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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF EQUIPMENT**

Reference is made to the 2023 Announcement in relation to the acquisitions of Equipment under the 2023 Procurement Contracts.

THE JUNE 2024 ACQUISITION

On 13 June 2024 (after trading hours), the Purchaser entered into the June 2024 Procurement Contract for the acquisition of Equipment for an aggregate consideration of US\$13,583,700 (equivalent to approximately HK\$106,089,000).

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the aggregated amount of the 2023 Procurement Contracts and the June 2024 Procurement Contract exceeds 5% but is below 25%, the Acquisitions, on an aggregated basis, constitute a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

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PRINCIPAL TERMS OF THE JUNE 2024 PROCUREMENT CONTRACT

The principal terms of the June 2024 Procurement Contract are as follows:

Date

13 June 2024

Parties to the June 2024 Procurement Contract

Seller: The Vendor

Purchaser: The Purchaser

Based on the information available to the Company, the Vendor is ultimately beneficially owned by Ms. Su Yan. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner is a third party independent of the Company and its connected persons as at the date of this announcement.

Subject matter and consideration

The Purchaser agreed to purchase, and the Vendor agreed to sell, the following Equipment pursuant to the terms and conditions of the June 2024 Procurement Contract.

Subject matter	Cash consideration	Payment Terms
2,700 electronic computer servers	US\$13,583,700 (equivalent to approximately HK\$106,089,000)	(a) US\$10,062,000 (equivalent to approximately HK\$78,584,000) is payable within three days upon signing of the June 2024 Procurement Contract; and (b) the remaining balance of US\$3,521,700 (equivalent to approximately HK\$27,504,000) is payable before the end of July 2024.

The total consideration under the June 2024 Procurement Contract is US\$13,583,700 (equivalent to approximately HK\$106,089,000). The payment of consideration will be financed by way of the Group's internal resources.

The consideration is determined after arm's length negotiations between the parties to the June 2024 Procurement Contract on normal commercial terms, taking into account of the prevailing market prices of similar equipment in terms of specifications, functions and capabilities, and compared with different suppliers. Having considered the above, the Directors consider that the consideration is fair and reasonable and on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

Completion

The transactions under the June 2024 Procurement Contract are expected to be completed within three months.

INFORMATION OF THE PARTIES IN RESPECT OF THE JUNE 2024 ACQUISITION

The Group is principally engaged in the production and sale of mobile phones and accessories, the provision of wireless application services and leases of properties. Reference is also made to the announcement of the Company dated 26 October 2023. As disclosed in the said announcement, starting from the second half of 2023, the Group actively pursues opportunities in Web 3.0 digital currency business.

The Purchaser is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, and is principally engaged in the sale of mobile phones.

The Vendor is a company incorporated in Hong Kong. It is principally engaged in trading activities.

REASONS FOR AND BENEFITS OF THE JUNE 2024 ACQUISITION

The Equipment comprise electronic computer servers which are used for crypto mining. The Group intends to deploy the Equipment in North America. As disclosed in the announcement of the Company dated 26 October 2023, the Group is actively pursuing opportunities to enter into the digital currency sector, which is an application of Web 3.0 technology. The Group's existing computing power is 873,000 TH/S and the Group expects to increase its existing computing power and intends to further continue to expand its investment in this sector. After the completion of the transactions under the June 2024 Procurement Contract, the Group's computing power will increase to 1,504,800 TH/S. Having considered the atmosphere, market trend and outlook for blockchain technology and crypto currencies, the Board is of the view that crypto mining is an attractive business and can enhance the profitability for the Group in long term. The Board believes that the June 2024 Acquisition would allow the Group to expand its digital currencies business and achieve a more diversified business segments balance, and provide a long term and stable income to the Group.

The Group has considered similar equipment in the market and also the prevailing market price of similar equipment in terms of specifications, functions and capabilities, and compared with different suppliers. The Directors consider that the terms of the June 2024 Procurement Contract are on normal commercial terms and are fair and reasonable and that the June 2024 Acquisition is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the aggregated amount of the 2023 Procurement Contracts and the June 2024 Procurement Contract exceeds 5% but is below 25%, the Acquisitions, on an aggregated basis, constitute a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“2023 Acquisitions”	the acquisition of Equipment pursuant to the terms of the 2023 Procurement Contracts
“2023 Announcement”	the announcement of the Company dated 3 November 2023 in relation to the acquisitions of Equipment under the 2023 Procurement Contracts
“2023 Procurement Contracts”	collectively, Procurement Contract A, Procurement Contract B, Procurement Contract C and Procurement Contract D (as defined in the 2023 Announcement)
“Acquisitions”	collectively, the 2023 Acquisitions and the June 2024 Acquisition
“Board”	the board of Directors of the Company
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	director(s) of the Company (including independent non-executive director(s))
“Equipment”	electronic computer servers acquired or to be acquired by the Purchaser under the 2023 Procurement Contracts and the June 2024 Procurement Contract (as the case may be)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party(ies)”	an individual or a company who or which is independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associates
“June 2024 Acquisition”	the acquisition of Equipment pursuant to the terms of the June 2024 Procurement Contract
“June 2024 Procurement Contract”	the procurement contract entered into between the Purchaser and the Vendor on 13 June 2024 (after trading hours)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Xcentz Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

“Vendor”

JingYun Intelligent Technology Limited, a company incorporated in Hong Kong

“%”

per cent.

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

Hong Kong, 13 June 2024

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Chen Jiajun and Mr. Ma Fei; (ii) three non-executive Directors, namely Mr. Liang Rui, Mr. Ng Wai Hung and Mr. Xu Yibo; and (iii) three independent non-executive Directors, namely Mr. Guo Jinghui, Ms. Wang Guan and Mr. Cheuk Ho Kan.

For the purpose of this announcement, unless otherwise specified, conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1.00 = HK\$7.81. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in US\$ and HK\$ have been, could have been or may be converted at such rate or any other exchange rate.