

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



COOLPAD GROUP LIMITED

酷派集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

BUSINESS UPDATE

TERM SHEET FOR FORMATION OF JOINT VENTURE

This is a voluntary announcement made by Coolpad Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) for the purpose of informing the public with the latest business development of the Group.

The board of directors (the “**Board**”) the Company hereby announces that, on 7 September 2016, the Company entered into a non-legally binding term sheet (the “**Term Sheet**”) with China Baoli Technologies Holdings Limited (the “**China Baoli**”) in relation to the proposed formation of a joint venture (the “**Proposed Joint Venture**”) in China.

Pursuant to the Term Sheet, the Company (or one of its subsidiaries) and China Baoli (or one of its subsidiaries) intend to cooperate with each other to jointly develop dual screen (e-ink screen and colour screen) mobile handsets in China by way of formation of the Proposed Joint Venture. The Company and China Baoli will own as to 49% and 51% in the Proposed Joint Venture, respectively. The registered capital of the Proposed Joint Venture shall be RMB200 million, which will be contributed in cash by the Company in the amount of RMB98 million and China Baoli in the amount of RMB102 million in proportion to their respective shareholdings in the Proposed Joint Venture. The Proposed Joint Venture will not be deemed as the subsidiary of the Company.

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. China Baoli and its subsidiaries are principally engaged in leisure-related business including tourism and hospitality business, mobile technologies business, property business, gamma ray irradiation service, resources business, and securities trading and investment. To the best knowledge, information and belief of the directors of the Company after having made all reasonable enquiry, China Baoli and its ultimate beneficial substantial owners are third parties independent of the Company and its connected persons (as defined under the Rules (the “**Listing Rules**”) Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited).

China Baoli has the right to the exclusive use of the intellectual property as necessary to market and sell Yotaphone, the only dual screen mobile handset brand in mass production, in the Greater China (mainland China, Hong Kong, Macau and Taiwan) for the period of seven years. The cooperation with China Baoli under the Proposed Joint Venture can make the Group to further expand its mobile businesses with diversified products and access the dual screen mobile handsets market.

Shareholders and potential investors of the Company should note that the Term Sheet may or may not lead to the entering into of the definitive agreement and transactions contemplated thereunder may or may not be consummated. The Board wishes to emphasize that no binding agreement in relation to the Proposed Joint Venture has been entered into by the Company as at the date of this announcement. The Proposed Joint Venture, if materialized, may not constitute a notifiable transaction for the Company under the Listing Rules.

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

By order of the Board
Coolpad Group Limited
JIA YUETING
Chairman

Hong Kong, 7 September 2016

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