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COOLPAD GROUP LIMITED

酷派集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

**(1) PROPOSED ISSUE OF NEW SHARES AND
UNLISTED WARRANTS UNDER SPECIFIC MANDATES; AND
(2) CONNECTED TRANSACTION INVOLVING PROPOSED ISSUE OF
NEW SHARES TO SUBSTANTIAL SHAREHOLDER**

The Board is pleased to announce that, on 4 October 2021 (after trading hours):

- (a) the Company entered into the Share Subscription Agreements with each of the Subscribers and the Guarantors, under which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of HK\$0.28 per Subscription Share; and
- (b) the Company also entered into the Warrant Subscription Agreement with SIG, under which the Company conditionally agreed to issue to SIG the Warrants conferring the rights to subscribe for a maximum number of 800,000,000 Warrant Shares.

PROPOSED ISSUE OF NEW SHARES UNDER SUBSCRIPTIONS SPECIFIC MANDATE

The Subscription Shares represent: (a) approximately 27.77% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 21.73% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no change in the share capital of the Company from the date of the Subscription Agreement to the date of Completion save for the allotment and issue of the Subscription Shares).

The net proceeds from the Share Subscriptions, after deduction of relevant costs and expenses, is estimated to be approximately HK\$833,000,000. The net Subscription Price per Subscription Share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$0.278 per Subscription Share.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Subscribers or its respective ultimate beneficial owner(s) (save for Great Shine and Mr. Chen) is a connected person of the Company as at the date of this announcement; and each of the Subscribers and its respective ultimate beneficial owner(s) (save for the Existing Shareholders) is a third party independent of the Company and its connected persons as at the date of this announcement.

The Subscription Shares will be allotted and issued under the Subscriptions Specific Mandate to be sought from the Shareholders (or, as applicable, the Independent Shareholders in respect of the allotment and issue of Subscription Shares to Great Shine, a connected person of the Company) at the EGM.

PROPOSED ISSUE OF UNLISTED WARRANTS UNDER WARRANT SPECIFIC MANDATE

The maximum number of 800 million Warrant Shares represents: (a) approximately 7.41% of the existing issued share capital of the Company as at the date of this announcement; (b) approximately 5.48% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Subscription Shares and the Warrant Shares (assuming that there is no other change to the total number of Shares from the date of this announcement to the date of Warrants Completion).

The Warrant Shares will be allotted and issued under the Warrants Specific Mandate to be sought from the Shareholders at the EGM.

The Warrants will be issued to SIG at the aggregate consideration of approximately HK\$45.1 million. The net issue price, after deduction of the relevant expenses, is approximately HK\$0.055 per Warrant.

Upon the Subscriptions Completion and the Warrants Completion, and assuming full exercising of the subscription rights attaching to the Warrants, the estimated gross proceeds and net proceeds (after deducting other related expenses and professional fees) from the Share Subscriptions and the Warrant Subscription will amount to approximately HK\$1,445.1 million and approximately HK\$1,436.6 million respectively.

LISTING APPLICATION

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Warrant Shares on the Stock Exchange.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Great Shine is interested in 2,316,155,500 Shares, representing approximately 21.44% of the entire issued share capital of the Company. Since Mr. Chen, a substantial Shareholder, the chairman of the Board and an executive Director of the Company, indirectly wholly-owns Great Shine, Great Shine is a connected person of the Company. Accordingly, the Share Subscription Agreement entered into between the Company and Great Shine (and the Share Subscriptions to Great Shine contemplated thereunder) constituted a connected transaction for the Company, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee comprising Dr. Huang Dazhan, Mr. Xie Weixin, Mr. Chan King Chung and Mr. Guo Jinghui, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Share Subscriptions to Great Shine. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Share Subscription Agreements, the Warrant Subscription Agreements and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares; (b) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants; and (c) each of the Specific Mandates).

Mr. Chen and his associates (including Great Shine) will abstain from voting on the proposed resolutions to approve the relevant ordinary resolution(s) at the EGM. Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Share Subscription Agreements, the Warrant Subscription Agreements and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares; (b) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants; and (c) each of the Specific Mandates), and is required to abstain from voting on the resolutions to approve the aforesaid matters at the EGM.

A circular containing, among other things, (i) further details of the Share Subscription Agreements, the Warrant Subscription Agreements and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares; (b) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants; and (c) each of the Specific Mandates); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 26 October 2021.

Shareholders and potential investors should note that completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that, on 4 October 2021 (after trading hours):

- (a) the Company entered into the Share Subscription Agreements with each of the Subscribers and each of the Guarantors, under which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of HK\$0.28 per Subscription Share; and
- (b) the Company also entered into the Warrant Subscription Agreement with SIG, under which the Company conditionally agreed to issue to SIG the Warrants conferring the rights to subscribe for a maximum number of 800,000,000 Warrant Shares.

(I) PROPOSED ISSUE OF NEW SHARES UNDER SUBSCRIPTIONS SPECIFIC MANDATE

The Company has entered into a Share Subscription Agreement with each of the Subscribers and each of the Guarantors. The principal terms of the Share Subscription Agreements are as follows:

Date

4 October 2021 (after trading hours)

Parties

Issuer: The Company as the issuer of the Subscription Shares; and

Subscribers and/or (a) SIG (as one of the Subscribers)

Guarantors: (b) Great Fortune Global Investment Limited (“**Great Fortune**”) 寶豐環球投資有限公司 (as one of the Subscribers) and Mr. Lee (as one of the Guarantors)

(c) Great Shine Investment Limited 宏暉投資有限公司 (“**Great Shine**”) (as one of the Subscribers) and Mr. Chen (as one of the Guarantors)

(d) Allove Group Limited (“**Allove Group**”) (as one of the Subscribers) and Mr. Qin (as one of the Guarantors)

(e) Sharp Ally International Limited (群穎國際有限公司) (“**Sharp Ally**”) and Mr. Yao (as one of the Subscribers)

(f) YH Fund SPC – YH01 SP I (“**YH Fund**”) (as one of the Subscribers) and Mr. Liu (as one of the Guarantors)

Subscription Shares

The Company has conditionally agreed to issue, and each of the Subscribers has conditionally agreed to subscribe for, the Subscription Shares as follows at the Subscription Price of HK\$0.28 per Subscription Share. Such number of Subscription Shares shall be allotted and issued by the Company to at the Subscriptions Completion.

Subscribers	Number of the Subscription Shares <i>million</i>	Nominal value of the Subscription Shares <i>HK\$ million</i>
(a) SIG	800	8
(b) Great Fortune	600	6
(c) Great Shine	800	8
(d) Allove Group	150	1.5
(e) Sharp Ally	300	3
(f) YH Fund	350	3.5
Total	3,000	30

Assuming there will be no change in the share capital of the Company from the date of the Share Subscription Agreements to the date of Subscriptions Completion save for the allotment and issue of the Subscription Shares, the Subscription Shares represent:

- (a) approximately 27.77% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 21.73% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is approximately HK\$30 million.

Subscription Price

The Subscription Price of HK\$0.28 per Subscription Share represents:

- (a) a discount of approximately 17.65% to the closing price of HK\$0.340 per Share as quoted on the Stock Exchange on the date of the Share Subscription Agreements;
- (b) a discount of approximately 18.60% to the average closing price of approximately HK\$0.344 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day;
- (c) a discount of approximately 18.60% to the average closing price of approximately HK\$0.344 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day; and
- (d) a premium of approximately 33.33% to the unaudited consolidated net asset value per Share attributable to the Shareholders as at 30 June 2021 of approximately HK\$0.21 per Share calculated based on the unaudited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$2,275,615,000 as at 30 June 2021 as set out in the interim report of the Company for the six months ended 30 June 2021 and 10,803,259,308 Shares in issue as at the date of the Announcement.

The net proceeds from the Share Subscriptions, after deduction of relevant costs and expenses, is estimated to be approximately HK\$833,000,000. The net Subscription Price per Subscription Share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$0.278 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Subscribers after taking into account the prevailing market price of the Shares and the trading volume of the Shares. The Directors are of the view that the Subscription Price is fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

Guarantee

Each Guarantor under the relevant Share Subscription Agreement has agreed to irrevocably and unconditionally guarantee the obligations of the relevant Subscriber under relevant Share Subscription Agreement.

Conditions Precedent under the Share Subscription Agreements

Completion of each of the Share Subscription Agreements is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions precedent:

- (a) the Company having obtained approval by way of ordinary resolutions at the EGM by the relevant Shareholders (other than those who are required to abstain from voting) in respect of the issue and allotment of the relevant Subscription Shares and the granting of authority to the Board to deal with all related matters and such approval remaining valid and effective;
- (b) the Listing Committee of the Stock Exchange having granted the approval for the listing of and the permission to deal in all the relevant Subscription Shares, and such approval remains valid and effective;
- (c) the Company having complied with all of its obligations under the Share Subscription Agreement;
- (d) no order or judgment of any court or governmental, statutory or regulatory body having been issued or made prior to completion of the Share Subscription Agreement and no legal or regulatory requirements remaining to be satisfied which has the effect of making unlawful or otherwise prohibiting the relevant Share Subscription or any transactions contemplated by the Share Subscription Agreement;
- (e) no litigation, action, suit, investigation, claim or proceeding challenging the legality of, or seeking to restrain, prohibit or materially modify, the relevant Share Subscription or any transactions provided for by the Share Subscription Agreement having been instituted and not settled or otherwise terminated;
- (f) there has been no occurrence of a material adverse change on or prior to completion of the Share Subscription Agreement; and
- (g) the warranties included in the Share Subscription Agreement remaining true and accurate in all respects and not misleading in any respect on the date of completion of the Share Subscription Agreement, and no event has occurred and no matter has arisen which would render any of the warranties untrue, inaccurate or misleading.

In the case of the Share Subscription Agreement entered into between the Company and SIG, the completion thereunder is conditional upon the satisfaction of the following additional condition precedent:

- (h) the conditions precedent under the Warrant Subscription Agreement entered into between the Company and SIG having been fulfilled or, as applicable, waived.

The Subscribers may waive (in whole or in part, whether conditionally or unconditionally) any of the Conditions Precedent (except for paragraphs (a) to (b)). The Company may not waive any of the Conditions Precedent. As at the date of this announcement, none of the Conditions Precedent under the Share Subscription Agreements has been fulfilled.

If the Conditions Precedent under any of the Share Subscription Agreements have not been fulfilled (or, as the case may be, waived) by the Long Stop Date, the relevant Subscriber may terminate the Share Subscription Agreement whereupon such agreement (save and except the customary surviving provisions, which shall survive termination of the Share Subscription Agreement) shall lapse immediately thereafter and be of no further effect, but (for the avoidance of doubt) all rights and liabilities of the parties which have accrued before termination shall continue to exist.

Subscriptions Completion

Subject to the Conditions Precedent under the Share Subscription Agreements being fulfilled (or, as the case may be, waived by the relevant party(ies)), Subscriptions Completion shall take place on the 10th business day after the last Condition Precedent is satisfied or waived in accordance with the Share Subscription Agreements (or at such other date as the parties may agree).

Lock-up Undertaking

Within three months from the date of Subscriptions Completion, each Subscriber undertakes not to transfer its Subscription Shares to any person without the prior written consent of the Company, provided that the foregoing shall not restrict any transfer to any affiliate(s) of the Subscriber or any transfer made pursuant to or in connection with any security interest granted in favour of one or more banks or other institutions (including any nominee, agent or trustee of or on behalf of such banks or other institutions) to whom such Subscription Shares have been charged or pledged by way of security.

Most Favourable Terms

Under the Share Subscription Agreement entered into between the Company and SIG, in the event that during the period from the date of the relevant Share Subscription Agreement and up to the first anniversary of the date of completion thereof, the Company grants any investor any rights, powers, privileges and preferences favourable than those granted to SIG under the Share Subscription Agreement entered into between the Company and SIG and the Warrant Documents, SIG shall be entitled to and the Company shall as soon as reasonably practicable notify SIG of such more favourable terms and take all necessary actions to ensure that SIG is entitled to such more favourable terms.

Ranking

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Subscription Shares.

Specific Mandate

The Subscription Shares will be allotted and issued under the Subscriptions Specific Mandate to be sought from the Shareholders (or, as applicable, the Independent Shareholders in respect of the allotment and issue of Subscription Shares to Great Shine, a connected person of the Company) at the EGM.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

(II) PROPOSED ISSUE OF UNLISTED WARRANTS UNDER WARRANT SPECIFIC MANDATE

The principal terms of the Warrant Subscription Agreement are set forth below.

Date

4 October 2021 (after trading hours)

Parties

Issuer: The Company as the issuer of the Warrants; and

Subscriber: SIG as the Warrant Subscriber.

Issue of the Warrants

The Company has conditionally agreed to issue the Warrant conferring the rights to subscribe for a maximum number of 800 million Warrant Shares.

Conditions Precedent under the Warrant Subscription Agreement

Completion of the Warrant Subscription Agreement is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions precedent:

- (a) the Company having obtained approval by way of ordinary resolutions at the EGM by the relevant Shareholders (other than those who are required to abstain from voting) in respect of the issue and allotment of the Warrants and the Warrant Shares and the granting of authority to the Board to deal with all related matters and such approval remaining valid and effective;
- (b) the Stock Exchange having approved the Warrants prior to its issue or grant and the Listing Committee of the Stock Exchange having granted the approval for the listing of and the permission to deal in all the Warrant Shares, and such approval remains valid and effective;
- (c) the Company having complied with all of its obligations under the Warrant Subscription Agreement;
- (d) no order or judgment of any court or governmental, statutory or regulatory body having been issued or made prior to completion of the Warrant Subscription Agreement (and no legal or regulatory requirements remaining to be satisfied) which has the effect of making unlawful or otherwise prohibiting Warrant Subscription or any transactions contemplated by the Warrant Documents;
- (e) no litigation, action, suit, investigation, claim or proceeding challenging the legality of, or seeking to restrain, prohibit or materially modify, the Warrant Subscription or any transactions provided for by the Warrant Documents having been instituted and not settled or otherwise terminated;
- (f) there has been no occurrence of a material adverse change on or prior to completion of the Warrant Subscription Agreement; and
- (g) the warranties included in the Warrant Subscription Agreement remaining true and accurate in all respects and not misleading in any respect on the date of completion of the Warrant Subscription Agreement, and no event has occurred and no matter has arisen which would render any of the warranties untrue, inaccurate or misleading.
- (h) the conditions precedent under the Share Subscription Agreement entered into between the Company and SIG having been fulfilled or, as applicable, waived.

SIG may waive (in whole or in part, whether conditionally or unconditionally) any of the Conditions Precedent (except for paragraphs (a) to (b)). The Company may not waive any of the Conditions Precedent. As at the date of this announcement, none of the Conditions Precedent under the Warrant Subscription Agreement has been fulfilled.

If the Conditions Precedent under the Warrant Subscription Agreement have not been fulfilled (or, as the case may be, waived) by the Long Stop Date, SIG may terminate the Warrant Subscription Agreement whereupon such agreement (save and except the customary surviving provisions, which shall survive termination of the Warrant Subscription Agreement) shall lapse immediately thereafter and be of no further effect, but (for the avoidance of doubt) all rights and liabilities of the parties which have accrued before termination shall continue to exist.

Warrant Completion

Subject to the Conditions Precedent under the Warrant Subscription Agreement being fulfilled (or, as the case may be, waived by the relevant party(ies)), Warrant Completion shall take place at 10th business day after the last Condition Precedent is satisfied or waived in accordance with the Warrant Subscription Agreement.

Ranking

The Warrant Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Warrant Shares.

Most Favourable Terms

Under the Warrant Subscription Agreement, in the event that during the period from the date of the relevant Warrant Subscription Agreement and up to the first anniversary of the date of completion thereof, the Company grants any investor any rights, powers, privileges and preferences favourable than those granted to SIG under the Share Subscription Agreement entered into between the Company and SIG and the Warrant Documents, SIG shall be entitled to and the Company shall as soon as reasonably practicable notify SIG of such more favourable terms and take all necessary actions to ensure that SIG is entitled to such more favourable terms.

Specific Mandate

The Warrant Shares will be allotted and issued under the Warrant Specific Mandate to be sought from the Shareholders at the EGM.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares on the Stock Exchange.

Principal terms of the Warrants

Issuer:	The Company
Warrant Total Price:	The Warrants will be issued to SIG at the aggregate consideration of approximately HK\$45.1 million. The net issue price, after deduction of the relevant expenses, is approximately HK\$0.055 per Warrant.
Warrant Subscriber:	SIG
Number of Warrant:	The Warrants are exercisable into a maximum number of 800 million Warrant Shares in the manner set out in the Warrant Subscription Agreement.
Warrant Exercise Period:	Warrantholders are entitled to the right to exercise their Warrants and subscribe for Warrant Shares at the Warrant Exercise Price any time during the Warrant Exercise Period. After the close of business on the Warrant Expiration Date, the rights attaching to the Warrants shall lapse and each Warrant shall cease to be valid for any purpose.
Exercisability:	The Warrants may be exercised from time to time and in whole and in part on any day during the Warrant Exercise Period.
Warrant Subscription Price:	<p>The Warrant Subscription Price in respect of the Warrants is as follows:</p> <ul style="list-style-type: none">(a) Two-year Warrants: HK\$0.045 per Warrant Share;(b) Three-year Warrants: HK\$0.057 per Warrant Share; and(c) Four-year Warrants: HK\$0.067 per Warrant Share.
Warrant Exercise Price:	<p>The Warrant Exercise Price in respect of the Warrants is as follows:</p> <ul style="list-style-type: none">(a) Two-year Warrants: HK\$0.60 per Warrant Share;(b) Three-year Warrants: HK\$0.70 per Warrant Share; and(c) Four-year Warrants: HK\$0.80 per Warrant Share, <p>each subject to adjustment(s) upon the occurrence of certain events as summarised in the paragraph headed “Adjustments to the Warrant Exercise Price” below and shall not be less than the par value of a Share.</p>

The Warrant Exercise Price of HK\$0.60, HK\$0.70 and HK\$0.80 represents:

- (a) a premium of approximately 76.47%, 105.88% and 135.29% to the closing price of HK\$0.340 per Share as quoted on the Stock Exchange on the date of the Warrant Subscription Agreement;
- (b) a premium of approximately 74.42%, 103.49% and 132.56% to the average closing price of HK\$0.344 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately before the date of the Warrant Subscription Agreement up to and including the Last Trading Day; and
- (c) a premium of approximately 74.42%, 103.49% and 132.56% to the average closing price of HK\$0.344 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day.

The aggregate of the Warrant Subscription Price and the Warrant Exercise Price of HK\$0.645, HK\$0.757 and HK\$0.867 represents:

- (a) a premium of approximately 89.71%, 122.65% and 155.00% (in respect of each tranche of the Warrants) to the closing price of HK\$0.340 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 87.50%, 120.06% and 152.03% (in respect of each tranche of the Warrants) to the average closing price of HK\$0.344 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately before the date of the Warrant Subscription Agreement up to and including the Last Trading Day; and
- (c) a premium of approximately 87.50%, 120.06% and 152.03% (in respect of each tranche of the Warrants) to the average closing price of HK\$0.344 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day.

The Warrant Exercise Price of HK\$0.60, HK\$0.70 and HK\$0.80 (subject to adjustments) per Warrant Share and the aggregation of it with the Warrant Subscription Price of HK\$0.645, HK\$0.757 and HK\$0.867 were arrived at after arm's length negotiations between the Company and SIG with reference to the (i) recent trading prices of the Shares; (ii) the valuation on the fair value of the Two-year Warrants, Three-year Warrants and Four-year Warrants of HK\$0.075, HK\$0.094 and HK\$0.1104 respectively, based on the Warrant Exercise Price as conducted by an independent professional valuer engaged by the Company by using the Binomial option pricing model up to the latest trading day prior to the date of the Warrant Subscription Agreement; (iii) reasons for and benefits of the issue of the Warrants set out in the section headed "REASONS FOR AND BENEFITS OF THE ISSUE OF SUBSCRIPTION SHARES AND THE WARRANTS AND USE OF PROCEEDS" in this announcement.

The Directors consider that the Warrant Exercise Price and the Warrant Subscription Price are fair and reasonable and are in the interests of the Shareholders as a whole.

The aggregate nominal value of the Warrant Shares is HK\$8.0 million, comprised of:

- (a) approximately HK\$2.67 million for the Two-year Warrants;
- (b) approximately HK\$2.67 million for the Three-year Warrants; and
- (c) approximately HK\$2.67 million for the Four-year Warrants.

Warrant Shares: The maximum number of 800 million Warrant Shares represents:

- (a) approximately 7.41% of the existing issued share capital of the Company as at the date of this announcement;
- (b) approximately 5.48% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Subscription Shares and the Warrant Shares (assuming that there is no other change to the total number of Shares from the date of this announcement to the date of Warrant Completion).

Rights on liquidation: If the Company is wound up before the Long Stop Date, all Exercise Rights which have not been exercised prior to the commencement of the winding-up shall lapse and the Warrants will cease to be valid for the purpose of exercising any Exercise Rights.

Transferability: A Warrant may be transferred or exchanged, in whole or in part, at any time. No transfer of title to a Warrant, in whole or in part, will be valid unless and until entered on the Register of Warrantholders. No Warrantholder may require the transfer of a Warrant to be registered after an exercise notice has been delivered with respect to such Warrant.

Adjustments of number of Warrants: The number of Warrant Shares will be adjusted under the terms and conditions of the Warrants upon occurrence of certain events such as: (a) consolidation, subdivision or reclassification of the Shares; (b) capitalisation of profits or reserves; (c) capital distribution; (d) payment of dividends; (e) rights issues of Shares or options over Shares; (f) rights issues of other securities; (g) issues at less than current market price; (h) other issues at less than current market price; (i) modification of rights of exercise; (j) other offers to Shareholders; and (k) other events.

Voting: The Warrantholders will not be entitled to receive notice of or attend or vote at general meetings of the Company by reason only of being the holders of a Warrants. The Warrantholders will not be entitled to participate in any distribution and/or offers of further securities made by the Company by reason only of being the holders of the Warrants.

Listing: No application will be made for the listing of the Warrant on the Stock Exchange or any other stock or securities exchange.

Key post-completion Undertakings in favour of SIG

Pursuant to the Share Subscription Agreement and the Warrant Subscription Agreement entered into between the Company and SIG, for so long as SIG (and/or any of its affiliates) remains as a Shareholder or a Warrantholder, the Company undertakes to SIG that (unless with the prior written consent of SIG) that it shall procure that the relevant members of the Group to use reasonable endeavours to respond to all of the civil, criminal, arbitration, investigation, administrative, disciplinary or other actions, suits or proceedings against the Company, its subsidiaries, their respective current directors and/or senior management to avoid material adverse change on the Group.

Each of the Covenantors has irrevocably undertook to each of the Company and SIG that he/it shall procure the exercise of the voting rights (whether on a show of hands, a poll or otherwise) attaching to all Shares legally or beneficially owned by him/it now or at any time up to the conclusion of the EGM (or any adjournment thereof) and other rights as Shareholders to vote in favour of any resolution(s) to approve each of the Share Subscription Agreements and the Warrant Documents and the transactions contemplated thereunder.

REASONS FOR AND BENEFITS OF THE ISSUE OF SUBSCRIPTION SHARES AND THE WARRANTS AND USE OF PROCEEDS

Under the proposed fundraising, the issuance of the Subscription Shares provides the Group with definite amount of capital, the shareholders base will be enlarged and the financial position of the Group will be strengthened, whereas the issuance of the Warrants provide the Group definite amount of proceed upon completion of the issuance and flexibility in raising additional funds with pre-determined terms, in particularly premium to prevailing market prices of the Shares. In addition, the issuance of Warrants also serves as an incentive for SIG (an institutional investor)'s further support to the Group while it will not result any immediate dilution effect on the shareholding of the existing shareholders.

Based on the information provided by SIG, it focuses on long-term value creation rather than short-term goals, which enables it to become a differentiated strategic partner with management teams and portfolio companies over the long-term. SIG is intended to be a long-term strategic partner to the Company with continued capital support to fund the business plan of the Group, bringing strategic value to the Company. For instance, as a global investment firm, SIG's platform and network would help facilitate the international expansion for the smartphone business of the Group. In addition, SIG and its affiliates have track record in investing in technology and technology-enabled companies, which could bring synergies to the Company after Subscriptions Completion by, among other things, introducing its portfolio companies to the Company to explore potential cooperation opportunities and business synergies in content marketing, product sales, e-commerce channel, and operating system development etc.

Upon the Subscriptions Completion and the Warrant Completion, and assuming full exercising of the subscription rights attaching to the Warrants, the estimated gross proceeds and net proceeds (after deducting other related expenses and professional fees) from the Share Subscriptions and the Warrant Subscription will amount to approximately HK\$1,445.1 million and approximately HK\$1,436.6 million respectively. The net Subscription Price will be approximately HK\$0.278, and the net Warrant Subscription Price and the net Warrant Exercise Price will be as follows, respectively:

- (a) Two-year Warrants: approximately HK\$0.043 and HK\$0.60;
- (b) Three-year Warrants: approximately HK\$0.055 and HK\$0.70; and
- (c) Four-year Warrants: approximately HK\$0.065 and HK\$0.80.

The estimated net proceeds from the Subscriptions Completion and the Warrant Completion will be approximately HK\$876.6 million after deduction of all estimated expenses. The Company intends to use the net proceeds in the following manner:

- (i) approximately 90% for the expansion of the Group's mobile business in the PRC during the two years ending 31 December 2022, that is approximately 70% of the net proceeds for the establishment of new business channels and expansion of both online and offline business channels in the PRC, and 20% of the net proceeds for sales and marketing of the mobile phone business); and
- (ii) approximately 10% for the general working capital of the Group.

Reference is made to the Rights Issue completed on 28 June 2021. Although net proceeds from the Rights Issue of approximately HK\$301.3 million was not utilised for the expansion of the Group's business up to the date of this announcement, in light of the recent development of the Group's mobile phone business in the PRC, the Company considers that further capital from the Share Subscriptions and the Warrant Subscription will accelerate the expansion of the mobile phone business of the Group by rolling out market penetration strategies. The Group plans to achieve a wider regional coverage of the PRC sales market by increasing the number of offline retail stores; developing online sales channels and deepening the cooperation among numerous e-commerce platforms; and to boost sales by enhancing the brand reputation and product awareness through various sales and marketing activities.

The net proceeds from the exercising of the subscription rights attaching to the Warrants (if any) will be used (a) for the Group's general working capital purposes, (b) for the growth and expansion of the business of the Group, and (c) for repayment of the Group's indebtedness.

Save for the Share Subscriptions and Warrant Subscription, the Directors have also considered other financing alternatives including (i) debt financing; and (ii) other equity fund raising such as rights issue and open offer and placing of new shares.

As for debt financing, the Directors are of the view that debt financing will incur interest burden to the Group which may in turn adversely affect the profitability of the Company, and will increase the Group's gearing ratio. As for rights issue and open offer, it would require the Company to undergo a comparatively lengthy process in order to (i) identify suitable underwriter(s) and to negotiate terms agreeable to the parties; and (ii) prepare the requisite compliance and legal documentation, including but not limited to the underwriting agreement(s), announcement(s) and prospectus(es). Rights issue or open offer would also incur additional costs, including but not limited to underwriting commission and professional fees.

As for placing of new shares, the Directors consider that there would be placing commission expenses incurred, resulting in a less cost-effective fund raising exercise as compared to the Share Subscriptions and the Warrant Subscription and there would be no guarantee that sufficient funds could be raised as needed. In view of the above, the Directors consider that the Share Subscriptions and the Warrant Subscription is currently the most feasible financing method to the Company to raise additional funds.

The Directors (other than the independent non-executive Directors who will give their opinion after considering the advice from the independent financial adviser, and other than Mr. Chen, each in relation to the Share Subscription by Great Shine) are of the view that the terms and conditions of the Share Subscription Agreements, the Warrant Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS

References are made to (i) the announcements of the Company dated 4 November 2020 and dated 3 February 2021 in relation to, among other things, the subscription of 500,000,000 new Shares and 666,000,000 new Shares by Allove Group Limited and Mr. Zhuo Kun, respectively; and (ii) the announcements of the Company dated 26 May 2021 and 25 June 2021 and the prospectus of the Company dated 3 June 2021 in relation to the Rights Issue. Save for the aforesaid respective subscription of new Shares by Allove Group Limited and Mr. Zhuo Kun, and the Rights Issue, the Company has not conducted any equity fund raising activities in the past 12 months immediately prior to the date of this announcement.

Event and Date	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the date of this announcement
Issue and allotment of 500,000,000 Shares on 13 November 2020	HK\$ 89,500,000	Business expansion, capital expenditures and general working capital of research, development, manufacturing and sale of smart phones	The net proceeds of HK\$89,500,000 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.

Event and Date	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the date of this announcement
Issue and allotment of 666,000,000 Shares on 8 March 2021	HK\$ 186,000,000	Business expansion, capital expenditures and general working capital of research, development, manufacturing and sale of smart phones	The net proceeds of HK\$186,000,000 have been fully applied as intended and as disclosed in the announcement of the Company dated 3 February 2021, amongst which approximately HK\$11.1 million was utilized for capital expenditures and approximately HK\$174.9 million was applied as general working capital of research, development, manufacturing and sale of smart phones.
Rights issue on the basis of one (1) rights share for every two (2) existing shares held on the record date at HK\$0.28 per rights share which completed on 28 June 2021	HK\$981 million	<ul style="list-style-type: none"> (i) Approximately 30% for the repayment of existing indebtedness of the Group during the year ending 31 December 2021. (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. (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. 	Approximately HK\$301.5 million of the total net proceeds of HK\$981.0 million has been utilized as intended and as disclosed in the prospectus of the Company dated 3 June 2021, amongst which (i) approximately HK\$106.0 million was utilized for the repayment of existing indebtedness of the Group during the year ending 31 December 2021, (ii) approximately HK\$189.2 million was utilized for the expansion of the Group's business during the two years ending 31 December 2022, in particular the mobile business in the PRC, (iii) none has been utilized for the acquisition of and/or the investment in businesses, (iv) approximately HK\$6.2 million was utilized for general working capital of the Group for the year ending 31 December 2021.

Event and Date	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the date of this announcement
		(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.	

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY: THE SHARE SUBSCRIPTIONS AND THE WARRANT SUBSCRIPTION

As at the date of this announcement, the Company has a total of 10,803,259,308 Shares in issue. For illustration purposes only and assuming that there will be no further changes in the issued share capital of the Company prior to the allotment and issue of the Subscription Shares or exercising of Warrants and no adjustment to the Warrant Exercise Price, set out below are the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon allotment and issue of the Subscription Shares; and (iii) immediately upon exercising of the subscription rights attaching to the Warrants in full:

Shareholder	(i) As at the date of this announcement		(ii) Immediately upon issue and allotment of the Subscription Shares		(iii) Immediately upon exercising of the subscription rights attaching to the Warrants in full	
	No. of Shares	Approximate per cent. (%)	No. of Shares	Approximate per cent.	No. of Shares	Approximate per cent.
Great Shine (Note 1)	2,316,155,500	21.44	3,116,155,500	22.58	3,116,155,500	21.34
Directors (Note 2)	5,834,400	0.05	5,834,400	0.04	5,834,400	0.04
SIG	–	–	800,000,000	5.80	1,600,000,000	10.96
Great Fortune	–	–	600,000,000	4.35	600,000,000	4.11
Mr. Qin (Note 3 & 4)	827,952,000	7.66	977,952,000	7.08	977,952,000	6.70
Sharp Ally	–	–	300,000,000	2.17	300,000,000	2.05
YH Fund (Note 3)	520,000,000	4.81	870,000,000	6.30	870,000,000	5.96
Other public Shareholders	7,133,317,408	66.04	7,133,317,408	51.68	7,133,317,408	48.84
Total	10,803,259,308	100	13,803,259,308	100	14,603,259,308	100

Notes:

- The 2,316,155,500 shares were directly held by Great Shine, which is 100% directly held by Great Splendid Holdings Limited. Mr. Chen is the director of Great Splendid Holdings Limited and hold 100% shares thereof. Therefore, Mr. Chen is indirectly interested in the 2,316,155,500 Shares.*

2. *To the best knowledge of the Company, the Directors (save for Mr. Chen) held approximately 0.05% of the total issued share capital of the Company in aggregate as at the date of this announcement.*
3. *Each of the Existing Shareholders (save for Great Shine) is regarded as public shareholder of the Company as at the date of this announcement.*
4. *The 772,500,000 Shares were directly held by Allove Group which was ultimately wholly-owned by Mr. Qin. The 55,452,000 Shares were directly held by Mr. Qin. Therefore, Mr. Qin is indirectly interested in the 827,952,000 Shares as at the date of this announcement. In addition to the 772,500,000 Shares indirectly held via Allove Group and the 55,452,000 Shares directly held by Mr. Qin (which together amount to 827,952,000 Shares), as at the date of this announcement, Mr. Qin also held 76,176,472 share options under the Share Option Scheme. Accordingly, as at the date of this announcement, Mr. Qin is indirectly interested in an aggregate of 904,128,472 Shares (which included the aforesaid underlying shares of share options held by him).*
5. *Certain figures included in the table above have been rounded to the nearest integer or to two decimal places. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.*

INFORMATION OF THE GROUP

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

INFORMATION ON THE SUBSCRIBERS AND THE GUARANTORS

SIG

SIG is a limited liability limited partnership formed in the State of Delaware, the United States of America and is ultimately controlled by Mr. Jeffrey Steven Yass.

Great Fortune and Mr. Lee

Great Fortune is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Lee. Mr. Lee is an experienced investor.

Great Shine and Mr. Chen

Great Shine is an investment holding company incorporated in the BVI and formerly known as Kingkey Financial Holdings (Asia) Limited. It is indirectly wholly-owned by Mr. Chen, an executive Director and the chairman of the Board, and thus is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules.

Allove Group and Mr. Qin

Allove Group is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Qin. Mr. Qin is an experienced investor and entrepreneur who has been deeply involved in the business of mobile Internet for many years and has a profound insight for the mobile phone industry, Mr. Qin is also a full time employee of the Group and positioned as the President for the Group's PRC business.

Sharp Ally and Mr. Yao

Sharp Ally is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Yao. Based on information provided to the Company, Mr. Yao is an experienced investor.

YH Fund

YH Fund is a segregated portfolio of YH Fund SPC, an open-ended segregated portfolio company incorporated with limited liability in the Cayman Islands. According to YH Fund, it is a tech fund dedicated to investment in companies that bring a paradigm shift from electronic power to computing power. Based on information provided to the Company, the ultimate beneficial owner of YH Fund is Mr. Liu.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Subscribers or its respective ultimate beneficial owner(s) (save for Great Shine and Mr. Chen) is a connected person of the Company as at the date of this announcement; and each of the Subscribers and its respective ultimate beneficial owner(s) (save for the Existing Shareholders) is a third party independent of the Company and its connected persons as at the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Great Shine is interested in 2,316,155,500 Shares, representing approximately 21.44% of the entire issued share capital of the Company. Since Mr. Chen, a substantial Shareholder, the chairman of the Board and an executive Director of the Company, indirectly wholly-owns Great Shine, Great Shine is a connected person of the Company. Accordingly, the Share Subscription Agreement entered into between the Company and Great Shine (and the Share Subscriptions to Great Shine contemplated thereunder) constituted a connected transaction for the Company, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Subscription Shares (including those to be issued and allotted to Great Shine) will be allotted and issued under the Subscriptions Specific Mandate to be obtained at the EGM; and the Warrant Shares will be allotted and issued under the Warrant Specific Mandate to be obtained at the EGM, the Share Subscriptions by the Subscribers and the Warrant Subscription by the Warrant Subscriber, as the case may be, are also subject to the Shareholders' approval.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Dr. Huang Dazhan, Mr. Xie Weixin, Mr. Chan King Chung and Mr. Guo Jinghui, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Share Subscription to Great Shine. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Share Subscription Agreements, the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares; (b) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants; and (c) each of the Specific Mandates).

Mr. Chen and his associates (including Great Shine) will abstain from voting on the proposed resolutions to approve the relevant ordinary resolution(s) at the EGM. Save as disclosed and to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Share Subscription Agreements, the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares; (b) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants; and (c) each of the Specific Mandates), and is required to abstain from voting on the resolutions to approve the aforesaid matters at the EGM.

Mr. Chen has abstained from voting on the relevant board resolution(s) regarding the Share Subscription by Great Shine, the transactions contemplated thereunder and the allotment and issue of the Subscription Shares thereunder.

MISCELLANEOUS

A circular containing, among other things, (i) further details of the Share Subscription Agreements, the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares; (b) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants; and (c) each of the Specific Mandates); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 26 October 2021.

Completion of the issue of the Subscription Shares and the Warrants are conditional upon the fulfilment of the conditions precedent set out under the paragraphs headed “Conditions Precedent Under the Share Subscription Agreements” and “Conditions Precedent under the Warrant Subscription Agreement” in this announcement, which may or may not be fulfilled. Accordingly, the aforementioned completions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Allove Group”	has the meaning as ascribed to it in the section headed “PROPOSED ISSUE OF NEW SHARES UNDER SUBSCRIPTIONS SPECIFIC MANDATE” in this announcement
“Board”	the board of Directors
“Company”	Coolpad Group Limited (酷派集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange (Stock Code: 2369)

“Conditions Precedent”	the conditions precedent set out under the paragraphs headed “Conditions Precedent Under the Share Subscription Agreements” and “Conditions Precedent under the Warrant Subscription Agreements”, as the case may be
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Covenantors”	collectively, Mr. Chen and Mr. Qin
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purposes of approving, among others, the Share Subscription Agreements, the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Subscription Shares; (b) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants; and (c) each of the Specific Mandates)
“Exchange Rate”	means the exchange rate between US\$ and HK\$ published on Bloomberg at 5:00 pm, Eastern time, on the day before the relevant date, or in The Wall Street Journal on such date if not so published on Bloomberg
“Exercise Rights”	means, in respect of a Warrant, the rights of the holder of that Warrant to subscribe for Shares at the relevant Warrant Exercise Price up to an aggregate Warrant Exercise Price equal to the amount in HK\$ equal to the aggregate value of Shares represented by the relevant Warrant (as stated in the Register of Warrantholders)
“Existing Shareholders”	Great Shine, Allove Group (and Mr. Qin) and YH Fund
“Four-year Warrants”	means the fully detachable and transferable warrants, exercisable for a period of four (4) years from the date of issue, as constituted by the relevant warrant instrument and issued with the benefit of, and subject to, the terms and conditions set out therein entitling the holder to subscribe for up to HK\$266,680,000 of Shares at the price per Share of HK\$0.80;
“Great Fortune”	has the meaning as ascribed to it in the section headed “PROPOSED ISSUE OF NEW SHARES UNDER SUBSCRIPTIONS SPECIFIC MANDATE” in this announcement
“Great Shine”	has the meaning as ascribed to it in the section headed “PROPOSED ISSUE OF NEW SHARES UNDER SUBSCRIPTIONS SPECIFIC MANDATE” in this announcement
“Group”	collectively, the Company and its subsidiaries

“Guarantors”	collectively, Mr. Lee, Mr. Chen, Mr. Qin, Mr. Yiu and Mr. Liu
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	the independent Board committee, comprising all the independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of the Connected Transaction
“Independent Financial Adviser”	an independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders on the Connected Transaction
“Independent Shareholders”	Shareholders other than those required under the Listing Rules to abstain from voting on the resolutions to be proposed at the EGM
“Issue Date”	the date of issue of the Warrants
“Last Trading Day”	30 September 2021, being the last trading day prior to the signing of both of the Share Subscription Agreements and the Warrant Subscription Agreement, which took place after trading hours
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 December 2021 or such later date as the Company and the relevant Subscribers may mutually agree in writing from time to time
“Mr. Chen”	Mr. Chen Jiajun, an executive Director, the chairman of the Board and a substantial shareholder of the Company as at the date of this announcement
“Mr. Lee”	Mr. LEE Kar Lung
“Mr. Qin”	Mr. Qin Tao
“Mr. Yao”	Mr. Yao Yucheng
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Professional Investor”	has the same meaning as ascribed thereto in Part 1 of Schedule 1 to the SFO and any rules made thereunder
“Rights Issue”	the offer for subscription of 3,600,799,740 new Shares on the basis of one (1) rights shares for every two (2) existing Shares held by the Shareholders on the relevant record date
“RMB”	Renminbi, the lawful currency of the PRC

“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SIG”	SAI Growth Fund I, LLLP, a limited liability limited partnership formed in the State of Delaware, the United States of America as a subscriber of the relevant Subscription Shares and the Warrants
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 23 May 2014
“Shareholder(s)”	holder(s) of share(s)
“Share Subscription(s)”	the subscription and issue of the Subscription Shares pursuant to each of the Share Subscription Agreements
“Share Subscription Agreement(s)”	the share subscription agreements dated 4 October 2021 entered into between the Company and each of the Subscribers in relation to, among other things, the Share Subscriptions
“Sharp Ally”	has the meaning as ascribed to it in the section headed “PROPOSED ISSUE OF NEW SHARES UNDER SUBSCRIPTIONS SPECIFIC MANDATE” in this announcement
“Specific Mandates”	collectively, the Subscriptions Specific Mandate and the Warrants Specific Mandate
“Subscribers”	collectively, SIG, Great Fortune, Great Shine, Allove Group, Sharp Ally and YH Fund
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions Completion”	the completion of the Share Subscriptions
“Subscription Price”	HK\$0.28 per Subscription Share
“Subscription Shares”	an aggregate total of 3,000 million new Shares to be issued and allotted by the Company to the Subscribers pursuant to the terms and conditions of the Share Subscription Agreements
“Subscriptions Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM for the allotment and issuance of the Subscription Shares under the Share Subscription Agreements
“Two-year Warrants”	the fully detachable and transferable warrants, exercisable for a period of two (2) years from the date of issue, as constituted by the relevant warrant instrument and issued with the benefit of, and subject to, the terms and conditions set out therein entitling the holder to subscribe for up to HK\$266,660,000 of Shares at the price per Share of HK\$0.60

“Three-year Warrants”	means the fully detachable and transferable warrants, exercisable for a period of three (3) years from the date of issue, as constituted by the relevant warrant instrument and issued with the benefit of, and subject to, the terms and conditions set out therein entitling the holder to subscribe for up to HK\$266,660,000 of Shares at the price per Share of HK\$0.70;
“Warrantholder(s)”	holder(s) of the Warrants
“Warrants”	collectively, the Two-year Warrants, the Three-year Warrants and the Four-year Warrants
“Warrant Completion”	the completion of the Warrant Subscription
“Warrant Documents”	collectively, the Warrant Subscription Agreement, the deed polls creating and constituting the Warrants and the certificates issued to the Warrantholders in respect of its registered holding(s) of the Warrants
“Warrant Exercise Price”	the price per Share payable in HK\$ (or in US\$ at the then prevailing Exchange Rate at the election of the Warrantholder) on exercise of the Exercise Rights, which shall initially be HK\$0.60 per Share for the Two-year Warrants, HK\$0.70 per Share for the Three-year Warrants and HK\$0.80 per Share for the Four-year Warrants, and shall be subject to adjustment from time to time in accordance with the terms and conditions for the Warrants;
“Warrant Expiration Date”	the second anniversary of the issue date of the Two-year Warrants, the third anniversary of the issue date the Three-year Warrants and the fourth anniversary of the issue date the Four-year Warrants
“Warrant Exercise Period”	the period during which the rights attaching to any Warrant may be exercised, at the option of the Warrantholder, at any time on or after the Issue Date up to the close of business on the Warrant Expiration Date (but in no event thereafter)
“Warrant Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM for the allotment and issuance of the Warrant Shares under the Warrant Subscription Agreement
“Warrant Subscriber”	SIG
“Warrant Subscription”	the issue of the Warrants pursuant to the Warrant Subscription Agreement
“Warrant Subscription Agreement”	the warrant subscription agreement dated 4 October 2021 entered into between the Company and SIG in relation to, among other things, the Warrant Subscription
“Warrant Subscription Price”	the respective subscription price per Warrant

“YH Fund” has the meaning as ascribed to it in the section headed “PROPOSED ISSUE OF NEW SHARES UNDER SUBSCRIPTIONS SPECIFIC MANDATE” in this announcement

“%” per cent.

* *In this announcement, 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.*

For and on behalf of
Coolpad Group Limited
Chen Jiajun
Executive Director
Chief Executive Officer
Chairman

Hong Kong, 4 October 2021

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Chen Jiajun, Mr. Ma Fei, Mr. Xu Yibo and Mr. Lam Ting Fung Freeman; (ii) two non-executive Directors, namely Mr. Liang Rui and Mr. Ng Wai Hung; and (iii) four independent non-executive Directors, namely Dr. Huang Dazhan, Mr. Xie Weixin, Mr. Chan King Chung and Mr. Guo Jinghui.