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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)

INSIDE INFORMATION – REDUCTION IN LOSS

This announcement is made by 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 “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the latest unaudited consolidated management accounts (“**2023 Management Accounts**”) of the Group for the year ended 31 December 2023 (“**FY2023**”), the Group expects to record an estimated net loss attributable to owners of the Company in the range of approximately HK\$220 million to HK\$225 million for FY2023, as compared to a net loss of approximately HK\$625 million for the same period in 2022. The reduction in net loss is primarily attributable to a turnaround from gross loss to gross profit, along with a significant reduction in the selling and distribution expenses, and administrative and other expenses. This improvement occurred as the Group initiated adjustments to its product brands and sales incentive policies, and reconstructed its composite channel structure in 2023, focusing on reshaping the operator channel and launching a low-cost e-commerce channel.

Additionally, based on the preliminary review of the latest unaudited consolidated management accounts (“**1H2024 Management Accounts**”) of the Group for the six months ended 30 June 2024 (“**1H2024**”), the Group expects to record an estimated net loss attributable to owners of the Company in the range of approximately HK\$90 million to HK\$95 million for 1H2024, as compared to a net loss of approximately HK\$117 million for the same period in 2023. The reduction in net loss is primarily due to a decrease in the Group’s share of losses of associates and joint ventures in FY2024, following the disposal of its equity interest in an associate and a joint venture in FY2023 as disclosed in the announcement of the Company dated 25 September 2023.

The Company is still in the process of preparing and finalising the Group's results for FY2023 and 1H2024. The information contained in this announcement is based solely on a preliminary assessment of the 2023 Management Accounts and the 1H2024 Management Accounts, which have not been audited or reviewed by the auditors or the audit committee of the Company. The actual results may differ from those disclosed in this announcement. Shareholders and potential investors are advised to read carefully the Company's annual results announcement for FY2023 and the interim results announcement for 1H2024 (the "Announcements"). The Company will use its best endeavour to complete and publish the Announcements as soon as practicable. The Company will make further announcements to inform shareholders of the date of the release of the Announcements as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, the trading of the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 2 April 2024 pending the release of the audited 2023 Annual Results and will continue to be suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 5 September 2024

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Chen Jiajun, Mr. Ma Fei and Ms. Liu Juan; (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.