
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Capitalised terms used in this cover shall have the same meanings as those defined in this Prospectus.

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Coolpad Group Limited**, you should at once hand this Prospectus and the accompanying PAL and EAF to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Dealings in the Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with the documents mentioned in the paragraph headed "Documents delivered to the registrar of companies" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of the documents. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraphs headed "Warning of the risks of dealing in Shares and Rights Shares in nil-paid form" in the "Letter from the Board" in this Prospectus.

Subject to the granting of the listing of, and permission to deal in, Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange as well as the compliance with the stock admission requirements of HKSCC, Rights Shares in their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in Rights Shares in their nil-paid and fully-paid forms or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Coolpad 酷派
COOLPAD GROUP LIMITED
酷派集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2369)

RIGHTS ISSUE OF 653,189,580 RIGHTS SHARES
ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWENTY (20)
SHARES HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF
HK\$1.10 PER RIGHTS SHARE

Underwriter

UOBKayHian
大華繼顯

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Wednesday, 2 March 2016. The procedures for acceptance and payment or transfer of the Rights Shares are set out on pages 27 to 29 of this Prospectus.

The Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 7 to 9 of this Prospectus.

The Rights Issue is conditional upon, inter alia, the fulfillment of the Conditions set out under the paragraph "Letter from the Board – Underwriting Agreement – Conditions of the Rights Issue and the Underwriting Agreement" on pages 18 to 19 of this Prospectus. The Underwriter is entitled under the Underwriting Agreement to terminate or rescind the Underwriting Agreement on the occurrence of certain events as set out in the section headed "Termination of the Underwriting Agreement" on pages 7 to 9 of this Prospectus. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares. Any dealings in the Shares up to the date on which all the Conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination or rescission of the Underwriting Agreement ceases), and any dealings in the Rights Shares in their nil-paid form from Friday, 19 February 2016 to Friday, 26 February 2016 (both dates inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares and/or the Rights Shares (in their nil-paid form) are advised to consult their own professional advisers.

17 February 2016

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The Rights Issue is conditional upon, inter alia, the fulfillment of the Conditions set out in the Underwriting Agreement and not being terminated or rescinded. If the Rights Issue does not proceed, a further announcement will be made by the Company at the relevant time. It should also be noted that the Shares have been dealt in on an ex-rights basis from Thursday, 28 January 2016 and that the Rights Shares are expected to be dealt in on their nil-paid form from Friday, 19 February 2016 to Friday, 26 February 2016 (both days inclusive).

Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the nil-paid Rights Shares from Friday, 19 February 2016 to Friday, 26 February 2016 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company and/or the Rights Shares in their nil-paid form during this period who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

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EXPECTED TIMETABLE

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

Last day of dealings in the Shares on a cum-rights basis	Wednesday, 27 January 2016
First day of dealings in the Shares on an ex-rights basis.	Thursday, 28 January 2016
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue.	4:30 p.m. on Friday, 29 January 2016
Register of members closes to determine entitlements	Monday, 1 February 2016 to Friday, 5 February 2016 (both dates inclusive)
Record Date	Friday, 5 February 2016
Register of members re-opens.	Thursday, 11 February 2016
Despatch of the Prospectus Documents	Wednesday, 17 February 2016
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Friday, 19 February 2016
Last day for splitting nil-paid Rights Shares	4:30 p.m. on Tuesday, 23 February 2016
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Friday, 26 February 2016
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Wednesday, 2 March 2016
Latest Time for Termination.	5:00 p.m. on Thursday, 3 March 2016
Announcement of results of acceptance and excess applications of Rights Issue	Wednesday, 9 March 2016
Despatch of share certificates for fully-paid Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares	Thursday, 10 March 2016
First day of dealings in fully-paid Rights Shares.	9:00 a.m. on Friday, 11 March 2016

EXPECTED TIMETABLE

Notes:

1. All times and dates in this Prospectus refer to Hong Kong local time and dates.
2. Effect of bad weather on the latest time for acceptance of and payment for Rights Shares.

The latest time for acceptance of and payment for Rights Shares will not take place if there is:

- a tropical cyclone warning signal number 8 or above,
 - or a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 2 March 2016. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day;
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 2 March 2016. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Wednesday, 2 March 2016, the dates mentioned in the section headed “Expected Timetable” in this Prospectus may be affected. The Company will notify Shareholders by way of a separate announcement of any change to the expected timetable as soon as practicable.

3. The expected timetable for the Rights Issue set out above is for indicative purpose only and it has been prepared on the assumption that all the Conditions will be fulfilled. The expected timetable is subject to change, and any changes will be announced in separate announcement(s) by the Company as and when appropriate.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:

Basis of Rights Issue:	Three (3) Rights Shares for every twenty (20) Shares held on the Record Date
Number of existing Shares in issue:	4,354,597,200 Shares as at the Latest Practicable Date
Number of Rights Shares to be issued under the Rights Issue:	653,189,580 Rights Shares, representing: <ul style="list-style-type: none">(a) 15.00% of the Company's existing issued shares as at the Latest Practicable Date; and(b) 13.04% of the Company's issued shares as enlarged by the issue of the Rights Shares
Subscription Price:	HK\$1.10 per Rights Share
Amount to be raised:	Approximately HK\$719 million will be raised from the Rights Issue upon full acceptance of the relevant provisional allotment of Rights Shares before expenses Approximately HK\$698 million will be raised from the Rights Issue upon full acceptance of the relevant provisional allotment of Rights Shares after expenses
Enlarged number of Shares in issue upon completion of the Rights Issue:	5,007,786,780 Shares

DEFINITIONS

In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:

“Acceptance Date”	4:00 p.m. on Wednesday, 2 March 2016 (or such other time or date as the Underwriter may agree in writing with the Company as the latest time for acceptance of, and payment for, the Rights Shares as well as application for excess Rights Shares and payment of consideration thereof)
“Announcement”	the announcement made by the Company on 22 January 2016 in respect of, among other things, the Rights Issue and the entering into of the Underwriting Agreement between the Company and the Underwriter
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, a Sunday or a day on which typhoon signal no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong) on which banks are generally open for business in Hong Kong
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date of the Underwriting Agreement”	3 March 2016, the expected date on which the obligations of the Underwriter under the Underwriting Agreement become unconditional
“Company”	Coolpad Group Limited (酷派集團有限公司), 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)
“Conditions”	the conditions precedent of the Rights Issue as set out in the paragraph headed “Letter from the Board – Underwriting Arrangement – Conditions precedent of the Rights Issue and the Underwriting Agreement” of this Prospectus

DEFINITIONS

“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Data Dreamland”	Data Dreamland Holdings Limited, a limited liability company incorporated in the BVI and a substantial shareholder of the Company, which holds 881,962,496 Shares as at the Latest Practicable Date, representing approximately 20.25% of the issued shares of the Company
“Despatch Date”	Wednesday, 17 February 2016 or such later date as the Underwriter may agree in writing with the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only to the Non-Qualifying Shareholders (as the case may be)
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) for application for excess Rights Shares proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Irrevocable Undertakings”	the irrevocable undertakings dated 22 January 2016 given by each of Data Dreamland, Leview, Mr. Jiang and Mr. Li in favour of the Company and the Underwriter regarding their respective obligations in relation to the Rights Issue, as described in the section headed “Irrevocable Undertakings” in the Announcement
“Last Trading Day”	22 January 2016, being the last trading day immediately before the date of the Underwriting Agreement

DEFINITIONS

“Latest Practicable Date”	11 February 2016, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information referred to in this Prospectus
“Latest Time for Termination”	5:00 p.m. on Thursday, 3 March 2016, being the Business Day following the date of Acceptance Date, or such later date as the Company and the Underwriter may agree in writing
“Leview”	Leview Mobile HK Limited (樂風移動香港有限公司), a company with limited liability incorporated in Hong Kong and the substantial shareholder of the Company, which holds 780,380,000 Shares as at the Latest Practicable Date, representing approximately 17.92% of the issued shares of the Company
“Listing Approval”	the grant of permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Main Board of the Stock Exchange
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Jiang”	Jiang Chao (蔣超), one of the executive Directors, who is beneficially interested in 25,620,000 Shares as at the Latest Practicable Date, representing approximately 0.59% of the issued shares of the Company
“Mr. Li”	Li Bin (李斌), one of the executive Directors, who holds 17,500,000 Shares as at the Latest Practicable Date, representing approximately 0.40% of the issued shares of the Company

DEFINITIONS

“Non-Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register (is) are outside Hong Kong where the Directors, based on advice provided by legal advisers, consider it necessary or expedient to exclude any such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Option Shares”	a maximum of 103,409,300 new Shares to be allotted and issued upon the exercise of all the 103,409,300 vested outstanding Share Options which are exercisable from the date of the Announcement and up to the Record Date
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	The People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus to be issued and despatched to the Shareholders containing details of the Rights Issue on the Despatch Date in connection with, among other matters, the Rights Issue in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus, the PALs and the EAFs
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Friday, 5 February 2016, being the date by reference to which entitlements under the Rights Issue are determined

DEFINITIONS

“Registrar”	the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights issue on the basis of three (3) Rights Shares for every twenty (20) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	new shares to be issued and allotted under the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	option(s) to subscribe for Shares granted by the Company in accordance with the Share Option Schemes
“Share Option Schemes”	the share option schemes adopted by the Company on 21 November 2004 and 23 May 2014
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.10 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“take up” or “taken up”	those Rights Shares in respect of which the valid PALs and EAFs have been lodged and accompanied by cheques or other remittances for the full amount payable in respect thereof
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 22 January 2016 entered into, among others, between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Rights Shares”	all the Rights Shares other than the Rights Shares that Data Dreamland, Leview, Mr. Jiang and Mr. Li have irrevocably undertaken to take up pursuant to the Irrevocable Undertakings
“Untaken Shares”	such number of Rights Shares that are not taken up by Qualifying Shareholders by way of valid acceptances of provisional allotments or valid applications under the EAFs
“UOB Kay Hian” or “Underwriter”	UOB Kay Hian (Hong Kong) Limited (大華繼顯(香港)有限公司), a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may by a notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement on the occurrence of certain events as set out below:

- (a) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (b) any material breach of any of the representations, warranties or undertakings given by the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li contained in the Underwriting Agreement comes to the knowledge of the Underwriter, or there has been a material breach on the part of the Company or Data Dreamland, Leview, Mr. Jiang and Mr. Li of any other provisions of the Underwriting Agreement, or the Underwriter has cause to believe that any such breach has occurred;
- (c) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given by the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li pursuant to the Underwriting Agreement would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in material respect, comes to the knowledge of the Underwriter;
- (d) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (e) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute material omission therefrom;
- (f) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (g) there is any material adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the opinion of the Underwriter acting in good faith is material in the context of the Rights Issue; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (h) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - i. any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory, currency or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC;
 - ii. the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;

which, in the sole opinion of the Underwriter:

- (i) have or will have, or is likely to have, a material adverse effect or is or will be, or is likely to be, materially adverse to any present or prospective Shareholder in its capacity as such;
- (ii) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market;
or
- (iii) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Prospectus Documents.

If prior to the Latest Time for Termination, any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement (save in respect of the termination clause under the Underwriting Agreement which shall remain in full force and effect, and save further that the Company shall pay as soon as practicable the underwriting commission and other costs, charges and expenses (if any)) shall terminate forthwith.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement does not become unconditional or in the event the Underwriter exercises their rights to rescind or terminate the Underwriting Agreement prior to the Latest Time for Termination, then the Rights Issue will not proceed, and the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights and obligations under the Underwriting Agreement) and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li and the Underwriter in respect of any breach of the Underwriting Agreement occurring prior to such termination. In such an event, the Company will make a further announcement at the relevant time.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

LETTER FROM THE BOARD

Coolpad 酷派
COOLPAD GROUP LIMITED
酷派集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

Executive Directors:

Mr. Guo Deying

(Chairman and Chief Executive Officer)

Mr. Jiang Chao

Mr. Li Bin

Mr. Jia Yueting

Mr. Liu Hong

Independent non-executive Directors:

Dr. Huang Dazhan

Mr. Xie Weixin

Mr. Chan King Chung

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in the PRC:*

No. 2 Flat, Coolpad Cyber Park

Mengxi Boulevard

Northern Part of Science &
Technology Park

Nanshan District, Shenzhen

PRC

*Principal place of business in
Hong Kong:*

Room 1902, MassMutual Tower

38 Gloucester Road

Wanchai

Hong Kong

17 February 2016

*To Qualifying Shareholders and, for information purpose only, the Non-qualifying
Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE OF 653,189,580 RIGHTS SHARES
ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWENTY (20)
SHARES HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF
HK\$1.10 PER RIGHTS SHARE**

INTRODUCTION

The Board announced on 22 January 2016 that (among other things), subject to the Conditions, the Company proposed to raise not less than approximately HK\$719 million, before expenses, and not more than approximately HK\$736 million, before expenses, by way

LETTER FROM THE BOARD

of a rights issue on the basis of three (3) Rights Shares for every twenty (20) Shares held on the Record Date at the Subscription Price of HK\$1.10 per Rights Share. The Rights Issue (subject to the Rights Shares that will be provisionally allotted to and taken up by Data Dreamland, Leview, Mr. Jiang and Mr. Li pursuant to the Irrevocable Undertakings) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

The purpose of this Prospectus is to give you further details of the Rights Issue, including information on dealings and transfer of Rights Shares in their nil-paid form and the procedure for acceptance of provisional allotments of Rights Shares. This Prospectus also contains certain financial and other information relating to the Group.

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	Three (3) Rights Shares for every twenty (20) existing Shares held by the Qualifying Shareholders on the Record Date
Number of existing Shares in issue:	4,354,597,200 Shares as at the Latest Practicable Date
Number of Rights Shares:	653,189,580 Rights Shares
Subscription Price:	HK\$1.10 per Rights Share
Amount to be raised:	Approximately HK\$719 million will be raised from the Rights Issue upon full acceptance of the relevant provisional allotment of Rights Shares before expenses Approximately HK\$698 million will be raised from the Rights Issue upon full acceptance of the relevant provisional allotment of Rights Shares after expenses
Enlarged number of Shares in issue upon completion of the Rights Issue:	5,007,786,780 Shares

Subscription ratio

The basis of the Rights Issue, being three (3) Rights Shares for every twenty (20) Shares held by Qualifying Shareholders on the Record Date, was primarily determined by the Board with reference to the intended amount of gross proceeds (being approximately HK\$719 million) to be raised from the Rights Issue.

LETTER FROM THE BOARD

The Subscription Price

The Subscription Price for the Rights Shares is HK\$1.10 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 14.73% to the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 15.38% to the average of the closing prices of approximately HK\$1.30 per Share for the last five consecutive trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 13.39% to the theoretical ex-rights price of HK\$1.27 per Share based on the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, (i) the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-rights price; and (ii) the prevailing market conditions and recent financial conditions of the Group. In order to enhance the attractiveness of the Rights Issue, issuance of new shares by way of rights issue at a discount to the market price has been commonly adopted by listed issuers in Hong Kong to encourage existing shareholders to take up their entitlements so as to participate in the potential growth of the listed issuers in the future. Furthermore, since the Rights Issue will allow the Qualifying Shareholders to maintain their pro-rata shareholding in the Company, the Directors consider that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds of approximately HK\$719 million will be raised from the Rights Issue upon full acceptance of the relevant provisional allotment of Rights Shares and, taking into account the estimated expenses in connection with the Rights Issue of approximately HK\$21 million, the estimated net proceeds from the Rights Issue will be approximately HK\$698 million, translating into a net price per Rights Share of approximately HK\$1.07.

Qualifying Shareholders

The Prospectus Documents have not been registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus to the Non-Qualifying Shareholders (if any) for information purposes only.

LETTER FROM THE BOARD

To qualify for the Rights Issue, a Shareholder must:

- (a) be registered as a member of the Company at the close of business on the Record Date; and
- (b) not be a Non-Qualifying Shareholder.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of the Overseas Shareholder

Based on the register of members of the Company on the Record Date, there was one (1) Shareholder with registered address in jurisdiction outside Hong Kong, namely, in the BVI.

Based on the advice provided by the legal advisers on the laws of the BVI, the offering of the Rights Shares by the Company to its Shareholders with a registered address in the BVI pursuant to the Rights Issue is not subject to any registration or other legal requirements or any governmental or regulatory or procedures under the laws of the BVI. It would be lawful for the Company to offer the Rights Shares to its Shareholder with a registered address in the BVI, if the Rights Issue is made and/or the Prospectus Documents are sent to the BVI Shareholders solely by reason that they are existing Shareholders.

In view of the foregoing legal advice obtained from overseas legal adviser and having regard the likely costs and time involved if overseas compliance were to be observed, the Directors have decided to extend the Rights Issue to such Overseas Shareholder with registered address located in the BVI as shown on the register of members of the Company as at the Record Date.

Basis of provisional allotment

The basis of provisional allotment of the Rights Issue shall be three (3) Rights Shares for every twenty (20) existing Shares held on the Record Date, at the Subscription Price of HK\$1.10 per Rights Share by Qualifying Shareholders. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with the remittance for the Rights Shares being applied for with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 2 March 2016.

Save for the Irrevocable Undertakings given by each of Data Dreamland, Leview, Mr. Jiang and Mr. Li, as at the date of the Announcement and up to the Latest Practicable Date, the Board has not received any information from any other shareholders of the Company of their intention to take up the Rights Shares to be provisionally allotted to them.

LETTER FROM THE BOARD

Fractions of the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market. If a premium (net of expenses) was received after such sale, the Company will retain the proceeds from such sale(s). Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment or waiver (as the case may be) of the Conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or about Thursday, 10 March 2016 by ordinary post to the allottees, at their own risk, to their registered addresses. Applicants will receive one share certificate for all the Rights Shares issued to him/her/it. Dealings in the fully-paid Rights Shares are expected to commence on Friday, 11 March 2016.

Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or about Thursday, 10 March 2016 by ordinary post to the applicants, at their own risk, to their registered addresses.

Application for listing and dealings of the Rights Shares

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of the HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock

LETTER FROM THE BOARD

Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Nil-paid Rights Shares are expected to be traded in board lots of 4,000.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Irrevocable Undertakings

As at the Latest Practicable Date and on the Record Date, each of Data Dreamland, Leview, Mr. Jiang and Mr. Li is interested in the following number of Shares:

	No. of Shares	% of the total issued share capital of the Company
Data Dreamland	881,962,496	20.25
Leview	780,380,000	17.92
Mr. Jiang	25,620,000	0.59
Mr. Li	17,500,000	0.40

Each of Data Dreamland, Leview, Mr. Jiang and Mr. Li has irrevocably undertaken to the Company and the Underwriter that (i) it/he will not dispose of its/his Shares beneficially owned by it/him from the date of the Irrevocable Undertakings up to and including the Record Date; (ii) it/he will accept and pay for in full or procure the acceptance and payment in full of the Rights Shares which will represent the pro rata entitlement provisionally allotted to it/him or its/his nominee(s) as holder(s) of such Shares under the Rights Issue; and (iii) it/he shall not apply for any Rights Shares in excess of those provisionally allotted to it/him as referred to in (ii) above.

LETTER FROM THE BOARD

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 22 January 2016 (after trading hours)

Underwriter: UOB Kay Hian

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, UOB Kay Hian and its ultimate beneficial owners are independent third parties not connected with any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates as defined in the Listing Rules

Number of Underwritten Rights Shares: all the Rights Shares other than the Rights Shares that Data Dreamland, Leview, Mr. Jiang and Mr. Li have irrevocably undertaken to take up pursuant to the Irrevocable Undertakings

Commission: (i) a fixed sum in the amount of HK\$5.07 million, and (ii) 3.1% of the aggregate Subscription Price of the Underwritten Rights Shares comprising the commitment of the Underwriter as determined on the Record Date

The commission rate was determined after arm's length negotiations between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has been informed by the Underwriter that the Underwriter has entered into a separate sub-underwriting letter with a sub-underwriter (the "**Sub-underwriter**") in respect of the Rights Issue. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Sub-underwriter is an independent third party not connected with any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates as defined in the Listing Rules.

LETTER FROM THE BOARD

Conditions precedent of the Rights Issue and the Underwriting Agreement

The underwriting obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (a) publication of the Announcement pursuant to the Listing Rules by no later than 8:30 a.m. on the Business Day following the date of the Underwriting Agreement;
- (b) (i) the Rights Shares (nil-paid) to all Qualifying Shareholders and (ii) the Rights Shares (nil-paid) representing the aggregate of fractional entitlements and the entitlements of the Overseas Shareholders which they would otherwise have to allot to the Underwriter or its nominee/agent to be dealt with in accordance with the Underwriting Agreement having been provisionally allotted by a resolution of the Board on the terms set out in the Prospectus Documents;
- (c) Listing Approval having been obtained prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus, and such permission not being withdrawn prior to the Latest Time for Termination;
- (d) each condition to enable the nil-paid Rights Shares and the fully-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Listing Approval) having been satisfied not later than two Business Days after the Record Date/prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (e) the Stock Exchange issuing a certificate authorising registration of the Prospectus with the Hong Kong Companies Registry under section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than a Business Day before the Despatch Date (or such later time and/or date as the Company and the Underwriter may agree in writing) and, following registration of the Prospectus, a copy of the Prospectus having been submitted to the Stock Exchange for publication on its website not later than the Despatch Date (or such later time and/or date as the Company and the Underwriter may agree in writing);
- (f) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than a Business Day before the Despatch Date, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than a Business Day before the Despatch Date;
- (g) posting of the Prospectus Documents to the Qualifying Shareholders on or before the Despatch Date;

LETTER FROM THE BOARD

- (h) delivery of the duly executed counterparts of the Irrevocable Undertakings and the Underwriting Agreement by Data Dreamland, Leview, Mr. Jiang and Mr. Li on the date of the Underwriting Agreement to the Company and the Underwriter;
- (i) the representations and warranties of the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li referred to in the Underwriting Agreement remaining true and accurate in all material respects and none of the undertakings of the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li referred to in the Underwriting Agreement having been breached;
- (j) compliance by the Company with all of its obligations under the Underwriting Agreement or in relation to the publication of the Announcement;
- (k) compliance by Data Dreamland, Leview, Mr. Jiang and Mr. Li with all of their respective obligations under the Underwriting Agreement and under the Irrevocable Undertakings and the Irrevocable Undertakings are not being terminated;
- (l) compliance by the sub-underwriter(s) with all their respective obligations by the sub-underwriter(s) under sub-underwriting letter/agreement(s) to be entered into by the Underwriter, if any and such sub-underwriting letter/agreement(s) being in full force and effect and not being terminated; and
- (m) receipt by the Underwriter (in the form and substance to the satisfaction of the Underwriter) of all relevant documents to be provided by the Company by the times specified in the Underwriting Agreement.

If any of the conditions precedent (which has not previously been waived by the Underwriter if capable of being waived under the Underwriting Agreement) is not fulfilled, or becomes incapable of fulfilment, on or prior to the relevant date specified thereon for fulfilment of the relevant condition or, if no such date is so specified or referred to, are not fulfilled on or prior to the Latest Time for Termination (or, in any such case, such later date or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement) shall terminate and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the parties in respect of any breach of the Underwriting Agreement occurring prior to such termination.

The Underwriter may at any time in writing waive any of the conditions precedent set out above (except paragraphs (c) and (e)) or extend the time or date for fulfilment of any such condition (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by the Underwriter.

LETTER FROM THE BOARD

Undertakings by Data Dreamland and Leview

Each of Data Dreamland and Leview, jointly and severally, undertakes that:

- (a) each of them shall not and shall use its reasonable endeavours to procure that companies controlled by each of them shall not, without first having obtained the prior written consent of the Underwriter, transfer or otherwise dispose of (including without limitation by the creation of any option) or acquire any Share or any interest therein or any option, right or warrant in respect of any Share between the date of the Underwriting Agreement and the date of the Prospectus; and
- (b) each of them shall not and shall use its reasonable endeavours to procure that companies controlled by each of them shall not, without the prior written consent of the Company and the Underwriter, transfer or otherwise dispose of (including without limitation by the creation of any option, right or warrant to purchase) or acquire (except by taking up Rights Shares provisionally allotted in respect of Data Dreamland and Leview's beneficial shareholding interests in the Company pursuant to the Rights Issue or pursuant to the Underwriting Agreement) any Share or any interest therein between the date of the Prospectus and the latest time for acceptance.

Each of Data Dreamland and Leview further jointly and severally, undertakes to the Company and the Underwriter that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Closing Date of the Underwriting Agreement (the "**Lock-up Period**"), each of them shall not and shall procure that none of its respective subsidiaries, its respective holding company, the subsidiaries of its respective holding company, and their respective nominees and affiliates (whether individually or together and whether directly or indirectly) shall:

- (a) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares) or any interests therein beneficially owned or held by each of Data Dreamland and Leview or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;
- (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (c) announce any intention to enter into or effect any such transaction,

unless with the prior written consent of the Underwriter, provided that this undertaking shall not apply (i) if the Underwriting Agreement does not become unconditional and is terminated in accordance with the Underwriting Agreement; or (ii) if the Underwriting Agreement is terminated by the Underwriter pursuant to certain events prescribed by the Underwriting

LETTER FROM THE BOARD

Agreement. For the avoidance of doubt, each of Data Dreamland and Leview shall not be restricted from purchasing any Shares during the Lock-up Period provided that such purchase(s) is/are conducted in compliance with all applicable laws.

Undertakings by the Company

The Company undertakes to the Underwriter, and each of Data Dreamland and Leview jointly and severally undertakes to the Underwriter to procure, that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Closing Date of the Underwriting Agreement, the Company shall not (except for the Rights Shares):

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (except for the allotment or issue of Shares upon exercise of the outstanding Share Options);
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of such transaction; or
- (c) announce any intention to enter into or effect any such transaction,

unless with the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed).

Termination of the Underwriting Agreement

The Underwriter may by a notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement on the occurrence of certain events as set out below:

- (a) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (b) any material breach of any of the representations, warranties or undertakings given by the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li contained in the Underwriting Agreement comes to the knowledge of the Underwriter, or there has been a material breach on the part of the Company or Data Dreamland, Leview, Mr. Jiang and Mr. Li of any other provisions of the Underwriting Agreement, or the Underwriter has cause to believe that any such breach has occurred;
- (c) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given

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by the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li pursuant to the Underwriting Agreement would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in material respect, comes to the knowledge of the Underwriter;

- (d) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (e) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute material omission therefrom;
- (f) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (g) there is any material adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the opinion of the Underwriter acting in good faith is material in the context of the Rights Issue; or
- (h) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - i. any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory, currency or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC;
 - ii. the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;

which, in the sole opinion of the Underwriter:

- (i) have or will have, or is likely to have, a material adverse effect or is or will be, or is likely to be, materially adverse to any present or prospective Shareholder in its capacity as such;

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- (ii) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (iii) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Prospectus Documents.

If prior to the Latest Time for Termination, any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement (save in respect of the termination clause under the Underwriting Agreement which shall remain in full force and effect, and save further that the Company shall pay as soon as practicable the underwriting commission and other costs, charges and expenses (if any)) shall terminate forthwith.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement does not become unconditional or in the event the Underwriter exercises their rights to rescind or terminate the Underwriting Agreement prior to the Latest Time for Termination, then the Rights Issue will not proceed, and the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights and obligations under the Underwriting Agreement) and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li and the Underwriter in respect of any breach of the Underwriting Agreement occurring prior to such termination. In such an event, the Company will make a further announcement at the relevant time.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of the Announcement and up to the Latest Practicable Date.

LETTER FROM THE BOARD

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
	No. of Shares	%	All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (except for Data Dreamland, Leview, Mr. Jiang and Mr. Li) and all Untaken Shares taken up by the Underwriter	
			No. of Shares	%	No. of Shares	%
Data Dreamland ^(Note 1)	881,962,496	20.25	1,014,256,870	20.25	1,014,256,870	20.25
Mr. Jia Yueting ^(Note 2)	780,380,000	17.92	897,437,000	17.92	897,437,000	17.92
Mr. Jiang ^(Note 3)	25,620,000	0.59	29,463,000	0.59	29,463,000	0.59
Mr. Li	17,500,000	0.40	20,125,000	0.40	20,125,000	0.40
Mr. Chan King Chung	384,000	0.01	441,600	0.01	384,000	0.01
Mr. Huang Dazhan	288,000	0.01	331,200	0.01	288,000	0.01
Mr. Xie Weixin	384,000	0.01	441,600	0.01	384,000	0.01
Mr. Li Wang ^(Note 4)	10,040,000	0.23	11,546,000	0.23	10,040,000	0.20
Public Shareholders	2,638,038,704	60.58	3,033,744,510	60.58	2,638,038,704	52.68
Underwriter (including sub-underwriter procured by it) ^(Note 5)	–	–	–	–	397,370,206	7.94
Total	<u>4,354,597,200</u>	<u>100.00</u>	<u>5,007,786,780</u>	<u>100.00</u>	<u>5,007,786,780</u>	<u>100.00</u>

* Certain percentage figures included in the above table has been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Notes:

1. The entire issued share capital of Data Dreamland is held by Barrie Bay (PTC) Limited (“**Barrie Bay**”). Barrie Bay is acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a unit trust held by HSBC International Trustee Limited (“**HSBC Trustee**”), which is acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a discretionary trust set up by Mr. Guo Deying and Ms. Yang Xiao and the discretionary objects of which include the children of Mr. Guo Deying and Ms. Yang Xiao.
2. 780,380,000 Shares are held by Leview, the entire share capital of which is held by Leview Mobile Ltd., the entire share capital of which is held by Le Ltd., the entire share capital of which is held by Lele Holding Ltd., the entire share capital of which is held by Mr. Jia Yueting.
3. Mr. Jiang directly owns 25,200,000 Shares. Mr. Jiang is also deemed to be interested in the 420,000 shares held by Wintech Consultants Limited as he was one of the discretionary objects under the China Wireless Employee Benefit Trust, a discretionary trust established for the benefit of the employees of the Group and the China Wireless Share Award Plan.

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4. Mr. Li Wang resigned as an executive Director with effect from 18 January 2016.
5. The Underwriter has entered into a separate sub-underwriting letter with a sub-underwriter (the “**Sub-underwriter**”) in respect of the Rights Issue. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Sub-underwriter is an independent third party not connected with any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates as defined in the Listing Rules.

Shareholders and public investors should note that the above changes in shareholding structure of the Company are for illustration purpose only and the actual change in the shareholding structure of the Company upon completion of the Rights Issue is subject to various factors including, among other things, the results of acceptance of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in developing wireless telecommunications technological know-how in wireless telecommunications across multiple wireless telecommunications network standards and providing integrated solutions for smartphone sets, mobile data platform system, and value-added business operations.

The Group has been actively expanding its business with the aim of enhancing its overall financial performance and bringing its Shareholders with increasing return. Even though the smartphone market is volatile and becoming more fierce, the Group restructured its business units to support its long-term growth and actively promoted its brand awareness. More resources and working capital of the Group will be put into the developments of new technologies and the expansion of the retail open channels. Meanwhile, in addition to the market in Mainland China, the Group also engages in the sales of smartphones in the overseas markets, including India, USA, Western Europe, and Southeast Asia. In order to strengthen and provide better user experience and strengthen its operational capability in the mobile internet field, the Group also set up strategic cooperation with major internet companies and expects to construct a mobile internet ecosystem.

As disclosed in the announcement of the Company dated 28 November 2013, the Directors approved the reconstruction plan (the “**Reconstruction Plan**”) of the properties owned by Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. (“**Yulong Shenzhen**”), a subsidiary of the Company, in Coolpad Information Harbor (“**Coolpad Information Harbor**”), No. 2 Mengxi Road, Hi-Tech Industry Park (Northern), Nanshan District, Shenzhen, the People’s Republic of China.

The Reconstruction Plan is implemented in accordance with urban planning plan drawn up by the Shenzhen government after the Group’s communication with the Shenzhen government. It involves abolition of certain existing properties owned by Yulong Shenzhen and construction of taller properties with higher gross floor areas in the Coolpad Information Harbor.

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In view of the above, the Board considers it would be beneficial for the Group to replenish its funding resources to support the Reconstruction Plan and the development of the current businesses and to better prepare for the Company to take advantage of future business opportunities as and when they arise. The Board further considers that it is more prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs. In this regard, after considering various possible fund raising avenues, the Directors consider that the Rights Issue to be most appropriate for reasons that:

- the Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so; and
- the Rights Issue could replenish and strengthen the equity base and funding resources of the Company for its further business development and working capital needs without imposing significant financial costs to the Group.

Given the above factors, the Directors consider that the Rights Issue to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

It is the present intention of the Company to apply the net proceeds from the Rights Issue in the following manner:

- approximately 71.43% of the net proceeds from the Rights Issue for the Reconstruction Plan;
- approximately 21.43% of the net proceeds from the Rights Issue for the promotion of its brand awareness and the development of the distribution channels; and
- approximately 7.14% of the net proceeds from the Rights Issue for the general working capital of the Group.

LETTER FROM THE BOARD

PROCEDURE FOR ACCEPTANCE AND TRANSFER

Qualifying Shareholders will find enclosed with this Prospectus a PAL that entitles Qualifying Shareholders to take up the number of Rights Shares shown therein. If you wish to exercise your rights to take up all the Rights Shares specified in the PAL, you must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by not later than 4:00 p.m. on Wednesday, 2 March 2016. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Coolpad Group Limited – Rights Issue Account" and crossed "Account Payee Only".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged by 4:00 p.m. on Wednesday, 2 March 2016, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If you wish to accept only part of your provisional allotment and/or to transfer part of your rights to subscribe for the Rights Shares provisionally allotted to you or to transfer your rights to more than one person, the PAL must be surrendered by not later than 4:30 p.m. on Tuesday, 23 February 2016 at the Registrar which will cancel the original PAL and issue new PALs, in the denominations required which will be available for collection at the Registrar on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedure to be followed for acceptance and/or transfer of the whole or part of your provisional allotment.

All cheques and banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or banker's cashier order in payment for the Rights Shares accepted will constitute a warranty by the subscriber that the cheque or banker's cashier order will be honoured on first presentation. Any PAL in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and, in any event, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and will be available for application on EAFs.

If the Conditions are not fulfilled or the Underwriter terminates or rescind the Underwriting Agreement, the monies received in respect of applications for Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to the registered addresses or such other persons on Thursday, 10 March 2016.

LETTER FROM THE BOARD

APPLICATION FOR EXCESS RIGHTS SHARES

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, for any Rights Shares provisionally allotted but not accepted and for any unsold Rights Shares arising from the aggregation of fractional entitlement.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis. Subject to availability of the excess Rights Shares, the excess Rights Shares will be allocated to those who have applied for excess Rights Shares on a fair and equitable basis as far as practicable on the following principles:-

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their nil-paid Rights Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to the availability of excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Rights Shares applied for by them.

In applying the principles in (i) and (ii) above, reference will only be made to the number of excess Rights Shares being applied for. No reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company at the close of business on the Record Date. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

If you are a Qualifying Shareholder and you wish to apply for any Rights Shares in addition to your provisional allotment under the Rights Issue, you must complete and sign the enclosed EAF as indicated therein and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by not later than 4:00 p.m. on Wednesday, 2 March 2016. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Coolpad Group Limited – Excess Application Account**" and crossed "**Account Payee Only**".

If no additional Rights Shares are allotted to you, it is expected that the amount tendered on application will be refunded to you in full by ordinary post, at your risk, on Thursday, 10 March 2016. If the number of additional Right Shares allotted to you is less than that applied for, the surplus application monies will also be refunded to you by ordinary post, at your risk

LETTER FROM THE BOARD

to your registered address, on Thursday, 10 March 2016. Any such cheques will be drawn in favour of the person named on the EAF or, in the case of joint applicants, in favour of the applicant first named in the EAF. It is expected that share certificates in respect of the excess Rights Shares will be despatched by ordinary post to Shareholders at their own risk to their registered addresses on Thursday, 10 March 2016.

All cheques and banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgement of an EAF together with a cheque or banker's cashier order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. Without prejudice to its rights in respect thereof (but subject to the terms of the Underwriting Agreement), the Company reserves the right to reject any EAF in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation.

An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amount due, will be posted at the risk of the persons entitled thereto to their registered addresses.

If the Conditions are not fulfilled or the Underwriter terminates or rescind the Underwriting Agreement, the monies received in respect of applications for excess Rights Shares will be returned to the applicants in full without interest by means of cheques despatched in the ordinary post at the risk of such applicants on Thursday, 10 March 2016.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES IN NIL-PAID FORM

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Thursday, 28 January 2016. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 19 February 2016 to Friday, 26 February 2016 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

LETTER FROM THE BOARD

GENERAL

As the Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under Rule 7.19(6)(a) of the Listing Rules.

If you have questions in relation to the Rights Issue, please contact the Shareholder hotline on (+86 755 3302 3607) during business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday (other than Hong Kong public holidays).

FURTHER INFORMATION

Your attention is drawn to the further information set out in the appendices to this Prospectus.

By order of the Board
Coolpad Group Limited
GUO DEYING
Chairman

1. SUMMARY OF FINANCIAL RESULTS

Financial information of the Group for the years ended 31 December 2012, 31 December 2013 and 31 December 2014, including the notes thereto, have been published in the annual reports of the Company for the years ended 31 December 2012 (pages 42 to 126), 31 December 2013 (pages 42 to 138) and 31 December 2014 (pages 40 to 140) respectively, which are incorporated by reference into this Prospectus. They can be accessed on the website of the Company (www.coolpad.com.hk) and the website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2015 published by the Company can be accessed on the website of the Company (www.coolpad.com.hk) and the website of the Stock Exchange (www.hkexnews.hk).

2. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseen circumstances and after taking into account the financial resources available to the Group including, the cash flows to be generated from the operating activities and the expected net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements and for the period up to the twelve months from the date of this Prospectus.

3. STATEMENT OF INDEBTEDNESS

Indebtedness

At the close of business on 31 January 2016, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining information contained in this statement of indebtedness, the Group had an aggregate outstanding indebtedness of approximately HK\$1,620 million, details of which are as follows:

	<i>HK\$'000</i>
<i>Current</i>	
Bank loans – secured	335,427
Bank loans – unsecured	891,891
Other borrowings – unsecured	237,838
<i>Non-current</i>	
Bank loans – secured	154,594
	<hr/>
Other borrowings – unsecured	346
	<hr/>
Total borrowings	<u><u>1,620,096</u></u>

As at 31 January 2016, the following assets of the Group were pledged for certain bank borrowings: certain properties and plants of the Group located in mainland China, the total book value of which were approximately HK\$212.3 million; and the Group's time deposits of approximately HK\$77.3 million were also used to secure bank loans. As at 31 January 2016, the Group's time deposits of approximately HK\$317.3 million were used to secure bills payable and approximately HK\$24.2 million were used as security for the banks to provide a performance guarantee.

Contingent liabilities

As at 31 January 2016, the Group did not have any significant contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at 31 January 2016.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 January 2016.

4. MATERIAL ACQUISITION

The assets acquired by the Group after 31 December 2014, being the date to which the latest published audited accounts have been made up, whose profits or assets will make a material contribution to the figures in the next published accounts is summarised as follows:

On 18 September 2015, the Company entered into a share adjustment framework agreement (the "**Share Adjustment Framework Agreement**") with Tech Time Development Limited and Coolpad E-Commerce Inc. ("**Coolpad E-Commerce**"), according to which (i) each share of Coolpad E-Commerce will be split into 10 shares; and (ii) certain internet related business injected by the Group into Coolpad E-Commerce as disclosed in the Company's circulars dated 12 February 2015 and 31 January 2016 will be acquired by the Company at an estimated consideration of US\$255,000,000, which will be satisfied by the Company's disposal of 6,800 shares of Coolpad E-Commerce. Upon completion of the Share Adjustment Framework Agreement, the equity interest held by the Company in Coolpad E-Commerce will be decreased from 50.5% to 25%. The Share Adjustment Framework Agreement is subject to shareholders' approval.

5. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors confirm that there is no material adverse change in the financial or trading position of the Group since 31 December 2014, the date to which the latest published audited financial statement of the Group were made up.

6. GENERAL BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in developing wireless telecommunications technological know-how in wireless telecommunications across multiple wireless telecommunications network standards and providing integrated solutions for smartphone sets, mobile data platform system, and value-added business operations.

The Group has been actively expanding its business with the aim of enhancing its overall financial performance and bringing its Shareholders with increasing return. Even though the smartphone market is volatile and becoming more fierce, the Group restructured its business units to support its long-term growth and actively promoted its brand awareness. More resources and working capital of the Group will be put into the developments of new technologies and the expansion of the retail open channels. Meanwhile, in addition to the market in Mainland China, the Group also engages in the sales of smartphones in the overseas markets, including India, USA, Western Europe, and Southeast Asia. In order to provide better user experience and strengthen its operational capability in the mobile internet field, the Group also set up strategic cooperation with major internet companies and expects to construct a mobile internet ecosystem.

Looking forward, the Group will continue to leverage innovation and expertise to satisfy diverse user needs, enhance core competitive strengths and the user experience of the products in the rapidly evolving global smartphone industry. Even though the environment of the smartphone market will be volatile, the Group will further consolidate its domestic 4G smartphone market and expand the overseas market aggressively, depending on the four BUs and the coming more powerful ecosystem. The Group believes that the 4G smartphone market and the fast growth of the mobile internet market will bring it much more opportunities. The Group should work hard to strive for more chances of the markets' development and sustained growth with the notion of opening and sharing, through the innovative technologies, the hard-working philosophy, the quick-responded capabilities to the market demands, and the differentiated product positioning.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**Introduction**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 30 June 2015.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, because of its nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at the date to which it is made up or at any future date; and

The Unaudited Pro Forma Financial Information of the Group is prepared by the director based on the unaudited consolidated statement of financial position of the Group as at 30 June 2015, extracted from the published interim report of the Group for the six months ended 30 June 2015, with adjustments described below.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2015 <i>HKD'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HKD'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the completion of the Rights Issue <i>HKD'000</i>	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 30 June 2015 <i>HKD</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after the completion of the Rights Issue <i>HKD</i> <i>(Note 4)</i>
Based on 653,189,580 Rights Shares at a Subscription Price of HK\$1.10 per Rights Share				
7,895,308	697,659	8,592,967	1.8131	1.7159

Notes:

1. Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2015 is calculated as follows:

	<i>HKD'000</i>
Unaudited consolidated net assets of the Group as at 30 June 2015	7,997,085
Less:	
Intangible assets	(100,842)
Non-controlling interests	(935)
	<u>7,895,308</u>

2. The estimated net proceeds from the Rights Issue are based on the 653,189,580 Rights Shares to be issued at a Subscription Price of HK\$1.10 per Rights Share after deduction of the estimated related expenses, including among others, estimated underwriting commission and other professional fees, which are directly attributable to the Rights Issue, of approximately HK\$20,850,000.
3. The calculation of unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share is based on the unaudited consolidated net tangible assets as at 30 June 2015 and the number of shares of 4,354,597,200 as at the Latest Practicable Date.
4. The calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share after the completion of the Rights Issue is based on 5,007,786,780 Shares which comprise 4,354,597,200 Shares in issue as at the Latest Practicable Date and 653,189,580 Rights Shares to be issued.
5. Save as disclosed above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2015.

**2. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus, in respect of the unaudited pro forma financial information of the Group.



22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

17 February 2016

TO THE DIRECTORS OF COOLPAD GROUP LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Coolpad Group Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 30 June 2015, and related notes set out on page II-1 to II-2 of the prospectus dated 17 February 2016 (the “Prospectus”) issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 653,189,580 new shares of the Company (the “Rights Shares”) at the subscription price of HK\$1.10 per Rights Share on the basis of three Rights Shares for every twenty existing shares (the “Rights Issue”) on the Group’s financial position as at 30 June 2015 as if the proposed Rights Issue had taken place at 30 June 2015. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the Directors from the Group’s financial statements for the six months ended 30 June 2015, on which no audit or review report has been published.

Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the proposed Rights Issue on unadjusted financial information of the Group as if the proposed Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Rights Issue at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the proposed Rights Issue, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the proposed Rights Issue in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Prospectus misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date up to completion of the Rights Issue) was and will be as follows:

As at the Latest Practicable Date

HK\$

Authorised:

<u>20,000,000,000</u>	Shares of HK\$0.01 each	<u>200,000,000</u>
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Issued and fully paid:

<u>4,354,597,200</u>	Shares of HK\$0.01 each	<u>43,545,972</u>
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Immediately after completion of the Rights Issue

HK\$

Rights Shares to be issued:

<u>653,189,580</u>	Shares of HK\$0.01 each	<u>6,531,895.80</u>
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Issued and fully paid:

<u>4,354,597,200</u>	Shares of HK\$0.01 each	<u>43,545,972</u>
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Shares in issue immediately upon completion of the Rights Issue:

<u>5,007,786,780</u>	Shares of HK\$0.01 each	<u>50,077,867.80</u>
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The Right Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

No part of the share capital or any other securities of the Company has been listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Right Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Share Options outstanding as at the date of this announcement have the following exercise price, exercise period and expiry date (*Note*):

	Exercise price per share (HK\$)	Exercise period	Expiry date	Number of Share Options held by employees/ Directors
Employees				
	0.199	27 February 2013 to 26 February 2017	26 February 2017	1,000,000
	0.199	27 February 2014 to 26 February 2017	26 February 2017	1,000,000
	0.199	27 February 2015 to 26 February 2017	26 February 2017	1,000,000
	0.199	27 February 2016 to 26 February 2017	26 February 2017	1,000,000
	0.337	20 May 2015 to 19 May 2018	19 May 2018	1,372,000
	0.337	20 May 2016 to 19 May 2018	19 May 2018	1,496,000
	0.337	20 May 2017 to 19 May 2018	19 May 2018	1,496,000
	1.620	28 June 2012 to 27 June 2016	27 June 2016	8,884,000

Exercise price per share (HK\$)	Exercise period	Expiry date	Number of Share Options held by employees/ Directors
1.620	28 June 2015 to 27 June 2017	27 June 2017	9,336,000
1.620	28 June 2016 to 27 June 2017	27 June 2017	4,952,000
1.620	28 June 2015 to 27 June 2018	27 June 2018	7,976,000
1.620	28 June 2016 to 27 June 2018	27 June 2018	4,764,000
1.620	28 June 2017 to 27 June 2018	27 June 2018	4,764,000
0.839	12 July 2012 to 11 July 2016	11 July 2016	12,952,800
0.839	12 July 2015 to 11 July 2018	11 July 2018	48,000
0.839	12 July 2016 to 11 July 2018	11 July 2018	144,000
0.839	12 July 2017 to 11 July 2018	11 July 2018	144,000
1.164	27 December 2015 to 27 December 2017	27 December 2017	20,072,500
1.164	27 December 2016 to 27 December 2017	27 December 2017	11,067,500
1.164	27 December 2015 to 27 December 2019	27 December 2019	1,392,000

Exercise price per share (HK\$)	Exercise period	Expiry date	Number of Share Options held by employees/ Directors
1.164	27 December 2016 to 27 December 2019	27 December 2019	1,488,000
1.164	27 December 2017 to 27 December 2019	27 December 2019	1,488,000
1.164	27 December 2018 to 27 December 2019	27 December 2019	1,488,000
1.540	10 January 2015 to 10 January 2019	10 January 2019	4,480,000
1.540	10 January 2016 to 10 January 2019	10 January 2019	11,960,000
1.540	10 January 2017 to 10 January 2019	10 January 2019	11,960,000
1.540	10 January 2018 to 10 January 2019	10 January 2019	11,960,000
1.540	10 January 2017 to 10 January 2021	10 January 2021	2,000,000
1.492	22 January 2016 to 22 January 2020	22 January 2020	16,736,000
1.492	22 January 2017 to 22 January 2020	22 January 2020	16,736,000
1.492	22 January 2018 to 22 January 2020	22 January 2020	16,736,000

	Exercise price per share (HK\$)	Exercise period	Expiry date	Number of Share Options held by employees/ Directors
	1.492	22 January 2019 to 22 January 2020	22 January 2020	16,736,000
	1.492	22 January 2017 to 22 January 2021	22 January 2021	11,232,000
	1.620	16 October 2016 to 16 October 2020	16 October 2020	88,032,000
	1.620	16 October 2017 to 16 October 2021	16 October 2021	76,000,000
Directors				
	0.199	27 February 2015 to 26 February 2017	26 February 2017	1,000,000
	0.199	27 February 2016 to 26 February 2017	26 February 2017	1,000,000
	1.620	28 June 2014 to 27 June 2018	27 June 2018	2,000,000
	1.620	28 June 2016 to 27 June 2018	27 June 2018	1,000,000
	1.620	28 June 2017 to 27 June 2018	27 June 2018	1,000,000
	0.839	12 July 2012 to 11 July 2016	11 July 2016	1,200,000
	1.164	27 December 2015 to 27 December 2019	27 December 2019	1,000,000

Exercise price per share (HK\$)	Exercise period	Expiry date	Number of Share Options held by employees/ Directors
1.164	27 December 2016 to 27 December 2019	27 December 2019	1,000,000
1.164	27 December 2017 to 27 December 2019	27 December 2019	1,000,000
1.164	27 December 2018 to 27 December 2019	27 December 2019	1,000,000
1.620	16 October 2017 to 16 October 2021	16 October 2021	40,000,000

Note: As at the date of the Announcement, the Company has outstanding Share Options carrying rights to subscribe for total of 435,092,800 new Shares of which Share Options carrying the rights to subscribe for a total of 103,409,300 new Shares are exercisable during the period covering the date of the Announcement until the Record Date. Such outstanding Share Options have all been vested and are exercisable as at the date of the Announcement and before the Record Date. Assuming no grant of Share Options by the Company and full exercise of the subscription rights attaching to such outstanding and exercisable Share Options, an additional 15,511,395 Rights Shares will be issued.

From the date of the Underwriting Agreement and up to the Latest Practicable Date, none of the Share Options was exercised.

Save for the Share Options, the Group had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares as at the Latest Practicable Date.

Save as disclosed in this Prospectus, as at the Latest Practicable Date, no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option. As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Interests of Directors in the Company and associated corporations of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in Shares and underlying Shares and debentures of the Company

Name of Director	Notes	Directly Beneficially Owned	Through Spouse or minor children	Through controlled corporation	Beneficiary of a trust	Founder of a trust	Share Option	Total	Approximate % of the Company's issued share capital
Mr. Guo Deying	1 & 5	-1,014,256,870		483,000	-1,014,256,870		-1,014,739,870		23.30
Mr. Jia Yueting	2 & 5	-	-	897,437,000	-	-	-897,437,000		20.61
Mr. Jiang	3 & 5	28,980,000	-	-	483,000	-	-29,463,000		0.68
Mr. Li	4 & 5	20,125,000	-	-	-	-51,200,000	71,325,000		1.64
Mr. Chan King Chung	5	441,600	-	-	-	-	-441,600		0.01
Mr. Huang Dazhan	5	331,200	-	-	-	-	-331,200		0.01
Mr. Xie Weixin	5	441,600	-	-	-	-	-441,600		0.01

Long position in shares of an associated corporation

Name of director	Notes	Name of associated corporation	Through Spouse or minor children	Founder of a discretionary trust	% of issued share capital of the associated corporation
Mr. Guo Deying	<i>I</i>	Data Dreamland	1,000	1,000	100

Notes:

- The entire issued share capital of Data Dreamland is held by Barrie Bay, which is acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a unit trust held by HSBC Trustee acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a discretionary trust set up by Mr. Guo Deying (“**Mr. Guo**”), an executive Director, and his spouse, Ms. Yang Xiao (“**Ms. Yang**”), the beneficiary objects of which include the children of Mr. Guo and Ms. Yang. Each of Mr. Guo and Ms. Yang is taken to be interested in the 1,014,256,870 shares (long positions) held by Data Dreamland as each of them is a settlor of the Barrie Bay Trust and by virtue of the interests of their minor children under the Barrie Bay Trust. The long positions in the Company’s shares of each of Mr. Guo and Ms. Yang under the column “Through spouse or minor children” and the column “Founder of a discretionary trust” in the table headed “Long positions in shares of the Company” above refers to the same 1,014,256,870 shares (long positions). Each of Mr. Guo and Ms. Yang is taken to be interested in the entire issued share capital of Data Dreamland as each of them is a settlor of the Barrie Bay Trust and by virtue of the interests of their minor children under the Barrie Bay Trust. The long positions in shares of Data Dreamland of each of Mr. Guo and Ms. Yang in the column “Through spouse or minor children” and the column “Founder of a discretionary trust” under the table headed “Long positions in shares of an associated corporation” above refers to the same 1,000 shares.

Mr. Guo was taken to be interested in the 483,000 shares held by Wintech Consultants Limited as he was one out of the three directors of Wintech Consultants Limited and the other two directors were accustomed to act in accordance with Mr. Guo’s direction.

- 897,437,000 Shares are held by Leview, the entire share capital of which is held by Leview Mobile Ltd., the entire share capital of which is held by Le Ltd., the entire share capital of which is held by Lele Holding Ltd., the entire share capital of which is held by Mr. Jia Yueting.
- Mr. Jiang, an executive Director, was interested in the 483,000 shares held by Wintech Consultants Limited as he was one of the discretionary objects under the China Wireless Employee Benefit Trust, a discretionary trust established for the benefit of the employees of the Group and the China Wireless Share Award Plan.
- The interests of Mr. Li in the underlying Shares are the options granted to Mr. Li by the Company under the Share Option Schemes.
- The Shares in which the Directors are interested include the Shares proposed to be issued under the Rights Issue (assuming all Rights Shares are subscribed by the relevant Directors based on their pro-rata entitlement).

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

Long position in Shares

Name	Notes	Number of share in which interested	Nature of interest	Total Number of shares	% of the Company's Issued share capital
Data Dreamland	1 & 4	1,014,256,870	Beneficial owner	1,014,256,870	23.29
Barrie Bay	2 & 4	1,014,256,870	Interest of controlled corporation	1,014,256,870	23.29
HSBC Trustee	2 & 3	1,015,256,870	Trustee	1,015,256,870	23.31
Ms. Yang Xiao	1 & 4	1,014,739,870	Spouse interest	1,014,739,870	23.30
Underwriter	5	397,370,206	Interest of controlled corporation	397,370,206	9.13

Notes:

- The entire issued share capital of Data Dreamland is held by Barrie Bay. Barrie Bay is acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a unit trust which are held by HSBC Trustee, which is acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a discretionary trust set up by Mr. Guo and Ms. Yang and the discretionary objects of which include the minor children of Mr. Guo and Ms. Yang.
- 1,014,256,870 Shares are held by Data Dreamland, the entire share capital of which is held by Barrie Bay, which is acting as the trustee of the Barrie Bay Trust and the entire issued share capital of which is held by HSBC Trustee. The remaining 1,000,000 Shares are held by HSBC Trustee privately as trustee of other trust(s).
- The Shares in which HSBC Trustee is interested include the Shares proposed to be issued under the Rights Issue (assuming all Rights Shares are subscribed by Data Dreamland based on its entitlement).
- The Shares in which the substantial Shareholders are interested include the Shares proposed to be issued under the Rights Issue (assuming all Rights Shares are subscribed by the relevant Shareholders based on their pro-rata entitlement).
- The Underwriter has entered into a separate sub-underwriting letter with Sub-underwriter in respect of the Rights Issue. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Sub-underwriter is an independent third party not connected with any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates as defined in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, no other parties (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

5. INTEREST OF DIRECTORS

As at the Latest Practicable Date:

- (i) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2014 (being the date to which the latest audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, the following Directors (not being independent non-executive Directors) were considered to have interests in businesses apart from the Group's businesses which compete, or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules as set out below:

As at the Latest Practicable Date, Mr. Jia Yueting, the executive Director, is a shareholder and director of Beijing Baile Culture Communication Co., Ltd. (北京百樂文化傳媒有限公司, which is a holding company with subsidiaries principally engaged in mobile phone and therefore, Mr. Jia Yueting is considered to have interest in the business which competes or is likely to compete, either directly or indirectly, with the mobile phone businesses of the Group ("Businesses") pursuant to the Listing Rules.

Although Mr. Jia Yueting have competing interests in other companies, he will fulfill his fiduciary duties in order to ensure that he will act in the best interest of the Shareholders and the Group as a whole at all times.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest in any business which competes or likely to compete, either directly or indirectly, with the Businesses.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other company in the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against either the Company or any other company in the Group.

9. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office of the Company	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	Room 1902, Mass Mutual Tower 38 Gloucester Road Wanchai Hong Kong
Share registrar and transfer office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Authorised representatives	Mr. Jiang Chao Mr. Li Bin The business address of both authorised representatives is located at: Room 1902, Mass Mutual Tower 38 Gloucester Road Wanchai Hong Kong

Company secretary	Mr. Jiang Chao, ACCA
Auditors	Ernst & Young Certified Public Accountants 22/F CITIC Tower 1 Tim Mei Avenue Central Hong Kong
Underwriter	UOB Kay Hian (Hong Kong) Limited 15th Floor, China Building 29 Queen's Road Central Hong Kong
Principal bankers	Hong Kong and Shanghai Banking (Hong Kong) Co., Ltd. Level 9 HSBC Building Tsim Sha Tsui 82-84 Nathan Road Tsim Sha Tsui Kowloon Hong Kong DBS Bank (Hong Kong) Ltd. 18/F The Center 99 Queen's Road Central Central Hong Kong
Legal advisors (as to Hong Kong law and Rights Issue)	DLA Piper Hong Kong 17th Floor, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong
Legal advisors (as to BVI law)	Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place Central Hong Kong

10. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT**Business address**

The business address of all Directors is located at Room 1902, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong.

Brief biographical details*Executive Directors***Mr. Guo Deying**

Mr. Guo, aged 51, is the chairman and chief executive officer of the Group. He is responsible for the Group's overall management and the strategic development. Mr. Guo has been the chairman, the legal representative and the general manager of the Group since its establishment in 1993. Mr. Guo has about 19 years of experience in wireless communication industry. Mr. Guo was certified as an engineer by Shenzhen City Engineering Technical Central Examination Board (深圳市工程技術中評委) in December 1991. He holds a master's degree in engineering from Shanghai Jiao Tong University (上海交通大學). Mr. Guo was appointed as a guest professor by Xidian University (西安電子科技大學) for its computer network and information security department in November 2003. In October 2004, Mr. Guo was accredited as Outstanding Entrepreneur of Private-owned Technology Companies in the PRC (中國優秀民營科技企業家) by China National Industrial and Commercial Association (中華全國工商業聯合會) and China Private-owned Technology Industrialists Association (中國民營科技實業家協會). In July 2008, Mr. Guo was awarded Mayor Award of Shenzhen (深圳市長獎) by the Shenzhen Municipal Government. Mr. Guo is a member of Guangdong province of Chinese People's Political Consultative Conference.

Mr. Jiang Chao

Mr. Jiang Chao, aged 45, is an executive Director, the vice chairman and Company Secretary of the Company, the chief financial officer, and vice president of the Group. Mr. Jiang is responsible primarily for the finance and administrative functions of the Group. He is an associate member of the Association of Chartered Certified Accountant and a certified public accountant in the PRC. Mr. Jiang joined the Group in June 2002 and he has about 20 years of experience in accounting and finance. Prior to joining the Group, he had worked for the State Audit Bureau. Mr. Jiang had also worked for Qiaoxing Electronic Company Limited and ZTE Corporation Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 763), where he was responsible for financial and accounting functions. Mr. Jiang was an independent non-executive director of Ming Fung Jewellery Group Limited (the shares of which are listed on the Stock Exchange, stock code: 860) from 2010 to 2015. Mr. Jiang is a member of Futian Committee of Chinese People's Political Consultative Conference. Mr. Jiang obtained a bachelor's degree in economics from Sun Yat-Sen University in 1991.

Mr. Li Bin

Mr. Li, aged 45, is an executive Director of the Company. Mr. Li obtained a bachelor's degree in computer science and software engineering from Huazhong University of Science and Technology (華中理工大學) in 1992. Mr. Li has more than ten years of experience in software development and testing. Mr. Li joined the Group in June 1996. Prior to joining the Group, Mr. Li worked in China Sanjiang Aviation Industry Group Company (中國三江航天工業集團有限公司). Before his appointment as an executive director of the Company, he was a deputy general manager of the Group and was responsible for the research and development of software and testing.

Mr. Jia Yueting

Mr. Jia, aged 43, is an executive Director of the Company. Mr. Jia obtained his MBA degree from Shanxi University in September 2001. From September 1995 to July 1996, Mr. Jia worked as a network administrator at Yuanqu County Local Taxation Bureau in Shanxi Province. From 1996 to 2002, he worked as the general manager of Shanxi Yuanqu Zhuoyue Industry Co., Ltd.(山西垣曲縣卓越實業公司). Mr. Jia founded Shanxi XBELL Communication Technology Co., Ltd.(山西西貝爾通信科技有限公司) in 2002. He is the founding chairman of Beijing XBELL Communication Technology Co., Ltd., a company established in 2003 and listed on the Mainboard of the Singapore Exchange Limited in 2007 (stock code: D3W). In 2004, he founded Leshi Internet Information & Technology Corp. Beijing (“LETV”), a company listed on the Shenzhen Stock Exchange (stock code: 300104), which is the first movie and drama website in China and the leading provider of mobile TV and internet TV services in China, and the first listed video website in China. Mr. Jia is the chairman and general manager of LETV.

Mr. Liu Hong

Mr. LIU Hong, aged 43, is an executive Director of the Company. Mr. Liu graduated and obtained a Bachelor's Degree in Mechanical Manufacturing Technology and Equipment from Nanchang Institute of Aeronautical Technology in July 1995; graduated and obtained a Bachelor's Degree in Journalism from Beijing Broadcasting Institute in July 1997; and graduated and obtained a Master's degree in Law from the University of International Business and Economics in January 2003. He is also a veteran reporter. From 1997 to 2004, he worked as a reporter at China Radio International (中國國際廣播電台). He was included among the 100 top journalists in 1998 by the Publicity Department of the CPC Central Committee for his efforts in reporting flood disaster relief actions in China. He joined LETV, a company listed on the Shenzhen Stock Exchange (stock code: 300104), in October 2004 and held various positions in LETV from 2004 to 2008, including deputy general manager and head of financial department. He is the vice-chairman and deputy general manager of LETV. He is also serving as the non-executive director of Beijing Media Corporation Limited, a company listed on the Stock Exchange (1000).

*Independent non-executive Directors***Dr. Huang Dazhan**

Dr. Huang, aged 58, is an independent non-executive Director and joined the Group in November 2004. Dr. Huang obtained his doctorate degree from The Victoria University of Manchester, England, the United Kingdom in 1993. Dr. Huang now serves at China Merchants Group.

Mr. Xie Weixin

Mr. XIE Weixin, aged 74, is an independent non-executive Director and joined the Group in November 2004. Mr. Xie graduated from the Department of Electronics Engineering of Xi'an University of Electronics Technology in 1965. Mr. Xie was a visiting scholar in University of Pennsylvania during the period from 1981 to 1983 and from 1989 to 1990, respectively. He was honored as one of the national outstanding middle-aged and young experts. Mr. Xie currently is the chairman of the Academic Committee of Shenzhen University, a professor in College of Information Engineering of Shenzhen University, and was an independent non-executive director of Shenzhen Sed Industry Co. Limited (深圳桑達實業有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000032) from 2010 to 2014.

Mr. Chan King Chung

Mr. CHAN King Chung, aged 53, is an independent non-executive Director and joined the Group in November 2004. He obtained a bachelor's degree in business administration and accountancy from the Chinese University of Hong Kong in 1987 and City University of Hong Kong in 1993, respectively. Mr. CHAN also obtained a Master degree in accountancy and business administration. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Hong Kong Institute of Company Secretaries. Mr. CHAN has more than 20 years of experience in corporate governance, management and financial controlling.

Save as disclosed in this Prospectus, as at the Latest Practicable Date, none of the Directors has held any directorship in other listed companies in Hong Kong or overseas in the past three years.

Save as disclosed in this Prospectus, as at the Latest Practicable Date, none of the Directors is a director or an employee of a company which has an interest or short position in the Shares and underlying Shares of which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

11. MATERIAL CONTRACTS

The following contracts are contracts that are or may be material, not being contracts entered into during the ordinary course of business, and have been entered into by the Group within two years preceding the Latest Practicable Date:

- (a) the share subscription agreement dated 16 December 2014 and entered into among the Company, Coolpad E-Commerce Inc. (“**Coolpad E-Commerce**”) and Tech Time Development Limited (“**Tech Time**”), according to which, Tech Time agreed to subscribe and Coolpad E-Commerce agreed to allot and issue 900 ordinary shares of US\$0.01 each at the total consideration of US\$409.05 million;
- (b) the shareholders’ agreement dated 9 January 2015 and entered into among the Company, Coolpad E-Commerce and Tech Time, in relation to the respective shareholders’ rights of the Company and Tech Time in Coolpad E-Commerce, details of which are set out in the Company’s announcement dated 9 January 2015 and the Company’s circular dated 12 February 2015;
- (c) the agreement dated 18 September 2015 entered into between the Company, Tech Time and Coolpad E-Commerce in relation to, among others, the share adjustment as a result of the share split and share repurchase by Coolpad E-Commerce of 6,800 shares of Coolpad E-Commerce held by the Company, details of which are set out in the Company’s announcement dated 18 September 2015; and
- (d) the Underwriting Agreement.

12. EXPERT’S QUALIFICATION AND CONSENT

The following are the qualification of the expert who has given opinion or advice which is contained in the Prospectus:

Name	Qualification
Ernst & Young (“ Reporting Accountants ”)	Certified Public Accountants

As at the Latest Practicable Date, the Reporting Accountants was not interested beneficially in the shares in any member of the Group and did not has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, the Reporting Accountants did not have any direct or indirect interest in any assets which has been acquired or disposed of by or leased to the Group or are proposed to be acquired or disposed of by or leased to the Group since 31 December 2014, being the date up to which the latest published audited consolidated accounts of the Company was made up.

As at the Latest Practicable Date, the Reporting Accountants has given and has not withdrawn their written consent to the issue of the Prospectus with the inclusion of and reference to their name in the form and context in which it appears.

13. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL

A significant part of the Group's turnover and operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Under the PRC existing foreign exchange regulations, the foreign exchange disbursements under current accounts (including payment of dividends, trade and service-related foreign exchange) can be paid with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations without prior approval from PRC foreign exchange administrative department by complying with certain procedural requirements. However, for the foreign exchange disbursements under capital account (such as the repayment of foreign debts and foreign investments), which according to applicable PRC laws and regulations are required to be filed by the competent bank pursuant to Circular 13 (the Notices on Further Simplifying and Improving Administrative Policies on the Direct Investment of Foreign Exchange) entered into effect as of June 1, 2015, such filing shall be obtained before paying the foreign exchange disbursements with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations.

Save as disclosed above, the Directors are not aware of any other restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside Hong Kong.

14. MISCELLANEOUS

The English text of the Prospectus shall prevail over the Chinese text.

15. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing and translation costs, registration fees, legal and accountancy charges and other fees are estimated to amount to approximately HK\$21 million and will be payable by the Company.

16. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an acceptance or application is made pursuant to any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable. The English text of the Prospectus shall prevail over the Chinese text.

17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in this Appendix, has been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company at Room 1902, Mass Mutual Tower, 38 Gloucester Road, Wanchai, Hong Kong for a period of 14 days from the date of this Prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2013 and 2014;
- (c) the accountants’ report on unaudited pro forma financial information of the Group from Ernst & Young, the text of which is set out in Appendix II to this Prospectus;
- (d) the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in this Appendix;
- (e) the material contracts referred to in the paragraph headed “Material Contracts” in this Appendix;
- (f) a copy of each circular issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules which has been issued since 31 December 2014; and
- (g) this Prospectus.