

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your stockbroker or registered dealer in securities, 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 the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the document specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the SFC take no responsibility for the contents of any of the Prospectus Documents.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings on the Stock Exchange. You should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser(s) for details of those settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange, HKSCC and the SFC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or holding the Shares on behalf of persons with such addresses and beneficial owners of the Shares who are residents outside Hong Kong (other than the PRC Southbound Trading Investors) are referred to the important information set out in the section headed "Notices" and the paragraph headed "Non-Qualifying Shareholders" in the "Letter from the Board" of this Prospectus. For the entitlement of the PRC Southbound Trading Investors to participate in the Rights Issue, please refer to the paragraph headed "PRC Southbound Trading Investors" in the "Letter from the Board" in this Prospectus. **This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares in nil-paid or fully-paid forms or to take up any entitlements to the Rights Shares in nil-paid or fully-paid forms in any jurisdiction in which such an offer or solicitation is unlawful.**

The securities described herein have not been registered under the US Securities Act or the laws of any state in the United States and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable US state laws. There is no intention to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of securities in the United States. Neither the Prospectus Documents nor any copy hereof may be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, directly or indirectly, to persons within the United States, and may not be relied upon as a basis for any investment decision or for any other purpose by any person within the United States. Any failure to comply with this restriction may constitute a violation of US securities laws. This Prospectus and/or the Prospectus Documents do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares in nil-paid or fully-paid form or to take up any entitlements to the Rights Shares in nil-paid or fully-paid form in the United States or any other jurisdiction in which such an offer or solicitation is unlawful. Except as otherwise set out in this Prospectus, the Rights Issue is not being extended to Shareholders with registered addresses in, or investors who are located or resident in, any jurisdictions outside Hong Kong. The Prospectus Documents have not been lodged or registered with any of the relevant authorities in any jurisdiction other than Hong Kong and the PRC in accordance with the CSRC Notice.

coolpad 酷派

COOLPAD GROUP LIMITED

酷派集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

Underwriter to the Rights Issue



金利豐證券

KINGSTON SECURITIES

Kingston Securities Limited

Financial adviser to the Company



金利豐財務顧問

KINGSTON CORPORATE FINANCE

Kingston Corporate Finance Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 18 June 2021. The procedures for application for Rights Shares are set out in the paragraph headed "Procedure for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares" on page 23 of this Prospectus.

It should be noted that the Underwriter may, by notice in writing to the Company, terminate the Underwriting Agreement at any time up to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 10 to 12 of this Prospectus. If the Underwriter exercises such right, the Rights Issue will not proceed. Upon the giving of written notice of termination, all obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and determine and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach).

Shareholders should note that the Rights Issue will proceed on a fully-underwritten basis. Save for the Rights Shares in respect of the IU Shares and the Underwritten Shares, there is no requirement for a minimum level of subscription in the Rights Issue. Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

Shareholders should note that the existing Shares have been dealt in on an ex-entitlement basis from 24 May 2021. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 7 June 2021 to Tuesday, 15 June 2021 (both dates inclusive). If, prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" in the "Letter from the Board" in this Prospectus are otherwise not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares during the period from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, which is expected to be no later than 4:00 p.m. on Wednesday, 23 June 2021, and any Shareholders dealing in the Rights Shares in nil-paid form between Monday, 7 June 2021 and Tuesday, 15 June 2021 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

3 June 2021

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The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with its terms. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the section headed “Underwriting Arrangement – Termination of the Underwriting Agreement” in this Prospectus for further details. Accordingly, the Rights Issue may or may not proceed.

It should be noted that the Shares have been dealt in on an ex-entitlement basis from Monday, 24 May 2021 and the nil-paid Rights Shares are expected to be dealt from Monday, 7 June 2021 to Tuesday, 15 June 2021 (both dates inclusive).

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, which is expected to be no later than 4:00 p.m. on Wednesday, 23 June 2021, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form should exercise caution and are recommended to consult their professional advisers.

DISTRIBUTION OF THIS PROSPECTUS AND THE OTHER PROSPECTUS DOCUMENTS

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares in both their nil-paid and fully-paid forms or to take up any entitlements to the Rights Shares in both their nil-paid and fully-paid forms in any jurisdiction in which such an offer or solicitation is unlawful. Persons (including, without limitation, agents, custodians, nominees and trustees) who obtain a copy of the Prospectus Documents should inform themselves of and observe any such restriction. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE RIGHTS ISSUE IS NOT BEING EXTENDED TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN, OR INVESTORS WHO ARE LOCATED OR RESIDENT IN, ANY OF THE JURISDICTIONS OUTSIDE HONG KONG (OTHER THAN THE PRC SOUTHBOUND TRADING INVESTORS) IF SUCH EXTENSION IS UNLAWFUL. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares in nil-paid or fully-paid form or to take up any entitlements to the Rights Shares in nil-paid or fully-paid form in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of this Prospectus, the PAL and the EAF will be registered under the securities laws of any jurisdiction outside Hong Kong and none of the Rights Shares in nil-paid or fully-paid form, this Prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions

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outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Rights Shares in both nil-paid and fully-paid forms may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions outside Hong Kong, or exemption from the registration or qualification requirement under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or resident in, any of the jurisdictions outside Hong Kong (other than the PRC Southbound Trading Investors) are referred to the paragraph headed “Non-Qualifying Shareholders” in the “Letter from the Board” in this Prospectus.

For the avoidance of doubt, the Company will file the Prospectus with the CSRC in accordance with the CSRC Notice. After the Company completes such filing, the PRC Southbound Trading Investors can participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of the Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect. The PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange but cannot purchase any nil-paid Rights Shares or transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors.

Each person acquiring the Rights Shares in nil-paid and/or fully-paid forms under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of the Rights Shares in nil-paid and/or fully-paid forms to confirm, that he/she/it is aware of the restrictions on offers and sales of the Rights Shares in nil-paid and/or fully-paid forms described in this Prospectus.

For a description of certain restrictions regarding the taking up of the nil-paid Rights Shares for, and the offering and sale of, the Rights Shares, please see the notices below.

NOTICE TO INVESTORS IN BRITISH VIRGIN ISLANDS

Based on the advice provided by the Company’s legal advisers on the laws of the British Virgin Islands, there are no restrictions under securities law or other similar laws in the British Virgin Islands which would prevent the Company from including the one Shareholder with a registered address in the British Virgin Islands in the Rights Issue. It would be lawful for the

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Company to offer the Rights Shares to its Shareholder with a registered address in the British Virgin Islands, if the Rights Issue is made and/or the Prospectus Documents are sent to such Shareholder solely by reason that it is an existing Shareholder.

NOTICE TO INVESTORS IN THE PRC (OTHER THAN THE PRC SOUTHBOUND TRADING INVESTORS)

The Rights Shares in nil-paid or fully-paid form shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Southbound Trading Investor (subject to certain limitations in relation to the PRC Southbound Trading Investors' rights to participate in the Rights Issue as explained in this Prospectus), or such person or entity has otherwise been exempted by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

If a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in the nil-paid Rights Shares or the fully-paid Rights Shares, he/she/it shall be responsible for complying with the relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or the fully-paid Rights Shares to any such Shareholder and/or resident, if issuing the nil-paid Rights or the fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

NOTICE TO INVESTORS IN SINGAPORE

The offer of the Rights Shares in both their nil-paid and fully-paid forms by the Company is made only to and directed at, and the Rights Shares, nil-paid Rights Shares, and the fully-paid Rights Shares are only available to, persons in Singapore who are existing members of the Company.

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Rights Shares in both their nil-paid and fully-paid forms may not be circulated or distributed, nor may Rights Shares in both their nil-paid and fully-paid forms be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) to existing members of the Company under Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”); and (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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NOTICE TO INVESTORS IN TAIWAN

The Rights Shares (in nil-paid and fully-paid forms) have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Law of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. The Rights Shares (in nil-paid and fully-paid forms) may be made available outside Taiwan for purchase outside Taiwan by eligible Taiwan resident investors, but no person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Rights Shares (in nil-paid and fully-paid forms) in Taiwan.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management’s present expectations about future events. Management’s present expectations reflect many assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Announcement”	the announcement of the Company dated 4 May 2021 in relation to, among other things, the Rights Issue and the Underwriting Agreement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Beneficial Owner”	any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday, a public holiday and a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted by HKSCC to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted by HKSCC to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
“China Clear”	China Securities Depository and Clearing Corporation Limited
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“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)
“CSRC”	China Securities Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No.21)
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) who wish to apply for Rights Shares in excess of their pro-rata entitlements under the Rights Issue
“Great Shine”	Great Shine Investment Limited (宏暉投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a substantial Shareholder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and not a connected person (as defined in the Listing Rules) of the Company

DEFINITIONS

“Intermediary(ies)”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“IU Share(s)”	897,437,000 Shares, being the aggregate number of Shares beneficially owned by the IU Shareholders as at the date of the Irrevocable Undertaking
“IU Shareholders”	collectively, Mr. Chen and Great Shine
“Irrevocable Undertaking”	the irrevocable undertaking dated 4 May 2021 given by Mr. Chen and Great Shine in favour of the Company and the Underwriter, the principal terms of which are disclosed in the paragraph headed “The Irrevocable Undertaking” in the “Letter from the Board” in this Prospectus
“Last Trading Day”	3 May 2021, being the last full trading day of the Shares immediately prior to the date of the Announcement
“Latest Acceptance Date”	Friday, 18 June 2021, or such other date as the Company and the Underwriter may agree in writing, being the last day for acceptance of and payment for the Rights Shares
“Latest Practicable Date”	28 May 2021, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
“Latest Time for Termination”	4:00 p.m. on Wednesday, 23 June 2021 or such later time or date as may be agreed between the Company and the Underwriter in writing, being the third Business Day after the Latest Acceptance Date, which shall be the latest time for termination of the Underwriting Agreement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Material Adverse Effect”	a material adverse effect on the financial conditions of the Group as a whole
“Mr. Chen”	Mr. Chen Jiajun, an executive Director and a substantial Shareholder
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making due and careful enquiries regarding the legal restrictions under the laws of the relevant jurisdictions or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider necessary or expedient to exclude from the Rights Issue, being Overseas Shareholders of the Specified Territory
“NQS Letter”	to the extent permissible under applicable laws and regulations in the relevant jurisdiction and to the extent reasonably practicable, a letter in agreed form explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue to be posted to the Non-Qualifying Shareholders
“Overseas Shareholder(s)”	the Shareholder(s) (whose names appear on the register of members of the Company at 5:00 p.m. on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Thursday, 3 June 2021 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold Shares through China Clear as nominee under Shenzhen-Hong Kong Stock Connect
“Prospectus”	this prospectus issued by the Company in connection with the Rights Issue

DEFINITIONS

“Prospectus Documents”	this Prospectus, the PAL(s) and the EAF(s)
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear on the register of members of the Company at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 2 June 2021 or on such other date as the Company may determine, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are determined
“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in respect of which the Beneficial Owner is beneficially interested
“Registrar”	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Regulation S”	Regulation S under the US Securities Act
“Rights Issue”	the proposed offer for subscription of the Rights Shares at the Subscription Price on the basis of one (1) Rights Shares for every two (2) existing Shares held by the Shareholders on the Record Date and subject to the conditions set out in the paragraph headed “Conditions of the Rights Issue” in the “Letter from the Board” in this Prospectus
“Rights Shares”	the 3,600,799,740 new Share(s) to be allotted and issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2014

DEFINITIONS

“Share Options”	a right to subscribe for Shares pursuant to the Share Option Scheme or any share option
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via China Clear
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Specified Territory”	the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.28 per Rights Share
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Underwriter”	Kingston Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in Type 1 regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 4 May 2021 entered into between the Company and the Underwriter and as revised, supplemented and/or amended from time to time in accordance with its terms
“Underwritten Shares”	all the Rights Shares, excluding the Rights Shares in respect of the IU Shares to be taken up by the IU Shareholders pursuant to the Irrevocable Undertaking
“United States” or “US”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia)

DEFINITIONS

“US Securities Act”	the US Securities Act of 1933, as amended
“Untaken Share(s)”	those (if any) of the Underwritten Shares in respect of which valid applications under the PALs and EAFs have not been received on or before the Latest Acceptance Date
“%”	per cent.

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

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

Event	Time and Date 2021
Latest time for lodging transfer of shares for entitlement to the Rights Issue	4:30 p.m. on Tuesday, 25 May
Closure of register of members to determine entitlements to the Rights Issue (both dates inclusive)	Wednesday, 26 May to Wednesday, 2 June
Record Date for determining entitlements under Rights Issue	Wednesday, 2 June
Register of members of the Company re-opens	Thursday, 3 June
Despatch of Prospectus Documents (including the PAL, the EAF and the Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only)	Thursday, 3 June
First day of dealing in nil-paid Rights Shares	Monday, 7 June
Latest time for splitting of the PAL	4:30 p.m. on Wednesday, 9 June
Last day of dealing in nil-paid Rights Shares	Tuesday, 15 June
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Friday, 18 June
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 23 June
Announcement of results of the Rights Issue	Friday, 25 June
Despatch of refund cheques for wholly or partially unsuccessful excess applications or if the Rights Issue does not become unconditional	Monday, 28 June
Despatch of share certificates for fully-paid Rights Shares	Monday, 28 June
First day of dealings in fully-paid Rights Shares	Tuesday, 29 June
Commencement of odd lot matching services	Tuesday, 29 June
Cessation of odd lot matching services	Tuesday, 20 July

EXPECTED TIMETABLE

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be announced or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, a “black” rainstorm warning signal and/or extreme conditions is/are:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. In such case, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. In such case, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have any of those warning signal and/or extreme condition(s) in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Friday, 18 June 2021, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

If, in the absolute opinion of the Underwriter, at or prior to the Latest Time for Termination:

- (i) there develops, occurs or comes into force:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which, in the absolute opinion of the Underwriter, may have a Material Adverse Effect or materially and adversely affects the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of an economic, financial, political or military or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets, which, in the absolute opinion of the Underwriter, may have a Material Adverse Effect or materially and adversely affects the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or
 - (c) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, moratorium, suspension or material restriction or trading in securities) which, in the absolute opinion of the Underwriter, may have a Material Adverse Effect or materially and adversely affects the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or
- (ii) any Specified Event comes to the knowledge of the Underwriter; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which, in the absolute opinion of the Underwriter, will adversely affect the prospects of the Group as a whole, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than five (5) consecutive Business Days, excluding any suspension in connection with the clearance of this Prospectus or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) the Prospectus, when published, contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue,

then and in any such case the Underwriter may, by notice in writing to the Company given at any time up to the Latest Time for Termination, terminate (save as specified otherwise in the Underwriting Agreement) the Underwriting Agreement and thereupon all obligations of the Company and the Underwriter shall cease and determine, in which event the Company and the Underwriter shall thereupon forthwith give instructions to the Registrar to return all monies received from subscribers for the Rights Shares and provided further that the provisions of certain specified clauses in the Underwriting Agreement shall continue in full force and effect and all costs, charges and expenses which have been reasonably and properly incurred by the Underwriter in connection with the Rights Issue referred to in the Underwriting Agreement (excluding sub-underwriting fees, if any, and related expenses) shall still be borne and paid by the Company.

TERMINATION OF THE UNDERWRITING AGREEMENT

WARNING OF THE RISKS OF DEALING IN SHARES

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with its terms. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Accordingly, the Rights Issue may or may not proceed.

It should be noted that the Shares have been dealt in on an ex-entitlement basis from Monday, 24 May 2021 and the nil-paid Rights Shares are expected to be dealt from Monday, 7 June 2021 to Tuesday, 15 June 2021 (both dates inclusive).

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, which is expected to be no later than 4:00 p.m. on Wednesday, 23 June 2021, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form should exercise caution and are recommended to consult their professional advisers.

LETTER FROM THE BOARD

coolpad 酷派

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 and*

Chief executive officer)

Mr. Lam Ting Fung Freeman

Mr. Xu Yibo

Mr. Ma Fei

Non-executive Directors:

Mr. Ng Wai Hung

Mr. Liang Rui

Independent Non-executive Directors:

Dr. Huang Dazhan

Mr. Xie Weixin

Mr. Chan King Chung

Mr. Guo Jinghui

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

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

Coolpad Information Harbor

No. 8 of Gaoxin North 1st Road

Hi-Tech Industry Park (Northern)

Nanshan District

Shenzhen

*Principal place of business
in Hong Kong:*

44/F, Office Tower

Convention Plaza

1 Harbour Road

Wanchai

Hong Kong

3 June 2021

*To the Qualifying Shareholders and, for information purposes only,
Non-Qualifying Shareholders and the holders of the Share Options*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue.

LETTER FROM THE BOARD

The Board announced on 4 May 2021 that the Company proposes to raise not less than approximately HK\$1,008 million and not more than approximately HK\$1,028 million, before expenses, by way of the Rights Issue of not less than 3,600,799,740 Rights Shares and not more than 3,672,863,490 Rights Shares at a subscription price of HK\$0.28 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. The Rights Issue (subject to the Irrevocable Undertaking) will be fully underwritten by the Underwriter on the terms and conditions set out in the Underwriting Agreement. Qualifying Shareholders (other than the PRC Southbound Trading Investors) are entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess applications. The Rights Issue will not be available to the Non-Qualifying Shareholders.

The Rights Issue is subject to, among other things, the Underwriting Agreement becoming unconditional and not being terminated on the occurrence of certain events, details of which are set out in the section headed “Termination of the Underwriting Agreement” of this Prospectus.

The purpose of this Prospectus is to provide you with further information regarding the Rights Issue, including information on dealings in, transfer of and application for the Rights Shares, and financial information and other information of the Group.

RIGHTS ISSUE

Rights Issue Statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Shareholders on the Record Date
Subscription Price	:	HK\$0.28 per Rights Share
Number of Shares in issue as at the Latest Practicable Date and the Record Date	:	7,201,599,480 Shares
Number of Rights Shares to be issued under the Rights Issue	:	3,600,799,740 Rights Shares
IU Shares	:	897,437,000 Shares, being the aggregate number of Shares beneficially owned by the IU Shareholders as at the date of the Irrevocable Undertaking and the Record Date

LETTER FROM THE BOARD

Aggregate nominal value of the Rights Shares	:	HK\$36,007,997.40
Total number of issued Shares as enlarged by the allotment and issue of the Rights Shares	:	10,802,399,220 Shares
Underwriter	:	Kingston Securities Limited
Total funds to be raised (before expenses)	:	approximately HK\$1,008 million

In accordance with the expected timetable as set out in the section headed “Expected Timetable” in this Prospectus, the register of members of the Company has been closed from 26 May 2021 to determine entitlements to the Rights Issue. Accordingly, the figures as at the Record Date set out in the section above could be determined and are consistent with those as at the Latest Practicable Date.

As at the Latest Practicable Date, the total number of securities available for issue under the Share Option Scheme was 907,767,000 Shares (representing approximately 12.61% of the issued share capital of the Company as at the Latest Practicable Date). Out of the aforementioned 907,767,000 Shares, there were outstanding and vested Share Options granted to subscribe for 144,127,500 Shares pursuant to the Share Option Scheme that were exercisable on or before the Record Date. The Share Options granted to subscribe for the remaining 763,639,500 Shares were not vested.

As at the Record Date, save for the Share Options, the Company had no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares in the Rights Issue.

As at the Record Date, none of the outstanding and vested Share Options granted to subscribe for 144,127,500 Shares pursuant to the Share Option Scheme that were exercisable on or before the Record Date were exercised.

As at the Latest Practicable Date, there were 7,201,599,480 Shares in issue. Under the Rights Issue, the 3,600,799,740 nil-paid Rights Shares provisionally allotted represent 50% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 33.33% of the issued share capital of the Company as enlarged by the Rights Issue (assuming no change in the issued share capital of the Company on or before the Record Date).

LETTER FROM THE BOARD

Subscription Price

The Subscription Price of HK\$0.28 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or, where applicable, applies for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 41.1% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 41.2% to the average closing price per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.476;
- (iii) a discount of approximately 41.9% to the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.482;
- (iv) a discount of approximately 42.7% to the average closing price per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.488;
- (v) a discount of approximately 31.7% to the theoretical ex-entitlement price of approximately HK\$0.410 per Share based on the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day and the number of Shares as enlarged by the Rights Shares;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 13.7% represented by the theoretical diluted price of approximately HK\$0.410 to the benchmarked price of approximately HK\$0.476 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the date of the Underwriting Agreement of HK\$0.475 per Share and the average closing price of approximately HK\$0.476 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to 4 May 2021, the date on which the Subscription Price of HK\$0.28 per Share was fixed);
- (vii) a premium of approximately 52.9% to the consolidated net asset value per Share attributable to the Shareholders as at 31 December 2020 of approximately HK\$0.183 per Share calculated based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$1,318,853,000 as at 31 December 2020 as set out in the annual results announcement of the Company for the year ended 31 December 2020 and 7,201,599,480 Shares in issue as at the date of the Announcement; and

LETTER FROM THE BOARD

(viii) a discount of approximately 21.1% to the closing price of HK\$0.355 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined with reference to, among other things, the following:

1. Recent market prices of the Shares

During the three months up to and including the Last Trading Day, the closing price of the Shares was on a general downward trend after reaching a high of HK\$0.620 per Share on 16 February 2021 decreasing to a low of HK\$0.395 per Share on 9 March 2021 and closed at HK\$0.475 per Share on the Last Trading Day. In view of the aforementioned general downward trend of the closing price of the Shares, and in order to enhance the attractiveness of the Rights Issue, the Directors set the Subscription Price at a discount to the then market prices of the Shares as mentioned above;

2. Current market conditions

The recent volatility of the capital market in Hong Kong since February 2021 was also taken into account. During the three months up to and including the Last Trading Day, the Hang Seng Index fluctuated between a high of approximately 31,085 at closing on 17 February 2021 and approximately 27,900 at closing on 25 March 2021 and closed at approximately 28,358 on the Last Trading Day. The Directors considered that such volatility may affect investors' confidence in the market and therefore set the Subscription Price at a discount to the then market prices of the Shares to encourage Shareholders to participate in the Rights Issue; and

3. Amount of funds the Company intends to raise under the Rights Issue

The estimated net proceeds from the Rights Issue will be approximately HK\$981 million after deduction of all estimated expenses which the Company intends to use for repayment of existing indebtedness of the Group, expansion of the Group's business, acquisition of and/or investment in businesses, and general working capital of the Group. For further details, please refer to the paragraph headed "Reasons for the Rights Issue and the Use of Proceeds" below.

The Directors consider that setting the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue.

The Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. the Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.27 per Rights Share.

LETTER FROM THE BOARD

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by duly completing and signing a PAL (in accordance with the instructions printed therein) and lodging the same with a separate cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 4:00 p.m. on the Latest Acceptance Date.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs are set out in the paragraph headed "Procedure for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares" below and in the PAL.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at the close of business on the Record Date; and
- (ii) not be a Non-Qualifying Shareholder.

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

LETTER FROM THE BOARD

Rights of Overseas Shareholders

As at the Latest Practicable Date and the Record Date, based on the register of members of the Company, the Overseas Shareholders were as follows:

Jurisdiction of the registered address of the Overseas Shareholders	Number of Overseas Shareholders	Number of Shares held	Approximate % of issued share capital of the Company
British Virgin Islands	1	483,000	0.0067%
PRC ^{Note}	4	779,800	0.011%
Singapore	1	60,000	0.00083%
Taiwan	1	16,000	0.00022%

Note: For avoidance of doubt, the figures do not include the 24,068,000 Shares, representing approximately 0.33% of the issued share capital of the Company, held by China Clear for and on behalf of the PRC Southbound Trading Investors as at the Latest Practicable Date.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than (i) Hong Kong; and (ii) the PRC as mentioned in the paragraph headed “PRC Southbound Trading Investors” below. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made reasonable enquiries of the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholders and the PRC Southbound Trading Investors.

The Company has obtained advice from legal advisers in the British Virgin Islands, Singapore and Taiwan and has been advised that under the applicable legislations of these jurisdictions, either (i) there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Rights Issue meets the relevant exemption requirements under the relevant jurisdictions so that it would be exempt from obtaining approval or recognition from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions.

Accordingly, the Rights Issue will be extended to the Overseas Shareholders having registered addresses in the British Virgin Islands, Singapore and Taiwan, and such Overseas Shareholders are Qualifying Shareholders.

LETTER FROM THE BOARD

The Company has also obtained advice from legal advisers in the PRC. Having considered the circumstances, the Directors are of the view that it is necessary or expedient not to offer the Rights Shares (in their nil-paid and fully paid forms) to Overseas Shareholders with registered addresses in the PRC (which does not include the PRC Southbound Trading Investors) due to the time and costs involved in the registration or filing of the Prospectus Documents and/or approval required by the relevant authorities in the PRC and/or additional steps the Company and/or Overseas Shareholders need to take to comply with the relevant legal or regulatory requirements in the PRC.

Thus, for the purposes of the Rights Issue, the Non-Qualifying Shareholders are (i) any Shareholder(s) whose name(s) appeared in the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in the PRC (which does not include the PRC Southbound Trading Investors); and (ii) any Shareholder(s) or Beneficial Owner(s) at that time who is/are otherwise known by the Company to be residents in the PRC (and, as applicable and to the extent of any such Beneficial Owner's interests, the Shareholder(s) in whose name(s) such Beneficial Owner's Shares are registered).

The Company would send copies of this Prospectus and the NQS Letter to the Non-Qualifying Shareholders for their information only, but would not send the PAL or EAF to them.

Notwithstanding any other provision in this Prospectus or any other Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

Arrangements will be made for the nil-paid Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market as soon as practicable after dealings in nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The net proceeds of each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro rata (rounded down to the nearest cent) to the relevant Non-Qualifying Shareholder(s) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements, including: (i) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders; and (ii) any unsold Rights Shares created by aggregating fractions of Rights Shares in nil-paid form, together with any Rights Shares provisionally allotted but not accepted by the Qualifying

LETTER FROM THE BOARD

Shareholders or otherwise subscribed for by renounees or transferees of Rights Shares in nil-paid form, will be made available for excess application on EAFs by the Qualifying Shareholders (other than the PRC Southbound Trading Investors).

PRC Southbound Trading Investors

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website as at the Latest Practicable Date, China Clear held 24,068,000 Shares, representing approximately 0.33% of the total issued Shares.

The Company will file the Prospectus with the CSRC in accordance with the CSRC Notice. After the Company completes such filing, the PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect. In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange but cannot purchase any nil-paid Rights Shares or transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions to such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

The Board was advised that, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares in nil-paid or fully-paid forms shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Southbound Trading Investor (subject to certain limitations in relation to the PRC Southbound

LETTER FROM THE BOARD

Trading Investors' rights to participate in the Rights Issue as explained in this Prospectus), or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

Status of the Rights Shares

When allotted and fully paid, each Rights Share will have a nominal value of HK\$0.01. The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess application by the Qualifying Shareholders (other than the PRC Southbound Trading Investors).

Odd lot trading arrangement

Upon completion of the Rights Issue, the board lot of the Shares will remain as 4,000 Shares. In order to facilitate the trading of odd lots of Shares which will arise upon the Rights Issue, the Company has procured Kingston Securities Limited to stand in the market and provide matching services on a best effort basis for the holders of odd lots of Shares during the period between Tuesday, 29 June 2021 and Tuesday, 20 July 2021 (both dates inclusive). Holders of odd lots of Shares who wish to take advantage of this facility either to dispose of their odd lots of Shares or to top up to board lots of 4,000 Shares may contact Mr. James Lee of Kingston Securities Limited at (852) 2298 6200 or 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong as soon as possible during the aforementioned time period. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Kingston Securities Limited is an independent third party not connected with the Company or any of the Directors, chief executives, or substantial Shareholders of the Company or any of its subsidiaries or associates. Holders of Shares in odd lots should note that the matching services mentioned above are on a "best effort" basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being an adequate amount of odd lots of Shares available for matching. Shareholders are advised to consult their financial advisers if they are in doubt about the above arrangement.

LETTER FROM THE BOARD

Procedure for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

General

Any person (including, without limitation, any agent, custodian, nominee and trustee outside Hong Kong) wishing to take up the Rights Shares (in nil-paid or fully-paid form) under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Each subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Underwriter and to any person acting on their behalf, unless the Company and the Underwriter waive such requirement in their respective sole discretion in relation to the relevant representation(s) and/or warranty(ies) given to each of them:

- (i) he/she/it was a Qualifying Shareholder as at the Record Date, or he/she/it lawfully acquired or may lawfully acquire nil-paid Rights Shares, directly or indirectly, from such a person;
- (ii) he/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the nil-paid Rights Shares and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- (iii) subject to certain exceptions, he/she/it is not resident or located in, or a citizen of, the United States;
- (iv) subject to certain exceptions, he/she/it is not accepting an offer to acquire, take up or exercise nil-paid Rights Shares or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of the United States at the time the instruction to accept was given;
- (v) he/she/it is not doing so for the account of any person who is located in the United States, unless:
 - (a) the instruction to purchase or take up the rights or to subscribe for or accept Rights Shares was received from a person outside the United States; and
 - (b) the person giving such instruction has confirmed that it (i) has the authority to give such instruction; and (ii) either (A) has investment discretion over such account; or (B) is an investment manager or investment company that is acquiring the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;

LETTER FROM THE BOARD

- (vi) he/she/it is acquiring the nil-paid Rights Shares and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- (vii) he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- (viii) he/she/it is not acquiring rights or Rights Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Shares into the United States; and
- (ix) he/she/it understands that neither the nil-paid Rights Shares nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the nil-paid Rights Shares or Rights Shares are being distributed and offered outside the United States in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

Action to be taken by registered Shareholders (other than the PRC Southbound Trading Investors)

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder (other than the PRC Southbound Trading Investors), a PAL is enclosed with this Prospectus which entitles such Qualifying Shareholder to subscribe for the number of the Rights Shares shown thereon. If the Qualifying Shareholder(s) wish(es) to exercise his/her/their right to subscribe for all the Rights Shares provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the whole of the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on the Latest Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker’s cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**Coolpad Group Limited – Rights Issue Account**” and crossed “**ACCOUNT PAYEE ONLY**”. Such payment will constitute acceptance of the terms of the PAL and this Prospectus and be subject to the memorandum and articles of association of the Company. No receipt will be issued for sums received on application. Share certificate(s) for any Rights Share in respect of which the application is accepted will be sent to the Qualifying Shareholders, and in the case of joint Qualifying Shareholders, to the first named Qualifying Shareholder, by ordinary post to their respective addresses at their own risk on or before Monday, 28 June 2021.

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It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on the Latest Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders (other than the PRC Southbound Trading Investors). The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

All cheques and banker's cashier orders accompanying completed PALs will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. **Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with.** Any PAL in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any application monies received. If the Underwriter exercises its rights to terminate the Underwriting Agreement before the Latest Termination Time and/or if any of the conditions mentioned in the paragraph headed "Conditions of the Rights Issue" in this letter is not fulfilled and/or waived (as the case may be), the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest by means of cheques despatched by ordinary post to their registered addresses at the risk of such persons on or before Monday, 28 June 2021.

The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Transfers and "splitting" of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of nil-paid Rights Shares to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later

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than 4:30 p.m. on Wednesday, 9 June 2021 to the Registrar, who will then cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign Form B in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign Form C in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to effect the transfer by no later than 4:00 p.m. on the Latest Acceptance Date. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Important notice and representations and warranties relating to registered Shareholders in the Specified Territory

Any registered Shareholder accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person's use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or transferring the PAL, or requesting registration of the relevant nil-paid Rights Shares or the fully-paid Rights Shares from within the Specified Territory; (ii) such person is not in the Specified Territory or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in the Specified Territory at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into the Specified Territory. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

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The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, the Specified Territory and the acceptance may involve a breach of the laws of the relevant places or the Specified Territory, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (b) a Shareholder (or renounee or transferee) provides an address in the Specified Territory for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (c) a Shareholder (or renounee or transferee) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Important notice and representations and warranties relating to Beneficial Owners in the Specified Territory whose Shares are held by a Registered Owner (other than CCASS)

Any Beneficial Owner accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction, such person: (i) is not accepting and/or renouncing the PAL, or requesting registration of the relevant nil-paid Rights Shares or the fully-paid Rights Shares from within the Specified Territory; (ii) is not in the Specified Territory or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to

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acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) is not acting on a non-discretionary basis for a person resident in the Specified Territory at the time the instruction to accept or transfer was given; and (iv) is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into the Specified Territory.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, the Specified Territory and the acceptance may involve a breach of the laws or other regulatory requirements of the relevant places, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (b) a Shareholder (or renounee or transferee) provides an address in the Specified Territory for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (c) a Shareholder (or renounee or transferee) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

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The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

Important notice and representations and warranties relating to Beneficial Owners in the Specified Territory holding interests in Shares through CCASS

Any Beneficial Owner holding interests in Shares through CCASS and any CCASS Participant who instructs its Intermediary to make an acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s acceptance will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction, such person: (i) is not accepting and/or renouncing the PAL, or requesting registration of the nil-paid Rights Shares or the fully-paid Rights Shares from within the Specified Territory; (ii) is not in the Specified Territory or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire Rights Shares; (iii) is not acting on a non-discretionary basis for a person located within the Specified Territory at the time the instruction to accept or transfer was given; and (iv) is not acquiring Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Shares into the Specified Territory. For the avoidance of doubt, HKSCC Nominees Limited, who subscribes for the Rights Shares on behalf of CCASS Participants, is not subject to the above representations and warranties.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from the Specified Territory and which may involve a breach of the laws or other regulatory requirements of the relevant places or any instruction which otherwise appears to the Company may involve a breach of the laws or other regulatory requirements of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirements; or which purports to exclude the representation and/or warranty required by the paragraph immediately above.

Application for excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) shall be entitled to apply for, by way of excess application:

- (i) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been the Qualifying Shareholders;

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- (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Rights Shares in nil-paid form; and
- (iii) any unsold Rights Shares created by aggregating fractions of Rights Shares in nil-paid form,

(i) to (iii) are collectively referred to as “**Untaken Rights**”.

Applications for excess Rights Shares may be made only by the Qualifying Shareholders (other than the PRC Southbound Trading Investors). If a Qualifying Shareholder wishes to apply for excess Rights Shares in addition to his/her/its/their provisional allotment, he/she/it/they must complete and sign an EAF (in accordance with the instructions printed therein) and lodge the same with a separate remittance or banker’s cashier order for the sum payable for the excess Rights Shares being applied for, with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Friday, 18 June 2021. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker’s cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**Coolpad Group Limited – Excess Application Account**” and crossed “**ACCOUNT PAYEE ONLY**”. The Company may at its discretion treat an EAF as valid and binding on the person(s) by himself/herself/itself/themselves or on whose behalf it is lodged even if not completed in accordance with the relevant instructions. The Registrar will notify the Qualifying Shareholders of any allotment of the excess Rights Shares made to them.

Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction. Subject to the requirements of Rule 7.21(3)(b) of the Listing Rules, the Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on the following principles:

- (i) as far as practicable, in proportion to the number of excess Rights Shares being applied for under each application;
- (ii) no preference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders; and
- (iii) no preference will be given to applications made for topping up odd lot holdings to whole board lot holdings.

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If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder (other than the PRC Southbound Trading Investors) who applies for excess Rights Shares the actual number of excess Rights Shares being applied for.

In the event that the Board notes unusual patterns of excess applications and has reason to believe that any excess application may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

Any Rights Shares (excluding those in respect of the IU Shares) not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter and/or subscribers procured by it pursuant to the terms and conditions of the Underwriting Agreement.

There are no restrictions affecting the remittance of profits or repatriation of capital into Hong Kong from outside Hong Kong.

Important notice and representations and warranties relating to registered Shareholders in the Specified Territory

What is set out under the heading “Important notice and representations and warranties relating to registered Shareholders in the Specified Territory” on page 26 in the paragraph headed “Procedure for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares” in this letter in relation to the nil-paid Rights Shares and fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

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Important notice and representations and warranties relating to Beneficial Owners in the Specified Territory whose Shares are held by a Registered Owner (other than CCASS)

What is set out under the heading “Important notice and representations and warranties relating to Beneficial Owners in the Specified Territory whose Shares are held by a Registered Owner (other than CCASS)” on pages 27 to 28 in the paragraph headed “Procedure for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares” in this letter in relation to the nil-paid Rights Shares and fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Action to be taken by Beneficial Owners holding interest in Shares through CCASS who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date and time stated in the section headed “Expected Timetable” in this Prospectus as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

The procedure for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS. The procedures for application for excess Rights Shares by Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with the “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants should contact CCASS to provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares.

Important notice and representations and warranties relating to Beneficial Owners in the Specified Territory holding interests in Shares through CCASS

What is set out under the heading “Important notice and representations and warranties relating to Beneficial Owners in the Specified Territory holding interests in Shares through CCASS” on page 29 above in the paragraph headed “Procedure for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares” in this letter in relation to the nil-paid Rights Shares and the fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

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Important notice for Beneficial Owners

Beneficial Owners with their Shares held by a Registered Owner, or which are held in CCASS, should note that the Board will regard the Registered Owner (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement for the allocation of the excess Rights Shares will not be extended to the Beneficial Owners individually (including those Beneficial Owners holding the Shares through HKSCC Nominees Limited). HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC considers fair and appropriate, which is pursuant to the allocation basis as stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

If no excess Rights Shares are allotted to the Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Monday, 28 June 2021. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Monday, 28 June 2021.

All cheques and banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of an EAF together with a cheque or banker's cashier order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. If any cheque or banker's cashier order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for the amount due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriting Agreement is terminated and/or if any of the conditions in the paragraphs headed "Conditions of the Rights Issue" and "Conditions of the Underwriting Agreement" in this letter is not fulfilled and/or waived (as the case may be), the monies

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received in respect of applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Rights Shares in their nil-paid or fully-paid forms and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Application for listing and dealing arrangements of the Rights Issue

As at the Latest Practicable Date, an application had been made to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in board lots of 4,000 shares (as the Shares are currently traded on the Stock Exchange in board lots of 4,000 shares). No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 7 June 2021 to Tuesday, 15 June 2021 (both dates inclusive).

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both the nil-paid Rights Shares and the fully-paid Rights Shares will be traded in board lots of 4,000 Shares.

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Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Monday, 28 June 2021. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be despatched on or before Monday, 28 June 2021 to the applicants without interest at their registered addresses by ordinary post at their own risk.

If the Rights Issue does not become unconditional or does not proceed, the monies received in respect of the relevant provisional allotments and/or applications for excess Rights Shares (if any) will be refunded to the Qualifying Shareholders (other than the PRC Southbound Trading Investors) or such other person to whom the Rights Shares in nil-paid form have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other person to their registered addresses by the Registrar on or before Monday, 28 June 2021.

THE IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, Mr. Chen, indirectly through Great Shine, held 897,437,000 Shares, representing approximately 12.46% of the issued share capital of the Company.

On 4 May 2021, the Company received from Mr. Chen and Great Shine the Irrevocable Undertaking, pursuant to which:

- (i) the IU Shareholders have irrevocably undertaken to the Company that they shall not transfer or otherwise dispose of or create any rights in respect of any of the 897,437,000 IU Shares currently beneficially owned by them and which will remain beneficially owned by them on the Record Date; and
- (ii) the IU Shareholders have irrevocably undertaken to the Company to take up and pay for, in accordance with the terms of the Prospectus Documents, all the Rights Shares which will be provisionally allotted to it/him in respect of the IU Shares pursuant to the Rights Issue.

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Save for the Irrevocable Undertaking, the Company had not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

UNDERWRITING ARRANGEMENT

On 4 May 2021, the Company and the Underwriter entered into the Underwriting Agreement in respect of the Rights Issue, pursuant to which the Rights Shares other than those in respect of the IU Shares will be fully underwritten by the Underwriter.

Principal terms of the Underwriting Agreement are as follows:

Date : 4 May 2021

Underwriter : Kingston Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in Type 1 regulated activity under the SFO and underwriting is in the ordinary and usual course of business of the Underwriter

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. The Underwriter has complied with Rule 7.19(1)(a) of the Listing Rules.

Number of Rights Shares underwritten : all the Rights Shares, excluding the Rights Shares in respect of the IU Shares to be taken up by the IU Shareholders pursuant to the Irrevocable Undertaking

Commission : 2.5% of the aggregate Subscription Price in respect of the Underwritten Shares, which was determined with reference to the prevailing market rate of similar transactions

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition, the market price of the Shares and the prevailing market rate of similar transactions. The Directors consider that the terms of the Underwriting Agreement, including the commission rate, are fair and reasonable and in the interest of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

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Subject to the fulfilment (or waiver) of all the conditions (save and except conditions (i), (ii), (iii) and (iv) set out in the paragraph headed “Conditions of the Underwriting Agreement” below in this letter which cannot be waived) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe or procure subscription, on the terms of the Prospectus Documents (insofar as the same are applicable), for such Untaken Shares.

Termination of the Underwriting Agreement

If, in the absolute opinion of the Underwriter, at or prior to the Latest Time for Termination:

- (i) there develops, occurs or comes into force:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which, in the absolute opinion of the Underwriter, may have a Material Adverse Effect or materially and adversely affects the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of an economic, financial, political or military or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets, which, in the absolute opinion of the Underwriter, may have a Material Adverse Effect or materially and adversely affects the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or
 - (c) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, moratorium, suspension or material restriction or trading in securities) which, in the absolute opinion of the Underwriter, may have a Material Adverse Effect or materially and adversely affects the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or
- (ii) any Specified Event comes to the knowledge of the Underwriter; or

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- (iii) there is any change in the circumstances of the Company or any member of the Group which, in the absolute opinion of the Underwriter, will adversely affect the prospects of the Group as a whole, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than five (5) consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) the Prospectus, when published, contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue,

then and in any such case the Underwriter may by notice in writing to the Company given at any time up to the Latest Time for Termination terminate (save as specified otherwise in the Underwriting Agreement) the Underwriting Agreement and thereupon all obligations of the Company and the Underwriter shall cease and determine, in which event the Company and the Underwriter shall thereupon forthwith give instructions to the Registrar to return all monies received from subscribers for the Rights Shares and provided further that the provisions of certain specified clauses in the Underwriting Agreement shall continue in full force and effect

LETTER FROM THE BOARD

and all costs, charges and expenses which have been reasonably and properly incurred by the Underwriter in connection with the Rights Issue referred to in the Underwriting Agreement (excluding sub-underwriting fees, if any, and related expenses) shall still be borne and paid by the Company.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

Conditions of the Underwriting Agreement

The obligations of the Underwriter to subscribe or procure subscribers for the Underwritten Shares pursuant to the Underwriting Agreement are conditional upon the happening of the following events by no later than the dates and times (where relevant) specified below, respectively (or, in each case, such later date or time as the Underwriter may agree with the Company in writing):

- (i) the issue and publication of the Announcement as soon as practicable and, in any event, within two Business Days of the date of the Underwriting Agreement;
- (ii) the posting on or before the Posting Date of the Prospectus Documents to the Qualifying Shareholders and, to the extent permissible under applicable laws and regulations in the relevant jurisdiction and to the extent reasonably practicable, the Prospectus and NQS Letter to the Non-Qualifying Shareholders;
- (iii) the filing and registration of the Prospectus Documents as required by law to be filed by and registered with the Registrar of Companies in Hong Kong;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing in principle to grant (subject to allotment), and not having revoked the grant of, listing of and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms;
- (v) the Shares remaining listed on the Stock Exchange at all times up to and including the first day of dealings in the fully-paid Rights Shares and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than five (5) trading days at any time prior to the Latest Time for Termination, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue;
- (vi) the obligations of the Underwriter becoming unconditional and the Underwriting Agreement is not terminated in accordance with its terms;
- (vii) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;

LETTER FROM THE BOARD

- (viii) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the nil-paid Rights Shares;
- (ix) on or before the Latest Acceptance Date, the IU Shareholders or its/his associates or nominees (including the relevant CCASS participant(s), if applicable) having taken up and paid for the Rights Shares provisionally allotted to it/him in respect of the IU Shares, by way of accepting the provisional allotments of such Rights Shares, accompanied by cheque or other remittances for the respective amounts payable on acceptance; and
- (x) all the representations, warranties and undertakings of the Company in the Underwriting Agreement as at the date of the Underwriting Agreement and up to and including the Latest Time for Termination remaining true and accurate and not misleading, and there being, by the Latest Time for Termination: (1) no breach in any respect; (2) no cause for the Underwriter to reasonably believe a breach has occurred or may occur; and (3) no matter having arisen which would reasonably be expected to give rise to a breach or claim.

Save for the conditions set out in (i), (ii), (iii) and (iv) above which cannot be waived, the conditions set out above may be waived in whole or in part by the Underwriter. If the conditions set out above are not fulfilled (or waived in whole or in part by the Underwriter) by the relevant dates and times specified therein, or in any case within four months of the date of the Underwriting Agreement (or such later date or time as the Underwriter may agree with the Company in writing pursuant to the Underwriting Agreement), then all liabilities of the parties will cease and determine and no party will have any claim against the others (except in respect of any antecedent breaches), save that the certain provisions of the Underwriting Agreement shall continue in full force and effect and save that all out-of-pocket expenses (excluding sub-underwriting fees, if any, and related expenses) as may have been reasonably and properly incurred by the Underwriter in connection with the proposed Rights Issue referred to in the Underwriting Agreement shall be borne by the Company and paid, or, where appropriate, reimbursed, to the Underwriter, within seven Business Days, on demand.

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CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriter not terminating the Underwriting Agreement.

The Underwriting Agreement contains detailed conditions and events which may cause the Underwriting Agreement to be terminated by the Underwriter. Please refer to the paragraph headed “Underwriting Arrangement” in the “Letter from the Board” in this Prospectus for details of the conditions and grounds of termination of the Underwriting Agreement. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN THE SHARES

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with its terms. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Accordingly, the Rights Issue may or may not proceed.

It should be noted that the Shares have been dealt in on an ex-entitlement basis from Monday, 24 May 2021 and the nil-paid Rights Shares are expected to be dealt from Monday, 7 June 2021 to Tuesday, 15 June 2021 (both dates inclusive).

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, which is expected to be no later than 4:00 p.m. on Wednesday, 23 June 2021, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form should exercise caution and are recommended to consult their professional advisers.

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EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the changes in the shareholding structure of the Company arising from the Rights Issue assuming there is no change in the shareholding structure of the Company from the Latest Practicable Date and up to the completion of the Rights Issue and that there are no Non-Qualifying Shareholders.

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming no exercise of Share Options and that all Qualifying Shareholders take up their respective allotment of the Rights Shares in full		Immediately after completion of the Rights Issue (assuming no exercise of Share Options and that no Qualifying Shareholders take up any of the Rights Shares (other than the IU Shareholders who shall take up the Rights Shares in respect of the IU Shares pursuant to the Irrevocable Undertaking and the Underwriter and/or subscriber(s) procured by it who shall take up all the Untaken Shares))	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mr. Chen <i>Other Directors</i>	897,437,000	12.46	1,346,155,500	12.46	1,346,155,500	12.46
Mr. Chan King Chung	441,600	0.01	662,400	0.01	441,600	0.01
Dr. Huang Dazhan	288,000	0.01	432,000	0.01	288,000	0.01
Mr. Xie Weixin	384,000	0.01	576,000	0.01	384,000	0.01
Mr. Xu Yibo	3,000,000	0.04	4,500,000	0.04	3,000,000	0.03
The Underwriter, and/or subscriber(s) procured by it	-	-	-	-	3,152,081,240	29.18
Other public shareholders	6,300,048,880	87.47	9,450,073,320	87.47	6,300,048,880	58.30
Total	7,201,599,480	100	10,802,399,220	100	10,802,399,220	100

LETTER FROM THE BOARD

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Shares. Further announcements will be made by the Company in accordance with the Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in developing wireless telecommunications and technological know-how in wireless telecommunications across multiple wireless telecommunications network standards and developing proprietary technologies and patents in mobile operating systems, radio frequency, protocols and wireless data decomposed transmission technology.

The estimated net proceeds from the Rights Issue will be approximately HK\$981 million after deduction of all estimated expenses (equivalent to a net price of approximately HK\$0.27 per Rights Share). The Company intends to use the net proceeds in the following manner:

- (i) approximately 30% for the repayment of existing indebtedness of the Group during the year ending 31 December 2021. The Group intends to apply such amount primarily towards full repayment of other secured borrowing of approximately HK\$120.04 million which was due and aggregate interests of the other borrowings of approximately HK\$10.56 million up to the date of 30 April 2021 if it cannot be renewed; and partial repayment for the amounts due to related party of approximately HK\$251.50 million which is repayable on demand, with the remaining balance to be repaid by the Group's working capital. It is the Company's intention to renew the secured loan with bank which will be due on 12 November 2021. As at the Latest Practicable Date, the Company had no intention to conduct further equity fund raising activities to satisfy the repayment of its indebtedness;
- (ii) approximately 50% for the expansion of the Group's business during the two years ending 31 December 2022, in particular the mobile business in the PRC (approximately 25% of the net proceeds for the production of new series of mobile phone products for the PRC market, approximately 10% of the net proceeds for sales and marketing of the new mobile phone business and the expansion of new business channels in the PRC and approximately 15% for the research and development of its own mobile phone systems);
- (iii) approximately 10% for the acquisition of and/or the investment in businesses that can take advantage of the Group's competitive edge when suitable opportunities arise, which is expected to be utilised in the two years ending 31 December 2022. As at the Latest Practicable Date, the Group had not identified any such acquisition and/or investment target; and

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- (iv) approximately 10% for the general working capital of the Group, of which 5% is expected to be utilised for each of the years ending 31 December 2021 and 2022, respectively.

The Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue, which provides a good opportunity for the Group to strengthen its capital base without increasing debt or incurring financing cost and to enhance its financial position, while at the same time it will enable all Shareholders to participate in the future development of the Company on equal terms. In particular, the Board considers that:

- (i) the Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and to continue to participate in the future development of the Company should they wish to do so;
- (ii) the discount of the Subscription Price to the prevailing market price enhances the attractiveness of the Rights Issue as it is the Company's objective to encourage the participation of the Qualifying Shareholders in the Rights Issue;
- (iii) after considering alternative fund raising methods, it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity, which will not increase the Group's finance costs. In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise;
- (iv) the Rights Issue allows the Shareholders to have more flexibility in dealing in the nil-paid rights attaching thereto; and
- (v) the Rights Issue enables the Company to raise the necessary funds with more certainty as it will be fully underwritten by the Underwriter (except for Rights Shares in respect of the IU Shares which the IU Shareholders have irrevocably undertaken to the Company and the Underwriter to take up and pay for in accordance with the terms of the Irrevocable Undertaking).

The Group has considered alternative fund raising methods including but not limited to debt financing and equity financing such as the placing of new Shares and open offer.

With respect to debt financing, debt financing will incur additional financial cost and burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. The management of the Company has approached certain banks and considers that the Company is unlikely to obtain debt financing on favourable terms in a timely manner based on the Group's

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loss making for the latest financial year and net current liabilities position as at the latest financial year end. In addition, the Company is reluctant to obtain additional short-term financing from smaller financial institutions which generally charge higher interest rates, and the Board considers it is not practicable or commercially viable to obtain borrowings of the same size as the amount raised from the Rights Issue in a relatively short period of time. Furthermore, equity financing will also improve the capital structure of the Company. Hence, equity financing is a better and more viable option than debt financing for the Company.

With respect to equity financing, the Board considers that placing of new Shares would be less favourable as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. The Board has also considered conducting pro rata fundraising by way of open offer, which is of similar nature as the Rights Issue. Under the Rights Issue, nil-paid Rights Shares will be allotted to the Qualifying Shareholders and they can dispose of their nil-paid Rights Shares during the nil-paid Rights Shares trading period for economic benefits (if they do not wish to subscribe for the Rights Shares). However, under an open offer, there are no nil-paid rights shares to be allotted and the Shareholders cannot realise their entitlement rights. Therefore, the Board considers that the Rights Issue would be more favourable as it offers the Qualifying Shareholders an option to sell their entitlement rights when comparing with an open offer.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the Share Option Scheme. Details of the outstanding Share Options are set out in the section headed “2. SHARE CAPITAL” in Appendix III to this Prospectus.

The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Company had not conducted any equity fund raising activities in the 12 months immediately preceding the Latest Practicable Date.

Event and Date	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the Latest Practicable Date
Issue and allotment of 666,000,000 Shares on 8 March 2021	HK\$186 million	Business expansion, capital expenditures and general working capital of research, development, manufacturing and sale of smart phones	The net proceeds of HK\$186 million have been fully applied as intended and as disclosed in the announcement of the Company dated 3 February 2021, amongst which approximately HK\$102.3 million was utilized for general working capital of manufacturing and sale of smart phones, approximately HK\$10.3 million was utilized for capital expenditures and approximately HK\$73.4 million was utilized for daily operating expenses.
Issue and allotment of 500,000,000 Shares on 13 November 2020	HK\$89.5 million	Business expansion, capital expenditures and general working capital of research, development, manufacturing and sale of smart phones	The net proceeds of HK\$89.5 million have been fully applied as intended and as disclosed in the announcement of the Company dated 4 November 2020, amongst which approximately HK\$4.1 million was utilized for daily operating expenses and approximately HK\$85.4 million was applied as general working capital of manufacturing and sale of smart phones.
Issue and allotment of 200,000,000 Shares on 30 June 2020	HK\$25.5 million	Capital for the repayment of trade payables and purchase of raw materials of the Group	As disclosed in the announcement of the Company dated 4 November 2020, the net proceeds of HK\$25.5 million has been fully utilized as intended and as disclosed in the announcement of the Company dated 15 June 2020.

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LISTING RULES IMPLICATIONS

Given that the Rights Issue will increase the issued share capital and the market capitalisation of the Company by not more than 50% within the 12-month period immediately preceding the Latest Practicable Date, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 7.19A of the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
Coolpad Group Limited
Chen Jiajun
Executive Director
Chief Executive Officer
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2018, 2019 and 2020 were disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.coolpad.com.hk/gb/global/home.php>):

- (i) Annual report of the Company for the year ended 31 December 2020 published on 29 April 2021 (pages 47 to 174) available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900041.pdf>;
- (ii) Annual report of the Company for the year ended December 2019 published on 24 April 2020 (pages 69 to 192) available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0424/2020042400179.pdf>; and
- (iii) Annual report of the Company for the year ended December 2018 published on 17 April 2019 (pages 67 to 186) available at <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417015.pdf>.

2. STATEMENT OF INDEBTEDNESS**Indebtedness Statement**

As at the close of business on 30 April 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had aggregate outstanding borrowings of approximately HK\$808.58 million, comprising secured bank loan of approximately HK\$300.70 million, aggregate secured other borrowings of approximately HK\$250.64 million, unsecured other borrowings included in an amount due to a related party of approximately HK\$251.50 million and aggregate lease liability of approximately HK\$5.75 million.

	<i>HK\$'000</i>
Current	
Bank loan – secured, guaranteed	300,699
An amount due to a related party – unsecured, unguaranteed	251,502
Other borrowings – secured, unguaranteed	130,596
Lease liability	2,819
Non-current	
Other borrowings – secured, unguaranteed	120,039
Lease liability	2,928
	<hr/>
Total	<u>808,583</u>

As at 30 April 2021, bank loan of HK\$300.70 million was guaranteed by the chairman of the Board and other borrowings of HK\$250.64 million was pledged by several properties and right-of-use assets located in Dongguan, the PRC.

As at 30 April 2021, the Group's time deposits of approximately (i) HK\$60.02 million were used as a pledged for issuance of letters of credit, and (ii) HK\$18.89 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 2021, 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 change in the Group's indebtedness position and contingent liabilities since 30 April 2021.

3. RECENT DEVELOPMENTS AND FINANCIAL AND TRADING PROSPECT OF THE GROUP

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

As disclosed in the annual report of the Company for the financial year ended 31 December 2020, in the future, the Group will adhere to the long-term strategy of developing business simultaneously in China and overseas markets. In the overseas market, the Group endeavours to actively consolidate and maintain the relationship with overseas customers, to improve the operating efficiency in the overseas market and to strictly control the operating expenses, so as to continuously reduce the operating costs. At the same time, the Group continues to develop emerging markets to achieve synergies with existing markets and expand our brand influence. In terms of products, the Group will focus more on the mobile phone market and concentrate its strengths to provide more competitive products. In the Chinese market, the Group continues to increase its research and development efforts in 5G, mobile operating systems and Internet operation services, and strives to develop popular products. Particularly in the Internet business, the Group strives to catch up with first-tier brands, comprehensively enrich the Internet content and mobile operating system (“OS”) functions, build a complete ecological closed-loop between OS system and Internet services, realise rapid iteration of core applications, improve consumer experience, and attain the level of leading brands in the industry with overall efforts. In terms of channels, the Group will strengthen the construction and management of sales channels, steadily develop e-commerce online channels and traditional channels of operators, and at the same time focus on developing markets in lower-tier cities by offline channels. By relying on the dividends of China's domestic economic development, the Group will vigorously advocate the “striver” culture and carry out brand

upgrade, so that the Coolpad brand can mark its return to the Chinese market with a new image. On the other hand, the Group will continue to explore possible acquisition of and/or the investment in businesses that can take advantage of the Group's competitive edge.

4. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseeable circumstances, after taking into account the Group's business prospects, internal resources, available credit facilities and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its requirements for at least twelve months from the date of this Prospectus.

5. MATERIAL ADVERSE CHANGE

At the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2020, the date to which the latest published audited financial statements of the Group were made up.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

Introduction

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 31 December 2020.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at the date to which it is made up or at any future date; and

The Unaudited Pro Forma Financial Information of the Group is prepared by the director based on the audited consolidated statement of financial position of the Group as at 31 December 2020, extracted from the published annual report of the Group for the twelve months ended 31 December 2020, with adjustments described below.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 <i>HKD'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HKD'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the completion of the Rights Issue <i>HKD'000</i>	Audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2020 <i>HKD</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after the completion of the Rights Issue <i>HKD</i> <i>(Note 4)</i>
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Based on

3,600,799,740

Rights Shares at a

Subscription Price

of HK\$0.28 per

Rights Share

1,311,587

981,000

2,292,587

0.1821

0.2122

Notes:

1. Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 is calculated as follows:

	<i>HKD'000</i>
Audited consolidated net assets of the Group as at 31 December 2020	1,318,853
Less:	
Intangible assets	(6,867)
Non-controlling interests	(399)
	<u>1,311,587</u>

2. The estimated net proceeds from the Rights Issue are based on the 3,600,799,740 Rights Shares to be issued at a Subscription Price of HK\$0.28 per Rights Share after deduction of the estimated related expenses, including among others, estimated underwriting commission and other professional fees, which are directly attributable to the Rights Issue, of approximately HK\$27,224,000.
3. The calculation of audited consolidated net tangible assets of the Group attributable to owners of the Company per Share is based on the audited consolidated net tangible assets as at 31 December 2020 and the number of shares of 7,201,599,480 as at the Latest Practicable Date.
4. The calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after the completion of the Rights Issue is based on 10,802,399,220 Shares which comprise 7,201,599,480 Shares in issue as the Latest Practicable Date and 3,600,799,740 Rights Shares to be issued.
5. Save as disclosed above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2020.

2. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus, in respect of the unaudited pro forma financial information of the Group.



Ernst & Young
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Quarry Bay, Hong Kong

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The Board of Directors
Coolpad Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Coolpad Group Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2020, and related notes as set out on pages II-1 to II-2 of the prospectus dated 3 June 2021 (the “Prospectus”) issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 3,600,799,740 new shares of the Company (the “Rights Shares”) at the subscription price of HK\$0.28 per Rights Share on the basis of one Rights Share for every two existing shares (the “Rights Issue”) on the Group’s financial position as at 31 December 2020 as if the proposed Rights Issue had taken place at 31 December 2020. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the Directors from the consolidated statement of financial position of the Group as at 31 December 2020, on which an annual report has been published.

Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the proposed Rights Issue on unadjusted financial information of the Group as if the proposed Rights Issue had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Rights Issue at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the proposed Rights Issue, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the proposed Rights Issue in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young

Certified Public Accountants

Hong Kong

3 June 2021

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL**(a) As at the Latest Practicable Date**

	Nominal value per Share	Number of Shares
Authorised:	HK\$0.01	20,000,000,000
Issued and fully paid:	HK\$0.01	7,201,599,480

(b) Immediately following the completion of the Rights Issue (assuming (i) no change in the number of issued Shares from the Latest Practicable Date up to and including the date of completion of the Rights Issue (save for the issue of the Rights Shares); and (ii) all Qualifying Shareholders have taken up the Rights Shares to which they are entitled)

	Nominal value per Share	Number of Shares
Authorised:	HK\$0.01	20,000,000,000
Issued and fully paid:	HK\$0.01	10,802,399,220

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the total number of securities available for issue under the Share Option Scheme was 907,767,000 Shares (representing approximately 12.61% of the issued share capital of the Company as at the Latest Practicable Date).

The following table discloses details of the Share Options outstanding as at the Latest Practicable Date:

Number of Share Options	Exercise price of Share Options	Exercise period of Share Options	Number of outstanding and vested Share Options exercisable on or before the Record Date
10,000,000	HK\$1.620	16 October 2017 to 16 October 2021	10,000,000
212,100,000	HK\$0.2242	14 May 2020 to 13 May 2024	105,700,000
104,167,000	HK\$0.2242	14 November 2020 to 13 November 2024	28,427,500
581,500,000	HK\$0.510	9 May 2022 to 8 May 2026	–

As at the Latest Practicable Date, save for the Share Options, the Company had no other outstanding convertible securities, options, or warrants in issue which conferred any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, save for the Share Options, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions

which 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, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, 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 % of the Company's issued share capital as at the Latest Practicable Date
Mr. CHEN Jiajun	1	-	-	897,437,000	-	-	-	897,437,000	12.46
Mr. CHAN King Chung	2	441,600	-	-	-	-	1,800,000	2,241,600	0.03
Mr. HUANG Dazhan	2	288,000	-	-	-	-	1,800,000	2,088,000	0.03
Mr. XIE Weixin	2	384,000	-	-	-	-	1,800,000	2,184,000	0.03
Mr. MA Fei	2	-	-	-	-	-	12,000,000	12,000,000	0.17
Mr. XU Yibo	2	3,000,000	-	-	-	-	28,000,000	31,000,000	0.43
Mr. LIANG Rui	2	-	-	-	-	-	30,000,000	30,000,000	0.42
Mr. NG Wai Hung	2	-	-	-	-	-	2,800,000	2,800,000	0.04
Mr. LAM Ting Fung Freeman	2	-	-	-	-	-	2,100,000	2,100,000	0.03
Mr. GUO Jinghui	2	-	-	-	-	-	1,800,000	1,800,000	0.02

Notes:

1. The 897,437,000 Shares were directly held by Great Shine Investment Limited (formerly known as Kingkey Financial Holdings (Asia) Limited), which was 100% directly held by Great Splendid Holdings Limited. Mr. Chen was the director of Great Splendid Holdings Limited and held 100% shares of Great Splendid Holdings Limited. Therefore, Mr. Chen was deemed indirectly interested in the 897,437,000 Shares.
2. The interests of these Directors were 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.

As at the Latest Practicable Date: (i) save as disclosed above in relation to Mr. Chen, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and 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; (ii) save as disclosed above, 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.

(b) Substantial Shareholders' interests or short positions in the Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as is known to the Directors or chief executive of the Company, the persons (other than a Director or chief executive of the Company) who had, or were deemed or taken to have, an interest or a short position in the Shares or the 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 were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Long Position in the Shares

Name	Notes	Number of shares interested	Nature of interest	Total number of shares interested	Approximate % of issued share capital as at the Latest Practicable Date
Mr. ZHUO Kun	2	666,000,000	Beneficial owner	666,000,000	9.25
Mr. TU Erfan	3	689,412,000	Interest in a controlled corporation	689,412,000	9.57
Mr. QIN Tao	4	500,000,000 70,000,000	Interest in a controlled corporation Interest of share option	570,000,000	7.91
Mr. GUO Deying	5	447,889,484 483,000	Founder of a discretionary trust Interest in a controlled corporation	448,372,484 –	6.23 –
Great Shine Investment Limited	1	897,437,000	Beneficial owner	897,437,000	12.46
New Prestige Developments Limited	3	689,412,000	Beneficial owner	689,412,000	9.57
Allove Group Limited	4	500,000,000	Beneficial owner	500,000,000	6.94
Data Dreamland Holding Limited (“Data Dreamland”)	5	447,889,484	Beneficial owner	447,889,484	6.22

Name	Notes	Number of shares interested	Nature of interest	Total number of shares interested	Approximate % of issued share capital as at the Latest Practicable Date
HSBC International Trustee Limited (“HSBC Trustee”)	6	448,889,484	Trustee	448,889,484	6.23
Zeal Limited	7	551,367,386	Beneficial owner	551,367,386	7.66

Notes:

- The 897,437,000 Shares were directly held by Great Shine Investment Limited (formerly known as Kingkey Financial Holdings (Asia) Limited), which is 100% directly held by Great Splendid Holdings Limited. Mr. Chen Jiajun is the director of Great Splendid Holdings Limited and hold 100% shares thereof. Therefore, Mr. Chen Jiajun is indirectly interested in the 897,437,000 Shares.
- The 666,000,000 Shares were directly held by Mr. Zhuo Kun.
- As disclosed in the announcement of the Company dated 19 December 2019, 800,000,000 Shares were allotted and issued to New Prestige Developments Limited (“**New Prestige**”), which was ultimately owned by Mr. Tu Erfan. As at the Latest Practicable Date, New Prestige held 689,412,000 Shares.
- The 500,000,000 Shares were directly held by Allove Group Limited which was ultimately wholly-owned by Mr. Qin Tao. The 70,000,000 underlying shares of options were granted to Mr. Qin Tao by the Company under the Share Option Scheme..
- The entire issued share capital of Data Dreamland was held by Barrie Bay (PTC) Limited. Barrie Bay (PTC) Limited was acting as the trustee of the Barrie Bay Unit Trust. The Barrie Bay Unit Trust was a unit trust held by HSBC Trustee, which was acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust was 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 included the children of Mr. Guo Deying and Ms. Yang Xiao. Mr. Guo Deying was taken to be interested in the 483,000 shares held by Wintech Consultants Limited as he was one out of the three directors of Wintech Consultants Limited and the other two directors were accustomed to act in accordance with Mr. Guo Deying’s direction.
- The 462,889,484 Shares were held by Data Dreamland, the entire share capital of which is held by Barrie Bay (PTC) Limited, which was 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.
- The 551,367,386 Shares were directly held by Zeal Limited, and Zeal limited was 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, so far as is known to the Directors, as at the Latest Practicable Date, no person (other than a Director or chief executive of the Company or their respective associates) had, or were deemed or taken to have, an interest or a short position in the Shares or the underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

4. 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.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any member of the Group, excluding contracts expiring or which may be terminated by the employer within one year without payment of any compensation, other than statutory compensation.

6. DIRECTORS' INTEREST IN ASSETS

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 2020, 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.

7. DIRECTORS' INTERESTS IN CONTRACT

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

8. LITIGATION

As at 31 December 2020, 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 approximately HK\$194,696,000). As at the Latest Practicable Date, the aforesaid lawsuit was still in progress.

As at 31 December 2020, the Group received several civil complaints in 2020 from suppliers demanding the Group to immediately repay the overdue accounts payable balance of RMB52 million (equivalent to HK\$62 million). As at the Latest Practicable Date, the arbitration procedures of the civil complaints were still in progress.

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.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice contained in this Prospectus:

Name	Qualifications
Ernst & Young	Certified Public Accountants Registered Public Interest Entity Auditor

The above expert has given, and has not withdrawn, its written consent to this Prospectus with the inclusion of its letters, reports and/or opinion in the form and context in which it is included and the references to its name in the form and context in which it respectively appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interests, directly or indirectly, in any assets which had been, since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up, and up to the Latest Practicable Date, acquired, disposed of by or leased to any member of the Group, or were proposed to be acquired, disposed of by or leased to any member of the Group.

10. 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 Prospectus which are or may be material:

- (a) the Underwriting Agreement;
- (b) the cooperation agreement entered into between Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. (宇龍計算機通信科技(深圳)有限公司) (an indirect wholly-owned subsidiary of the Company) and Shenzhen Xinghuaan Real Estate Development Co., Ltd.* (深圳市星華安房地產開發有限公司), a limited liability company established in the PRC on 12 January 2021 in relation to the second and third phases of urban renovation project of the Coolpad Information Harbor at a consideration of RMB51.0 million, pursuant to which, Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. shall provide the Land owned by it and Shenzhen Xinghuaan Real Estate Development Co., Ltd.* shall provide funds and expertise in relation to the construction, operation and sales (where appropriate), details of which are set out in the Company's announcement dated 12 January 2021;

- (c) the subscription agreement entered into between the Company and Mr. Zhuo Kun on 3 February 2021 in relation to the subscription of 666,000,000 Shares by Mr. Zhuo Kun, details of which are set out in the Company's announcement dated 3 February 2021;
- (d) the subscription agreement entered into between the Company and Allove Group Limited on 4 November 2020 in relation to the subscription of 500,000,000 Shares by Allove Group Limited, details of which are set out in the Company's announcement dated 4 November 2020;
- (e) the subscription agreement entered into between the Company and Kung, Chak Ming on 15 June 2020 in relation to the subscription of 200,000,000 Shares by Kung, Chak Ming, details of which are set out in the Company's announcement dated 15 June 2020;
- (f) 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;
- (g) 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;
- (h) the property management services agreement entered into between Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. (宇龍計算機通信科技(深圳)有限公司) 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 Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. 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; and
- (i) the equity transfer agreement entered into between on 17 April 2020, pursuant to which Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd.* (宇龍計算機通信科技(深圳)有限公司) agreed to dispose of, and Shenzhen Foresee Capital Group Limited* (深圳市四海恒通投資控股集團有限公司) agreed to acquire, the entire equity interest in Shenzhen Huiying Finance Co., Ltd.* (深圳市匯盈小額貸款有限責任公司) for an aggregate consideration of RMB328,000,000.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office of the Company	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong	44/F, Office Tower Convention Plaza 1 Harbour Road Wanchai Hong Kong
Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Joint company secretaries	Mr. MA Fei Mr. TSANG Hing Bun
Underwriter	Kingston Securities Limited 72/F, The Center 99 Queen’s Road Central Central Hong Kong
Principal bankers	DBS Bank (Hong Kong) Ltd. 11/F, The Center 99 Queen’s Road Central Central Hong Kong Bank of China Limited 7/F, Bank of China Tower 1 Garden Road Hong Kong

	China Construction Bank Corporation 28/F, CCB Tower 3 Connaught Road Central Central Hong Kong
Authorised representatives of the Company	Mr. MA Fei 44/F, Office Tower Convention Plaza 1 Harbour Road Wanchai Hong Kong
	Mr. TSANG Hing Bun 44/F, Office Tower Convention Plaza 1 Harbour Road Wanchai Hong Kong
Legal advisers to the Company	<i>As to Hong Kong Law</i> Baker & McKenzie 14th Floor, One Taikoo Place 979 King's Road, Quarry Bay Hong Kong
	<i>As to Cayman Islands law</i> Conyers Dill & Pearman Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Financial adviser to the Company in respect of the Rights Issue	Kingston Corporate Finance Limited 72/F, The Center 99 Queen's Road Central Central Hong Kong
Auditors	Ernst & Young Certified Public Accountants Registered Public Interest Entity Auditor 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong

12. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**(a) Directors***Executive Directors*

Mr. CHEN Jiajun (Appointed on 17 January 2019)

Mr. Chen, aged 28, is an executive Director, the chief executive officer and chairman of the board of the Company. Mr. Chen has extensive investment experience and currently has a wide variety of investments in different industry sectors. Mr. Chen holds a Master Science in Finance from the University of Southern California (“USC”). Mr. Chen has been appointed as (i) a non-independent director of Shenzhen Kingkey Smart Agriculture Times Co., Ltd. 深圳市京基智農時代股份有限公司, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000048.SZ), since 23 June 2020; and (ii) an executive director of Kingkey Financial International (Holdings) Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1468.HK), since 28 August 2020. As at the Latest Practicable Date, Mr. Chen was a director of three subsidiaries of the Company and the general manager of two subsidiaries of the Company.

Mr. LAM Ting Fung Freeman (Appointed on 19 January 2018)

Mr. Lam, aged 41, is an executive Director, and was recognised as an International Registered Financial Practitioner in 2006. He was admitted as a life member of the Million Dollar Round Table in 2013.

Mr. XU Yibo (Appointed on 29 October 2019)

Mr. Xu, aged 45, is an executive vice president of the Group, responsible for R&D system supply chain of the Company. Mr. Xu obtained a bachelor’s degree in electromagnetic field and microwave technology from Xidian University (西安電子科技大學). Mr. Xu joined the Group in July 1998. Mr. Xu participated in the research and development of dual-standby technique which led to win the second prize of National Science and Technology Progress. As at the Latest Practicable Date, Mr. Xu was a director of nine subsidiaries of the Company, the general manager of two subsidiaries of the Company and the manager of three subsidiaries of the Company.

Mr. MA Fei (Appointed on 29 October 2019)

Mr. Ma, aged 38, is the chief financial officer and joint company secretary of the Group. Mr. Ma obtained a bachelor’s degree in accounting from Xi’an Jiaotong University. Mr. Ma is primarily responsible for the finance and investor relations of the Group. Mr. Ma has more than 10 years of experience in accounting and finance. Mr. Ma joined the Group in 2006, and has served successively as investor relations manager, head of Capital Department and head of Finance Department. As at the Latest Practicable Date, Mr. Ma was a director of four subsidiaries of the Company, the supervisor of 2 subsidiaries of the Company and the general manager of one subsidiary of the Company.

Non-Executive Directors

Mr. NG Wai Hung (Appointed on 19 January 2018)

Mr. Ng, aged 57, is a non-executive Director, and is a practicing solicitor and a partner in Iu, Lai & Li, a Hong Kong firm of solicitors and notaries. Mr. Ng has extensive experience in the areas of securities law, corporate finance and commercial law in Hong Kong and China trades and has been involved in initial public offerings of securities in Hong Kong as well as corporate restructuring, mergers and acquisitions and takeovers of listed companies in Hong Kong. Mr. Ng is currently an independent non-executive director of three companies listed on the Stock Exchange, namely Lajin Entertainment Network Group Limited (formerly known as China Star Cultural Media Group Limited) (stock code: 8172), Xinyi Electric Storage Holdings Limited (stock code: 8328) and 1957 & Co. (Hospitality) Limited (stock code: 8495) (all being companies listed on the Stock Exchange) since March 2015, June 2016 and November 2017 respectively. On 26 May 2021, Mr. Ng, as a former independent non-executive director of Tech Pro Technology Development Limited (previous stock code: 3823) (the listing of the shares of which was cancelled with effect from 2 March 2020), was censured by the Stock Exchange for breach of Rule 3.08(f) of the Listing Rules. For details, please refer to the announcement of the Company dated 27 May 2021.

Mr. LIANG Rui (Re-designated from an executive Director to a non-executive Director on 20 December 2020)

Mr. Liang, aged 45, is a non-executive Director. 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 2010. From February 2012 to October 2014, he worked at the Shenzhen Luohu District People's Government serving as a 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. Mr. Liang has been appointed as an executive director and Chief Executive Officer of Carrianna Group Holdings Company Limited (佳寧娜集團控股有限公司), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0126.HK) since 2 January 2021.

*Independent Non-executive Directors**Mr. CHAN King Chung*

Mr. Chan, aged 58, 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 (formerly known as City Polytechnic of Hong Kong) in 1993, respectively. Mr. Chan also obtained a Master of Accountancy. 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 been appointed as an independent non-executive director of Shenzhen International Holdings Limited (深圳國際控股有限公司), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0152.HK) since 12 June 2020.

Dr. HUANG Dazhan

Dr. Huang, aged 63, 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.

Mr. XIE Weixin

Mr. Xie, aged 79, is an independent non-executive Director and joined the Group in November 2004. Mr. Xie obtained the title of professor of electrical engineering in 1998. 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. GUO Jinghui

Mr. Guo, aged 50, obtained a bachelor's degree in radio technology (無線電技術) from Taiyuan University of Technology. From August 2009 to April 2013, he served as the head of the Organization and Personnel Bureau of Shenzhen Guangming New District (深圳市光明新區組織人事局局長). 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.

(b) Senior management

Mr. Michael Chih-Hung CHUANG

Mr. Chuang, aged 45, is the CEO of Group's US branch. He joined the Group in 2019, and is responsible for the overall operation of the Group in the US market. Mr. Chuang graduated from University of California, San Diego with a bachelor's degree in biology in 1999.

Mr. LIU Chaohui

Mr. Liu, aged 47, has been vice president of the Group since December 2020. In 1996, he graduated from Southeast University, majoring in building management engineering, with a bachelor's degree. Mr. Liu has obtained the title of senior engineer and the qualification of national registered cost engineer.

(c) Addresses of the Directors and senior management of the Company

The business address in Hong Kong of each of the Directors and the senior management of the Company listed above is 44/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

13. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing and translation costs, registration fees, legal and accountancy charges and other fees are estimated to amount to approximately HK\$27 million and will be payable by the Company.

14. LEGAL EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an acceptance or application is made pursuant to any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

15. 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 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.
- (d) 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.
- (e) In the event of inconsistency, the English text of this Prospectus shall prevail over the Chinese text.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed "9. Qualification and Consent of Expert" in this appendix, has been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

17. 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 at 44/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong during normal business hours (9:00 a.m. to 5:00 p.m.) on any Business Day for a period of 14 days from the date of this Prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2018, 2019 and 2020, respectively;

- (c) the report on the unaudited pro forma financial information of the Group in respect of the Rights Issue from Ernst & Young as set out in Appendix II to this Prospectus;
- (d) the written consent referred to in the paragraph headed “9. Qualification and Consent of Expert” in this appendix;
- (e) the material contracts referred to in the paragraph headed “10. Material Contracts” in this appendix;
- (f) the major transaction circular of the Company dated 27 April 2021; and
- (g) this Prospectus.