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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)

**ANNOUNCEMENT
LAWSUIT INITIATED BY THE GROUP**

This announcement is made by Coolpad Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The Company has received a notice from Yulong Computer Telecommunication Scientific (Shenzhen) Co., LTD., a subsidiary of the Company (the “**Plaintiff**”), that the Plaintiff has recently initiated a lawsuit at Jiangsu Province Nanjing Intermediate People’s Court (the “**Court**”) for the disputes in relation to invention patent infringement among the Plaintiff, Xiaomi Telecom Technology Co., Ltd. (小米通訊技術有限公司) (the “**1st Defendant**”), Xiaomi Technology Co., Ltd. (小米科技有限責任公司) (the “**2nd Defendant**”) and XiaoMi Factory Co., Ltd. (Nanjing) First Branch (小米之家商業有限公司南京第一分公司) (the “**3rd Defendant**”) (the “**Defendants**”), and received the “Case Acceptance Notice” for the case on 10 May 2018, with case number of (2018) Su 01 Min Chu No. 760.

According to the civil complaint, the Plaintiff alleges that the Defendants used its patent without an authorization from the Plaintiff and the acts such as production and manufacture, promise to sale and sale of infringing products respectively implemented for the purpose of production and operation caused an infringement upon the invention patent with patent number of ZL200610034036.7 and named “Multi-mode mobile communication terminal interface system and method for call recording” (多模移動通信終端通話記錄界面系統的實現方法) (the “**Invention Patent**”) of the Plaintiff and such acts of the Plaintiff constitute a patent infringement. Accordingly, the Plaintiff has brought the complaint to the Court to seek a judgement from the Court in protecting the legal interests of the Plaintiff by supporting the following claims by the Plaintiff in accordance with the laws:

1. To order that the 1st Defendant shall immediately stop the acts of production, promise to sale and sale of Xiaomi Mi MIX 2, Redmi Note 5 and Redmi 5 Plus digital mobile phones (mobile phones) that caused an infringement upon the Invention Patent.
2. To order that the 2nd Defendant and the 3rd Defendant shall immediately stop the acts of promise to sale and sale of Xiaomi Mi MIX 2, Redmi Note 5 and Redmi 5 Plus digital mobile phones (mobile phones) that caused an infringement upon the Invention Patent.
3. To order that the Defendants shall undertake the joint liability for the economic loss suffered by the Plaintiff, which shall be determined on the audited profit obtained by the Defendants in such infringement.

4. To order that the Defendants shall undertake the joint liability for reasonable fees paid by the Plaintiff for the purpose of stopping those acts of infringement.
5. To order that the Defendants shall jointly bear all litigation expenses for the case.

As of the date of this announcement, the case is accepted and pending.

The Company will make further announcement in due course to inform the shareholders of the Company of the progress.

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

By order of the Board
Coolpad Group Limited
Jiang Chao
Vice Chairman
Chief Executive Officer

Hong Kong, 10 May 2018

As at the date of this announcement, the executive Directors are Mr. Jiang Chao, Mr. Leung Siu Kee, Mr. Lam Ting Fung Freeman and Mr. Liang Rui; the non-executive Director is Mr. Ng Wai Hung; the independent non-executive Directors are Dr. Huang Dazhan, Mr. Xie Weixin and Mr. Chan King Chung.