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## COOLPAD GROUP LIMITED

### 酷派集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2369)**

### INSIDE INFORMATION AND PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors that it is anticipated that the Company's 2016 Interim Results will record a loss of approximately HK\$2,050 million.

As the Company is still in the process of finalising the 2016 Interim Results, the information contained in this announcement is only a preliminary estimate prepared by the management of the Company for such period and is not based on any figures or information audited or reviewed by the Company's auditors.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

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

The board of directors of the Company (“**Board**”) wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that it is the current estimate of the Company's management that the Company's unaudited loss attributable to the owners of the Company for the six months ended 30 June 2016 (“**2016 Interim Results**”) will be approximately HK\$2,050 million, as compared to a profit attributable to the owners of the Company of approximately HK\$2,843 million and HK\$2,325 million for the six months ended 30 June 2015 and the year ended 31 December 2015, respectively.

Based on the analysis of the information available, such estimated loss is primarily attributable to:

- (a) a decrease in sales by approximately 40% and 10% as compared to that of the corresponding period in 2015 and the six months ended 31 December 2015, respectively. The decrease in sales was mainly due to the downturn and fierce competition in the domestic smartphone market, whilst the Group's business restructuring and development of open retail channel are yet to achieve any remarkable effect on improving the sales performance of the Group;
- (b) an expected loss of approximately HK\$1,890 million from the transactions under the share adjustment framework agreement ("**Share Adjustment Framework Agreement**") entered into between the Company, Tech Time Development Limited and Coolpad E-commerce Inc. ("**Coolpad E-commerce**"), as disclosed in the Company's announcements dated 23 March 2016 and 24 April 2016, respectively; and
- (c) an expected loss of approximately HK\$170 million for the six months ended 30 June 2016 recorded by the Company due to the loss of Coolpad E-commerce attributable to Company. The Company shared 50.5% of the loss recorded by Coolpad E-commerce before completion of the equity transfer under the Share Adjustment Framework Agreement on 22 April 2016 ("**Completion Date**") and the percentage of share of loss changed to 25% after the Completion Date.

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By order of the Board  
**Coolpad Group Limited**  
**GUO DEYING**  
*Chairman*

Hong Kong, 8 July 2016

*As at the date of this announcement, the executive Directors are Mr. Guo Deying, Mr. Jiang Chao, Mr. Li Bin, Mr. Jia Yueting and Mr. Liu Hong and the independent non-executive Directors are Dr. Huang Dazhan, Mr. Xie Weixin and Mr. Chan King Chung.*