



Coolpad 酷派

Coolpad Achieves Record Highs in Revenue, Reaching HK\$14.9 billion

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Occupies Leading Position in 4G Market Reaps Initial Success in Development of E-Commerce Business

Financial Summary (Unaudited)

(HK\$'000)	For the Six Months Ended 30 June		
	2014	2013	Change
Revenue	14,934,734	9,647,783	↑54.8%
Gross Profit	2,025,907	1,269,921	↑59.5%
Profit Attributable to Owners of the Company	412,862	212,844	↑94.0%
Earnings per Share:			
- Basic	HK9.71 cents	HK5.05 cents	↑92.3%
- Diluted	HK9.46 cents	HK4.97 cents	↑90.3%

(Hong Kong, 21 August 2014) – **Coolpad Group Limited** (“Coolpad” or the “Group”) (stock code: 2369), China’s leading provider of smartphones and integrated wireless data solutions, announced its interim results for the six months ended 30 June 2014.

During the period, thanks to its leading 4G handset technology and its earlier strategy of shifting new models to 4G applications, the Group has occupied a leading position in the 4G smartphone market in China. The Group has maintained rapid growth in both sales volume and operating revenue. Operating revenue achieved new record of HK\$14.93 billion during the period, a year-on-year growth of 54.8%. Profit attributable to owners of the Company for the period increased by 94.0% year-on-year to HK\$413 million. Basic and diluted earnings per share were HK9.71 cents and HK9.46 cents respectively. The Board recommended payment of an interim dividend of HK1 cent per share for the six months ended 30 June 2014.

Mr. Guo Deying, Chairman of Coolpad Group Limited, said, “During the period under review, the Group has allocated more than half of its R&D resources to 4G products and officially launched the development strategy of ‘Coolpad LTE for all’. In the first quarter of 2014, the Group has launched a series of quality 4G smartphones at an affordable price of around RMB1,000. This initiative has blazed a new trail in the industry. The Coolpad 4G products were well-received by consumers due to their affordable prices, which has sparked a sharp increase in orders and a strong sales performance. These 4G products also perfectly complemented the 4G strategy of the telecommunications carriers and helped the Group to better capture the opportunities presented by China’s fast-growing 4G market. Coolpad has ranked first within China’s TD-LTE 4G smartphone industry in May and June this year, a truly remarkable achievement.”

In the first half 2014, the Group has launched a total of 29 new models, including 14 new 4G smartphones. The comprehensive product portfolio launched by the Group has ranged from the low/mid-end (S/K-series) to high-end/e-commerce models (Magview/Great God series). One of Coolpad’s 4G new items is the second best-selling 4G mobile phone model in the market. Some star models sold more than one million units, which greatly boosted the sales of Coolpad smartphones and enhanced the brand recognition of Coolpad. In April 2014, a Coolpad TD-LTE smartphone earned the Gold Award at the “2014 CITE Innovative Product and Application Award” as part of the 2nd China Information Technology Expo (CITE) held in Shenzhen. Meanwhile, the Group has started to execute its multi-channels strategy to sell Coolpad smartphones. While maintaining a close cooperative relationship with domestic and overseas telecommunications carriers, the Group has also utilised the strong brand recognition of its off-line sales to expand online sales. The online Great God series has achieved great success in the e-commerce channel, which has spurred the Group to expand e-commerce sales.

The Group has also strengthened its cooperation with the key components suppliers to meet its demands. To ensure timely delivery of some core components, the Group has concluded strategic agreements with these suppliers. With this advantage, the Group should be able to shorten the time-to-market of its new products. At the same time, the Group has focused on delicacy management to improve overall operational efficiency and control overall costs. The advanced management techniques and the improvements on the equipment and procedures for product testing and assembly assured both better product quality and production cost controls.

The Group has continued to optimise the Coolcloud platform to bring Coolpad users a better user experience with their smartphones. Other useful functions of the Coolpad smartphones, including Coolweather, Coolmedia, Coolfun and Coolnav, are also bringing a more convenient lifestyle to users. Meanwhile, the Group has sought to enhance its partnerships with internet companies and mobile gaming companies while expanding its internet-based business and boosting wireless application service income.

In the second half of 2014, the Group will launch more 4G new models to high-end, mid-range and low-end market segments. These new 4G models will support different types of networks including 3-mode, 4-mode and 5-mode, according to the different specifications of domestic telecommunications carriers. At the same time, the Group will continue to offer other smart accessories to the market, such as next generation smartwatches and Android set-top boxes.

Moreover, the Group will continue to focus on the customised smartphone market for the telecommunications carriers and collaborate with the carriers to launch more 4G smartphones. It will also continue to export more smartphones through overseas telecommunications carriers. As the Group gains a substantial volume of business from the initial joint promotion with overseas carriers, it will pursue further business expansion in Asia, North America, Europe and other international markets.

The Group will develop multiple channels to promote Coolpad smartphones. In addition to major traditional carriers' channels, the Group will increase the percentage of the e-commerce channel, thereby lowering operating expenses and gaining stronger branding. The multiple channel strategy will help the Group to maintain sustained growth in sales volume and increase the number of Coolpad users, ensuring sustained growth of the Group's mobile internet business and wireless application services income.

Mr. Guo concluded, "Looking ahead, in the rapidly changing global smartphone industry, the Group will continue to pursue innovation and leverage its industry experience and expertise to satisfy the diverse needs of a wide range of consumers, and unleash the power of 4G technology in its new products to enhance the user experience. As domestic operators continue to reduce their expenses and handset subsidies, the Group expects huge challenges in the future. There is also the prospect of keener competition ahead as more players enter the 4G smartphone market in China. However, the Group will draw on its innovative technology, careful attention to market needs, fast response to market needs and differentiated product positioning to strive for greater growth opportunities in the market and achieve stable growth."

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About Coolpad Group Limited

Coolpad Group Limited (Formerly known as China Wireless Technologies Limited) was founded in 1993, and was listed on the Main Board of the Stock Exchange of Hong Kong in December 2004. The Group is a leading developer and provider of integrated solutions for smartphones, mobile data platform systems and value-added business operations in China. The Group provides its products and services to enterprises, government organisations and mobile operators as well as individual consumers in China. The Group has developed advanced research and development capabilities in mobile communications. Its “Coolpad” brand has become a renowned leader in China’s smartphone market.

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