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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)

PROFIT WARNING

This announcement is made by the board of directors (the “**Board**”) of Coolpad Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the Group’s unaudited consolidated management accounts made available to the Board, the loss attributable to the owners of the Company for the year ended 31 December 2022 (“**FY2022**”) is expected to range from approximately HK\$610 million to HK\$640 million, as compared to the loss attributable to the owners of the Company of approximately HK\$572 million for the year ended 31 December 2021 (the “**Preceding Period**”).

Based on an analysis of the information currently available to the Group, the increase in the expected loss for FY2022 as compared to the Preceding Period is primarily attributable to:

- (a) A substantial decrease in the Group’s revenue for FY2022 by approximately HK\$459 million to approximately HK\$206 million and the Group recorded a gross loss of approximately HK\$141 million as compared with a gross profit of HK\$36 million for the Preceding Period. In light of the depressed domestic market due to the COVID-19 pandemic and fierce competition in the PRC’s mobile phone market, sales of the new mobile phone product launched by the Group in June 2022 was less than expected, and a more aggressive sales incentive policy was adopted by the Group.
- (b) Due to the large fluctuation of RMB exchange rate in FY2022, the Group recorded an exchange loss of approximately HK\$83 million as compared with an exchange gain of HK\$42 million for the Preceding Period. Besides, share of losses of associates and joint ventures was approximately HK\$84 million for FY2022, which is much higher than that of HK\$33 million recorded for the Preceding Period.

The Company is in the process of preparing, reviewing and finalising the results of the Group for FY2022. The information contained in this announcement is solely based on a preliminary assessment by the management of the Company relying on the unaudited management accounts for FY2022 available to the Board, which has not been audited or reviewed by the Company's independent auditor or the audit committee of the Board and may be subject to adjustments. Shareholders and/or potential investors of the Company should exercise caution when dealing in the securities of the Company. Shareholders and potential investors are advised to refer to the details in the results announcement of the Company for FY2022, which is expected to be published on or before 31 March 2023.

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

Hong Kong, 8 March 2023

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, Mr. Chiu Sin Nang Kenny and Mr. Ngai Tsz Hin Michael.