000), which equals to the sales proceed of HK\$360,000,000 (equivalent to approximately RMB328,000,000) deducted by the expenses related to the Disposal of HK\$700,000 (equivalent to approximately RMB600,000). However, after deducting the portion of the aggregate consideration which will be used to settle the Intra-Group Liabilities as illustrated in the section headed “FINANCIAL EFFECT OF THE EQUITY TRANSFER – Assets and Liabilities” in this circular, the remaining net sales proceeds amount to only HK\$8,300,000 (equivalent to approximately RMB7,200,000) (subject to audit).

The Company intends to apply the remaining net sales proceeds from the Disposal as to approximately HK\$3,000,000 (equivalent to approximately RMB2,600,000) on the Group’s administrative expenses and as to the remaining approximately HK\$5,300,000 (equivalent to approximately RMB4,600,000) for the repayment of operating liabilities of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The diminishing domestic demand for loan financing coupled with stringent supervision by regulators over micro-finance companies have, over the recent years, hardened the business landscape for micro-financing in Mainland China, and have limited overall business performance for many small-scale loan financing companies. Looking ahead, having considered the difficult business environment surrounding the micro-financing industry in the Mainland China, the Equity Transfer offers an opportunity for the Group to dispose of the Subject Company under the current circumstances. Since the Group’s provision of financing services has been operated by the Subject Company, and there are no other subsidiaries of the Group engaging in such business segment of the Group, the Disposal offers an opportunity for the Group to dispose of its financing business under the current circumstances. Having taken into account the relatively minimal revenue generated by the Subject Company, on the balance

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of considerations, the Company considers the Disposal is a commercially reasonable business decision. It also allows the Group to reallocate its resources to better focus on the ongoing remaining principal businesses and long term development of the Group. Looking forward, after the Completion, the Group will continue with its existing principal businesses primarily focusing on telecommunications. As disclosed in the section headed “FINANCIAL AND TRADING PROSPECTS” under Appendix I of this circular, the Group has formulated a clear long-term strategy in 2020 to increase market share in the North American market and to transform its business to industrial internet applications in the PRC market. As at the Latest Practicable Date, the Company did not have any intention or plan to downsize, cease or dispose of any of its other existing principal businesses, save for the Disposal.

Based on the foregoing, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Equity Transfer exceeds 25% but is less than 75%, the Equity Transfer constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Equity Transfer Agreement and the transactions contemplated thereunder is subject to reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Equity Transfer and the transactions contemplated thereunder other than its interest as a Shareholder, and such Shareholder’s associate(s), shall abstain from voting on the resolution to approve the same to be proposed at the EGM. To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of its associates has a material interest in the Equity Transfer, and therefore no Shareholder is required to abstain from voting on the relevant resolution to approve the Equity Transfer Agreement and the transactions contemplated thereunder for the purpose of the Listing Rules.

EGM

A notice convening the EGM to be held at Meeting Room 1, 3/F, Boton Group Building, intersection of Chuangke Road and Chaguang Road, Nanshan District, Shenzhen, the PRC on Friday, 19 June 2020 at 3:30 p.m. (or as soon as practicable immediately after the conclusion or adjournment of the annual general meeting of the Company convened to be held at 3:00 p.m. on the same date and at the same place), is set out on pages 25 to 26 of this circular.

LETTER FROM THE BOARD

According to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the EGM 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 EGM pursuant to Rule 13.39(5) of the Listing Rules.

ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the EGM is enclosed in this circular. Whether or not you intend to attend and vote at the EGM 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 EGM or any adjournment thereof. Such form of proxy for use at the EGM 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 EGM 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 EGM 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 resolution at the EGM instead of attending the EGM in person, by completing and returning the proxy form. If you have any questions about the resolution to be considered at the EGM, 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.

RECOMMENDATION

The Board considers that the Equity Transfer Agreement was entered into on normal commercial terms after arm's length negotiation and the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends the Shareholders to vote in favour of the proposed ordinary resolution to approve the Equity Transfer Agreement and the transactions contemplated thereunder at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
COOLPAD GROUP LIMITED
Ma Fei
Executive Director
Joint Company Secretary

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three financial years ended 31 December 2017, 2018 and 2019 are disclosed in the following documents which have been published on both the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.coolpad.com.hk>):

- pages 64 to 166 of the annual report of the Company for the year ended 31 December 2017 published on 10 December 2018 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2018/1210/ltn20181210103.pdf>)
- pages 72 to 186 of the annual report of the Company for the year ended 31 December 2018 published on 17 April 2019 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417015.pdf>)
- pages 74 to 192 of the annual report of the Company for the year ended 31 December 2019 published on 24 April 2020 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0424/2020042400179.pdf>)

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 April 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately HK\$489.78 million, comprising unsecured borrowings of approximately HK\$489.78 million, and aggregate lease liability of approximately HK\$14.94 million.

	<i>HK\$'000</i>
<i>Current</i>	
Other borrowings – unsecured	247,406
Lease liability	9,907
<i>Non-current</i>	
An amount due to a related party	242,378
Lease liability	5,029
	<hr/>
Total	504,720
	<hr/> <hr/>

As at 30 April 2020, the Group's time deposits of approximately (i) HK\$54.91 million were used as a pledge for issuance of letters of credit, and (ii) HK\$15.36 million were used as a security for the banks to provide performance guarantees.

Save as aforesaid, and apart from intra-Group liabilities and normal trade payables in the normal course of business, at the close of business on 30 April 2020, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 30 April 2020.

3. WORKING CAPITAL SUFFICIENCY

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Group including the internally generated funds, the currently available facilities and the effects of the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The global outbreak of the novel coronavirus (COVID-19) subsequent to 31 December 2019, being the date to which the latest published audited financial statements of the Group were made up, and the consequential precautionary and control measures across the Group's main operating areas including Mainland China and the US have brought significant uncertainties to the Group's businesses.

Based on the current observation and preliminary assessment of the Company, in overall terms, the performance of the Group may be adversely impacted by the novel coronavirus Epidemic in two aspects. On the one hand, the Epidemic has led to a slowdown in economic activities and a change in consumption patterns. Despite the Mainland China market having fully resumed operations, the Epidemic in the key sales region of the Group (the US market) has not been fully relieved, and the Group expects to face the risk of decrease in sales. On the other hand, the uncertainties surrounding the supply and price fluctuation of the raw materials of electronic products are also increasing. As the Group's electronic device suppliers are located in various countries around the world, being affected by the Epidemic, certain raw materials may have delayed supply and price increase due to factors such as work suspension at suppliers' factories and disrupted logistics.

Based on the unaudited operating statistics of the Group as at 30 April 2020, the operational turnover of the Group for the four months ended 30 April 2020 maintained more or less at the same level as that of the same period in the previous year, primarily attributable to the year-on-year growth of sales in the US region, the key business contributor to the Group; whereas the southeast and south Asia markets had been affected by the Epidemic in early 2020 and thus recorded a decline in operating revenue.

The Company will continue to closely monitor the development of the Epidemic and its impact on the operation and financial performance of the Company.

Save as disclosed above, the Directors confirm that, up to and including the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

Upon Completion, the Company shall cease to hold (directly or indirectly) any interest in the Subject Company, and therefore, the Subject Company will cease to be a subsidiary of the Company and the financial results thereof will no longer be consolidated into the consolidated financial statements of the Group.

Looking forward, after the Completion, the Group will continue with the existing principal business in telecommunications.

Since 1994, the Group has been in the telecommunications industry for more than 25 years, and has accumulated extensive experience and technology in telecommunications technology aspects. Coolpad has a large number of R&D patents worldwide, and numerous technologies have achieved international advanced status, with hundreds of patents in the field of 5G. 2020 is a year full of opportunities for 5G development, and the Group is confident to seize the opportunities arising from the 5G era.

In 2020, the Group has formulated a clear long-term strategy: 1) In respect of overseas markets, the Group will continue to focus on the development of the North American market and aim to increase the market share growth in such market, actively consolidate and maintain the relationship with the North American operators, diversify product categories and provide more competitive products; and 2) In respect of the PRC market, the Group is actively transforming its business to industrial internet applications in new infrastructure industry such as applications in smart cities and support for social governance, in order to serve the society and maximize the Group's value in the 5G era.

As a member of the domestic 5G standard formulation group, the Group will continue to invest in research and development of the latest technologies such as 5G technology, IOT and smart hardware in 2020. The Group will continue to offer more cost-effective smartphones and other smart terminals to the market. The Group also intends to expand its product categories into intelligent hardware such as smart glasses, smart watches, TWS earphones, etc. Meanwhile, the Group is also considering expanding the accessories business and its selling channel to other countries.

The Group is actively transforming its business to industrial internet applications in the new infrastructure industry sector in Mainland China. At present, the Group has made initial progress in social governance technology support and smart water treatment. The Group will

combine its own technology and R&D ability, focus on the integrated solutions of smart city and smart hardware, seize the opportunities from the Guangdong-Hong Kong-Macao Greater Bay Area, integrate strategic cooperation resources in the industry, to accelerate the in-depth application of advanced technologies in areas such as smart wearable, smart city construction, 5G application and IOT. The Group will also continue to drive the intelligent iteration and upgrading of products and services, explore the pan-smart terminal product service market, embrace the new era of smart economy, and provide customers with the ultimate experience of full scenario intelligence.

Nevertheless, as aforementioned in this circular, the global outbreak of the novel coronavirus (COVID-19) and the consequential precautionary and control measures across the Group's main operating areas including Mainland China and the US have brought significant uncertainties to the Group's businesses.

Due to the continuous impact of the Epidemic, the Group anticipates that the launch of new products in the US, which was originally scheduled to take place during the second quarter of 2020, may be postponed to the third quarter of 2020.

At the same time, in order to promote product sales, the Group has enhanced its promotional efforts in the US market. It is expected that the delay in new product launch and the increase in promotional expenses under the influence of the Epidemic will bring challenges to the operation and performance of the Group during the first half of 2020. The Group also plans to introduce high value-added 5G mobile phone products to the Japan market, and is closely communicating with relevant customers and conducting product development and trials. The Group plans to launch three types of new smartphone products in the Mainland China market in the near future, to conduct product development and trials in the segment of "mobile phones for professional use" and to expand its smartphone products coverage in China regions to the smart terminal products area (including smart glasses) so as to establish a multi-product collection targeted at providing solutions catered to specific fields and industrial application. In addition, the Group is also working towards launching industrial internet-related products in the Chinese market, and is in the process of conducting trial work with its business partners for communication products such as 5G small cell base station and 5G industrial routing module.

1. 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.

2. DISCLOSURE OF INTERESTS

The Directors' or chief executive's interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

Based on the register kept by the Company, as at the Latest Practicable Date, the interests or short positions of each Director or chief executive of the Company in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and to the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were taken or deemed to have under such provisions of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules, were as follows:

Long Positions in the Shares

Name	Notes	Directly beneficially owned	Through spouse or minor	Through controlled corporation	Beneficiary of a trust	Founder of a trust	Share option	Total	Approximate percentage of the Company's issued share capital as at the Latest Practicable Date
Mr. CHEN									
Jiajun	1	-	-	897,437,000	-	-	-	897,437,000	15.38
Mr. CHAN									
King Chung	2	441,600	-	-	-	-	1,800,000	2,241,600	0.04
Mr. HUANG									
Dazhan	2	288,000	-	-	-	-	1,800,000	2,088,000	0.04

Name	Notes	Directly beneficially owned	Through spouse or minor	Through controlled corporation	Beneficiary of a trust	Founder of a trust	Share option	Total	Approximate percentage of the Company's issued share capital as at the Latest Practicable Date
Mr. XIE Weixin	2	384,000	-	-	-	-	1,800,000	2,184,000	0.04
Mr. MA Fei	2	-	-	-	-	-	8,592,000	8,592,000	0.15
Mr. XU Yibo	2	3,000,000	-	-	-	-	24,000,000	27,000,000	0.46
Mr. LIANG Rui	2	-	-	-	-	-	30,000,000	30,000,000	0.51
Mr. NG Wai Hung	2	-	-	-	-	-	2,800,000	2,800,000	0.05
Mr. LAM Ting Fung Freeman		-	-	-	-	-	2,800,000	2,800,000	0.05
Mr. GUO Jinghui		-	-	-	-	-	1,800,000	1,800,000	0.03

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 interests of these Directors are in the underlying Shares of the options granted to the relevant Directors by the Company under the share option scheme adopted by the Company on 23 May 2014.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and to the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were taken or deemed to have under such provisions of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules.

Substantial Shareholders' interests or short positions in the Shares and Underlying Shares

Based on the register kept by the Company, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company), had interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

Long Positions in the Shares

Name	Notes	Number of shares		Total number of shares	Approximate
		in which interested	Nature of interest		percentage of the Company's issued share capital as at the Latest Practicable Date
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	Interest of controlled corporation		
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:

- 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.
- 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)).

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Directors 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company or any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2019, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of, by or leased to any member of the Group or are proposed to be acquired or disposed of, by or leased to any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

5. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by the Group within two years immediately preceding the date of this circular which are or may be material:

- (a) the subscription agreement entered into between the Company and New Prestige Developments Limited on 7 October 2019 in relation to the subscription of 800,000,000 Shares by New Prestige Developments Limited, details of which are set out in the Company's announcements dated 7 October 2019, 8 October 2019, 29 November 2019, 13 December 2019 and 19 December 2019;
- (b) the sale and purchase agreement entered into between Xi'an Coolpad Telecommunications Equipment Co., Ltd. (a wholly-owned subsidiary of the Company) and Xi'an High-tech Industrial Development Zone Land Reserve Center (西安高新技術產業開發區土地儲備中心) on 25 April 2019 in relation to the disposal of the land use rights and construction in progress at a consideration of RMB236,292,626 by Xi'an Coolpad Telecommunications Equipment Co., Ltd. to Xi'an High-tech Industrial Development Zone Land Reserve Center (西安高新技術產業開發區土地儲備中心), details of which are set out in the Company's announcement dated 25 April 2019; and
- (c) the property management services agreement entered into between the Vendor and Shenzhen Kingkey Property Management Company Limited* (深圳市京基物業管理有限公司) on 25 March 2020, pursuant to which Shenzhen Kingkey Property Management Company Limited* agreed to provide to the Vendor certain property management services at an annual cap of RMB30,000,000 each year, details of which are set out in the Company's announcement dated 25 March 2020.

6. LITIGATION

(a) Litigation with customers

As at 31 December 2019, a subsidiary of the Group was a plaintiff in a lawsuit with certain customers in the US, who refused to settle trade receivables of approximately US\$25,000,000 (equivalent to HK\$194,696,000) (2018: US\$25,000,000). As at the Latest Practicable Date, the aforesaid lawsuit was still in progress.

(b) Litigations with suppliers

The Group received several civil complaints in 2019 from suppliers demanding the Group to immediately repay the overdue accounts payable balance of RMB36 million (equivalent to HK\$41 million) (2018: RMB129 million). The arbitration procedures of the civil complaints were still in progress as at the Latest Practicable Date.

As at the Latest Practicable Date and save as disclosed above, neither the Company nor any member of the Group was engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of the Group.

7. COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

8. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in the PRC is Coolpad Information Harbor, No. 2 Mengxi Road, Hi-Tech Industry Park (Northern), Nanshan District, Shenzhen, the PRC. The principal place of business of the Company in Hong Kong is 44/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong.
- (c) The joint secretaries of the Company are Mr. Ma Fei, who is an executive Director and chief financial officer of the Group, and Mr. Tsang Hing Bun, who is a member of The Hong Kong Institute of Certified Public Accountants, an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (d) The Company's branch registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited, which is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong, 44/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong during normal business hours on any business day in Hong Kong from the date of this circular up to and including 19 June 2020:

- (i) the memorandum and articles of association of the Company;
- (ii) each of the material contracts as set out under the paragraph headed “5. Material Contracts” in this appendix;
- (iii) the annual reports of the Company for the years ended 31 December 2018 and 2019;
- (iv) the letter from the Board, the text of which is set out on pages 4 to 13 of this circular;
- (v) this circular.

NOTICE OF THE EGM

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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 THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“**Meeting**”) of Coolpad Group Limited (the “**Company**”) will be held at Meeting Room 1, 3/F, Boton Group Building, intersection of Chuangke Road and Chaguang Road, Nanshan District, Shenzhen, the PRC on Friday, 19 June 2020 at 3:30 p.m. (or as soon as practicable immediately after the conclusion or adjournment of the annual general meeting of the Company convened to be held at 3:00 p.m. on the same date and at the same place) for the following purposes:

ORDINARY RESOLUTION

1. To consider and approve:

“THAT

- (a) the equity transfer agreement (“**Equity Transfer Agreement**”) dated 17 April 2020 entered into between the Company and Shenzhen Foresee Capital Group Limited (深圳市四海恒通投資控股集團有限公司) (a copy of which has been produced to the EGM marked “A” and initialled by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and/or ratified (as the case may be); and
- (b) any one of the directors (“**Directors**”) of the Company be and is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Equity Transfer Agreement and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as such Director deems appropriate.”

By Order of the Board of
COOLPAD GROUP LIMITED
Ma Fei
Executive Director
Joint Company Secretary

Hong Kong, 4 June 2020

NOTICE OF THE EGM

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.
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. 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 resolution at the Meeting instead of attending the Meeting in person, by completing and returning the proxy form. If you have any questions about the resolution 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.
6. 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.