

Coolpad Group Limited

(Formerly known as China Wireless Technologies Limited)
(Incorporated in the Cayman Islands with limited liability, HKSE:2369)

2013 Annual Results Corporation Presentation

March, 2014





Safe Harbor Statement

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Important Notice

This document is sole for reference only. Directors of Coolpad Group Limited hereby confirm, both in a personal capacity and as representative of the group, that the Directors have conducted thorough consultation regarding the truth of the contents of this document.

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Agenda

1. Company Introduction

2. Financial Performance

3. Investment Highlights

4. Future Growth Strategies



Company Introduction

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China's leading 3G/4G smartphone developer & supplier

- An **innovative** wireless telecom product company with **core technologies**
- Owns the famous smartphone brand **COOLPAD**
- **Leads** in China's 3G/4G smartphone market with new models of **all-network in the pipelines** (No.3^[1])
- **Ranks No.7**^[2] in the global smartphone market in 2013
- Pioneers in the **dual-mode**^[3] smartphone market
- **Outstanding R&D capabilities** in mobile's software & hardware designs
- Focuses on complex **smartphone design and differentiating** mobile operating system development
- Maintains **close & comprehensive cooperation** with domestic and overseas telecom operators

[1] Representing Coolpad's domestic market position according to **SINO-MR** report in January 2014

[2] According to a report of research firm IDC in 2014

[3] A phone carrying dual SIM cards, standby & working simultaneously



Company Introduction

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The events promoted the Coolpad brand to be of better reputation

- January 2013, the Group took part in the **Consumer Electronics Show (CES) 2013** held in Las Vegas, America, and unveiled four new Coolpad quad-core smartphones
- February 2013, the Group attended the **Mobile World Congress 2013** held in Barcelona, Spain. More 3G and 4G Coolpad flagship smartphones were demonstrated at this exhibition
- April 2013, one TD-LTE Coolpad model was firstly launched at the 1st China Information Technology Expo (**CITE**) held in Shenzhen, China, selected as the winner of **2013 CITE innovative product and application award**
- July 2013, the Group was shortlisted as one of the **FORTUNE China Top 500 Chinese Companies** for the first time, ranking No. 342
- September 2013, the Group was selected as one of the **Deloitte Technology Fast 50 China 2013**
- October 2013, the Group was awarded with **Guangdong Quality Award and Shenzhen Mayor Quality Award** by Guangdong province and Shenzhen Municipal Government respectively for its commitment to constant improvement in corporate management



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Financial Performance

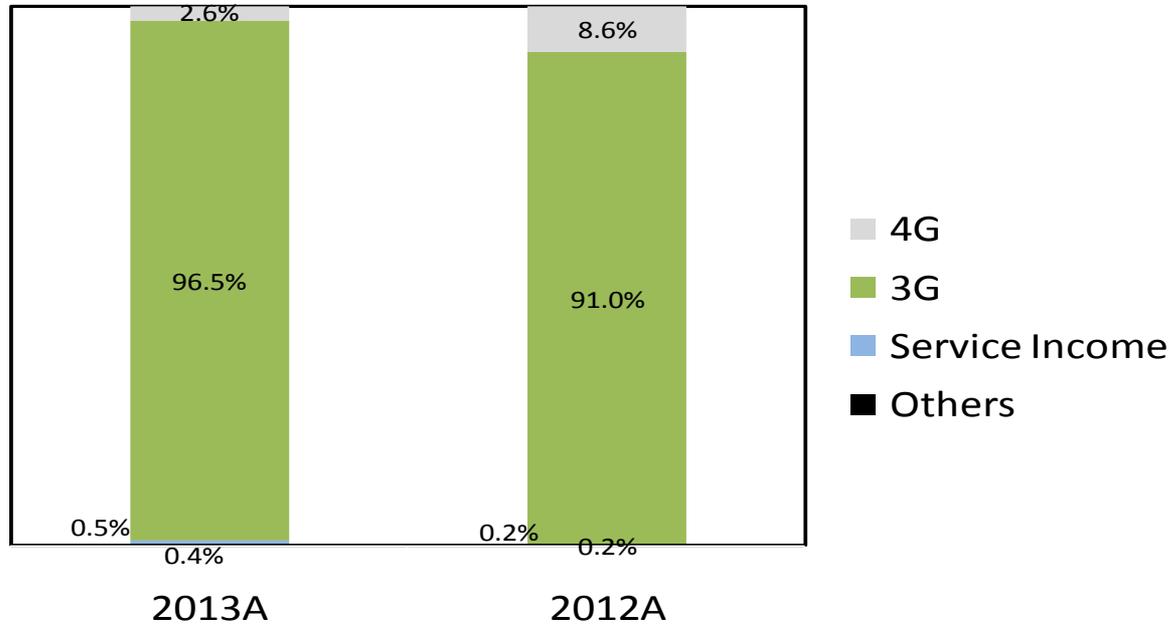
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<i>HK\$'000</i>	2013A	2012A	Change (%)
Revenue	19,623,652	14,390,166	↑36.4%
Profit before tax	437,373	418,160	↑4.6%
Tax	89,121	93,857	↓5.0%
Net profit attributable to owners of the Company	348,547	325,581	↑7.1%
Basic earnings per share (HK cents)	16.58	15.39	↑7.7%
Gross profit margin (%)	12.9	12.2	↑0.7ppt
% S&D	6.6	6.1	↑0.5ppt
% G&A	5.0	4.7	↑0.3ppt
Proposed final dividend per share (HK cents)	-	3.0	↓100%



Revenue by Products

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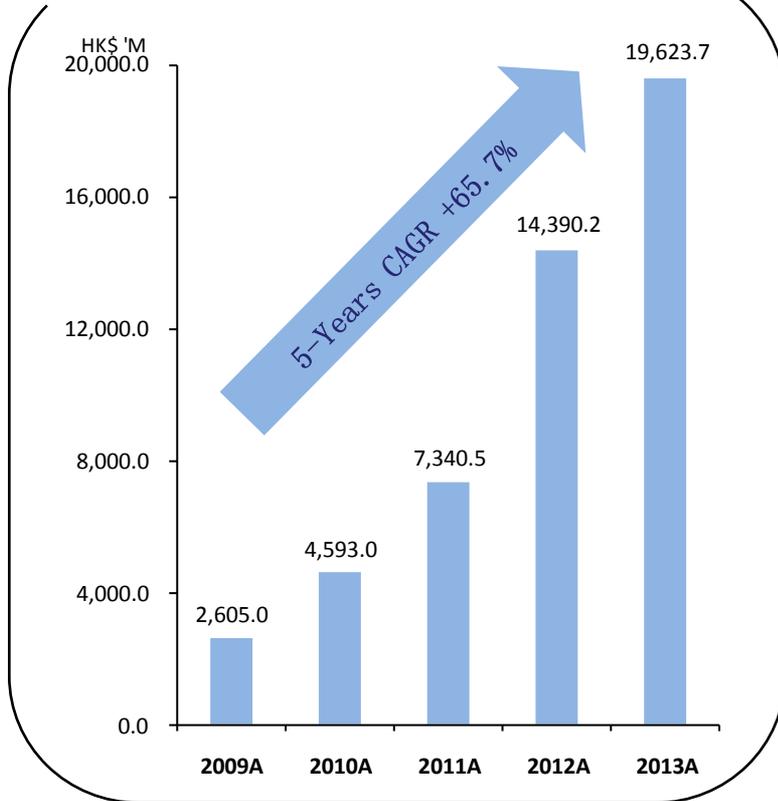
- Major Businesses: **3G, 4G Smartphone** contributed **96.5%, 2.6%** of total revenue respectively in FY2013
- Sales of **3G Smartphones** achieved a **44.6%** growth as compared with FY2012



Financial Performance

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Revenue



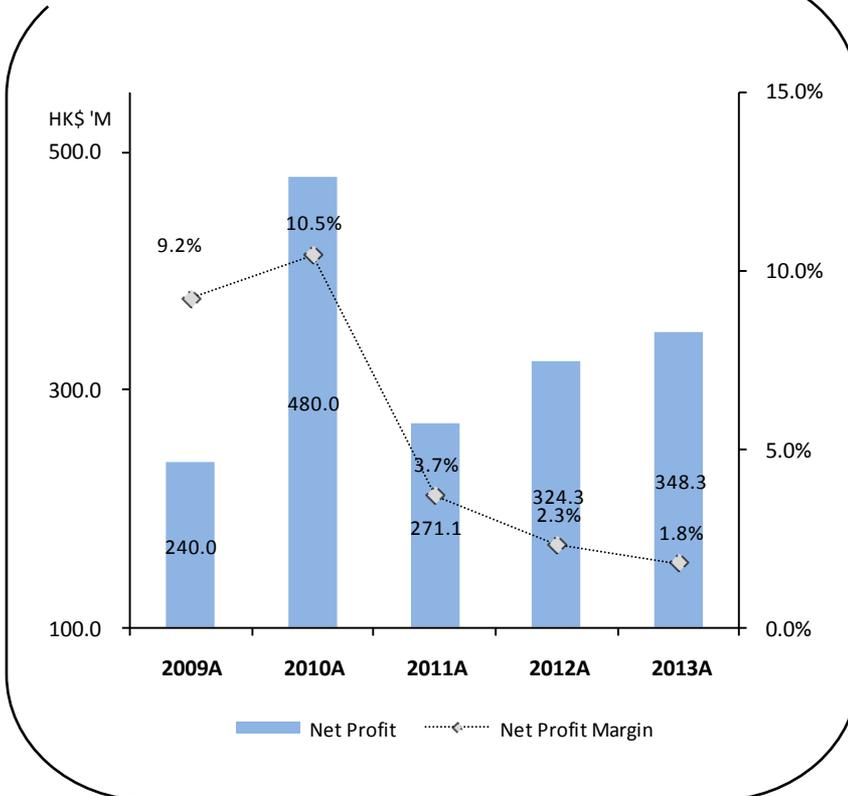
- Revenue surges 36.4% from FY2012
- Sustainable revenue growth was attributable to the **popularity** of domestic smartphone market, and the **high quality and reasonable price** of Coolpad new smartphones



Financial Performance

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Net Profit



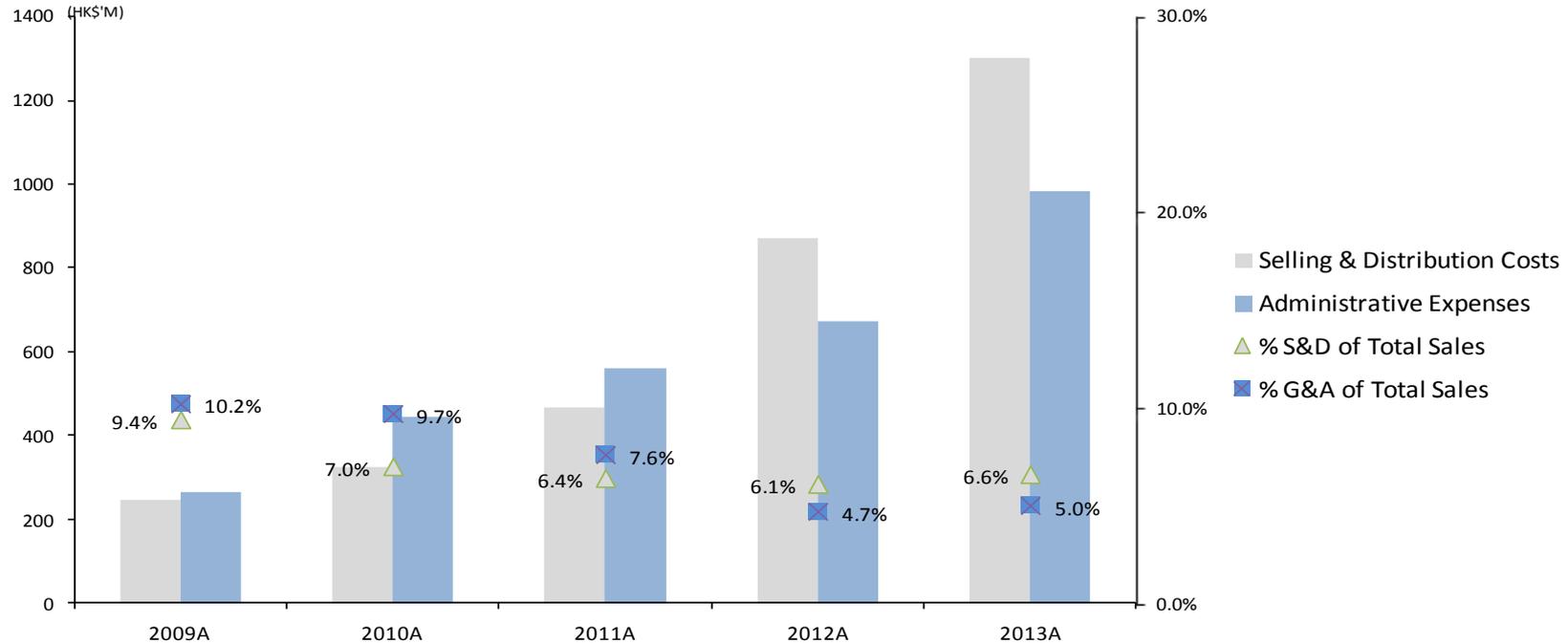
- Net Profit increased HK\$24.0 million to HK\$348.3 million, as compared with the year of FY2012
- Without taking into account a one-off expense of HK\$136.0 million, net of tax, arising from the Group's Reconstruction Plan, detail of which has been set out in the company's announcement dated 28 November 2013, the Group would have recorded a net profit of HK\$484.3 million
- **The increase of shipments volume and the sales revenue** in FY2013 were the main reasons



Higher Operational Efficiency Achieved

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- Better economies of scale
- Stricter controls on administrative and marketing expenses





Balance Sheet Summary

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	2013A	2012A
Cash & Cash Equivalents (HK\$'M)	1,628.3	1,273.5
Receivable Turnover Days	47.5	47.1
Payables Turnover Days	38.1	44.4
Inventory Turnover Days	46.4	49.6
Total Debt/ Book Equity	2.6	2.4
Gearing Ratio (%)	67.0	64.0





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Investment Highlights

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- 1 Leading 4G smartphone market in China
- 2 Enriched Smartphone Product Portfolio
- 3 Expanded Coolpad Global Market
- 4 Set up the CoolCloud eco-system
- 5 Enlarge the online channel



Leading 4G smartphone in China

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■ TD-LTE 4G licenses were issued in December 2013

- The Group officially released the development strategy “**Coolpad LTE for all**” in 2014.
- The Group launched the 4G smartphones quickly, thanks to the accumulated R&D of the 4G technology from 2009





Enriched Smartphone Portfolio

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Four Series, of new models equipped with top hardware , well meet the demands of different types of users

Magview Series

- Dual-mode Dual-standby ↓
- 5.9" Full HD Display 1080p ↓
- 5 Core Ultra-speed Processor ↓
- 13.0MP AF (Rear)+ 2.0MP (Front) ↓
- Aviation Aluminum Alloy case ↓
- 2GB (RAM)+ 16GB(ROM) ↓
- Dolby DS1+ BBE ↓



Coolfun Series

- ↓
- ↓
- 1.2GHz Quad-core ↓
- 5.0" qHD Display 540p ↓
- 5.0MP AF (Rear)+ 0.3MP (Front) ↓
- 1GB (RAM)+ 4GB(ROM) ↓



Great God Series

- 7.0" 1920*1200 HD ↓
- Octa-Core 1.7Ghz ↓
- 13.0MP AF(Rear)+5.0MP (Front) ↓
- 2GB (RAM)+ 8GB(ROM) ↓
- 4000mAh Battery ↓
- CoolLife UI 5.0 + Android ↓



Coolsmart Series

- 5.9" Full HD Display 1080p ↓
- 1.2GHz Quad-core ↓
- 2GB (RAM)+ 16GB(ROM) ↓
- CoolLife UI 5.0 + Android ↓
- 13.0MP AF(Rear)+ 5.0MP (Front) ↓
- Support Global Roaming ↓





Expanded Coolpad Global Market

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- **Global market strategy** to cooperate with the Telecom Operators
- Set up **the R&D Centers globally**
- Step up expansion in Asia, North America, Europe and other international markets, and sell Coolpad smartphones in more countries and regions including the **USA, the U.K., France, Germany, Greece, India and Taiwan**





Set up the CoolCloud eco-system

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“Coolcloud” – the Cloud Computing and Storage Service

Platform loaded into Coolpad smartphones

- **Instant synchronization** of the applications including Address List, Call Records, SMS, Memo, Photos, Files, etc
- **Security features**, such as Anti-theft, Anti-virus, Anti-pug to protect the data leakage, and Large Capacity Mobile Storage etc
- Integrated with **more useful features** and provide a diverse array of contents and services





Enlarge the online channel

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- Launched **Coolpad online shopping store** successfully to pave the way for sales through e-commerce channels (<http://shop.coolpad.cn/>)



- Set up the partnership with the **third-party online channels**, such as JD, T-mall.
- Reached a strategic agreement with JD, and signed a RMB10 billion purchasing contract



天猫 Tmall.com





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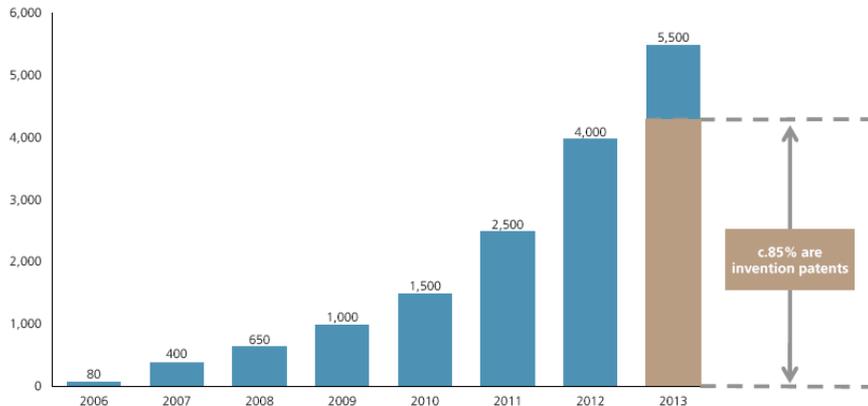
Future Growth Strategies

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- **More R&D centers** will be established globally, leveraging cutting-edge technologies to make innovations for intelligent life
- Strengthen the capability of innovation, R&D, and **enlarge the patent pool size**



Number of patents (including both patents granted and patents in application)



- Domestic R&D centers
- Oversea R&D centers



Future Growth Strategies

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- In the **PMCC(Personal, Mobile, Cloud, and Computer) period**, the Group will focus on improving the user experience of Coolpad smartphone
- Construct the **“CoolLife” ecosystem**, so that the users could enjoy the convenient life brought by the big data, smart cloud, 4G and mobile Internet





Future Growth Strategies

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- Strengthen the relationships with **the domestic telecom operators** and social distribution partners
- Extend market to **overseas market** through exploring cooperation with more foreign telecommunications operators
- Improve the **e-commerce channels** for scales and marketing
- Execute the **delicacy management** to improve general operation of efficiency and control the overall cost
- Cooperate closely with the upstream components suppliers to ensure **on-time delivery** of components
- **Accelerate the rhythm** of time-to-market of new models

Q & A

Mr. Andrew Cao(曹遠福)

Tel: (86 755) 3302 3607 Email: ir@yulong.com

**Investors Relations Department
Coolpad Group Limited**



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地址: 深圳市南山區高新技術產業園北區夢溪道2號酷派信息港

Address: Coolpad Information Harbor, 2nd Mengxi Rd., Hi-Tech Industry Park (North), Nanshan District, Shenzhen, the PRC

