

# Coolpad Group Limited

*(Incorporated in the Cayman Islands with limited liability, HKSE:2369)*

## Interim Results Corporation Presentation

August, 2015

**ivvi**  
时尚手机

**QIKU** **dazen** 大神

**Coolpad** 酷派

# Safe Harbor Statement

## 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.

## Disclaimer

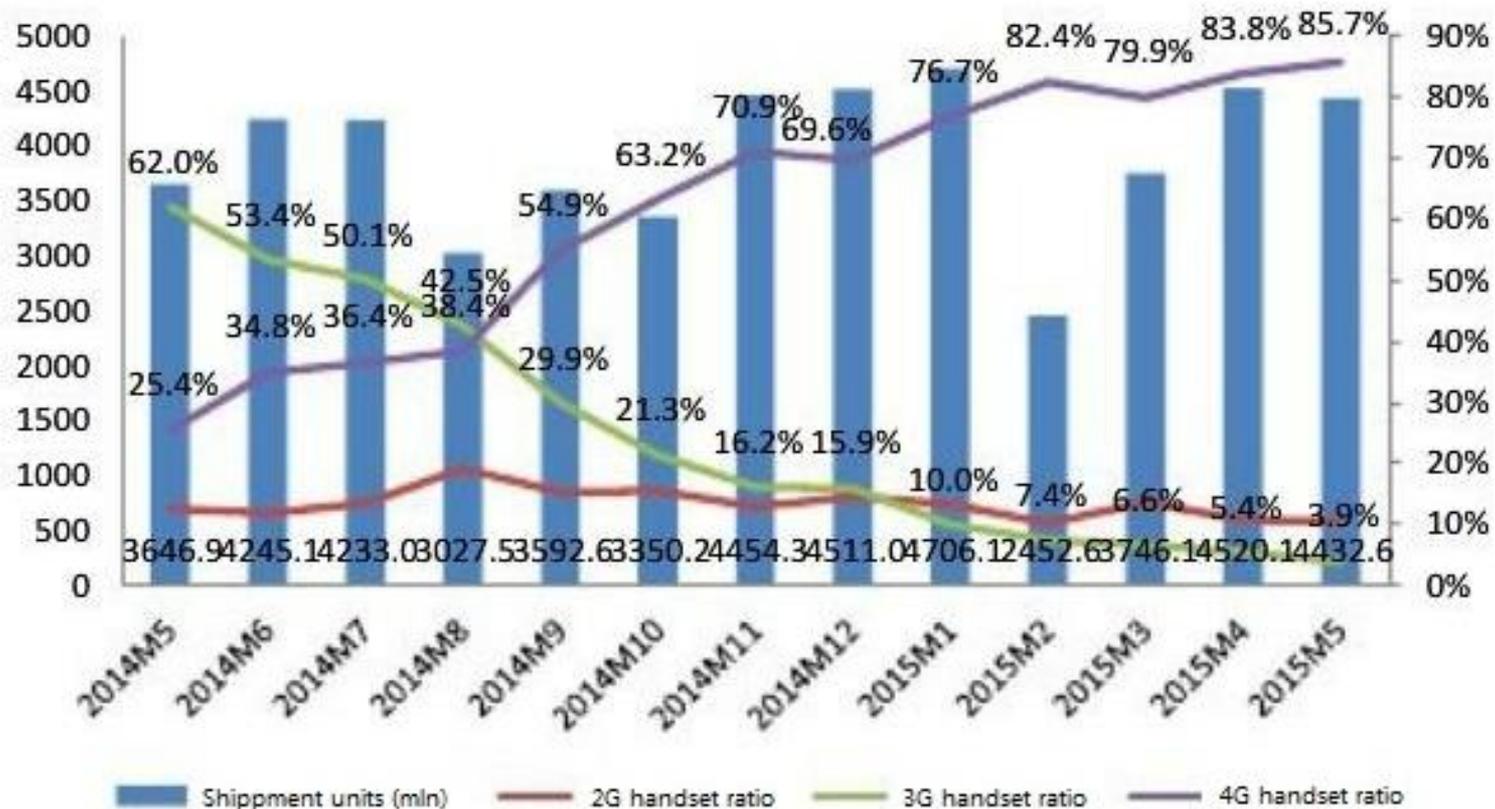
This document does not constitute any recommendation or invitation to subscribe to or sell shares of Coolpad Group Limited, nor should it be used as the basis of any contract to buy or any pledge. Therefore, any decision to buy or sell the company's shares must be based solely on the prospectus published for the purpose of issuing shares.

# Agenda

- 1** Industry & Company Introduction
- 2** Investment Highlights
- 3** Financial Performance
- 4** Future Growth Strategies

## The growth of the smartphone market

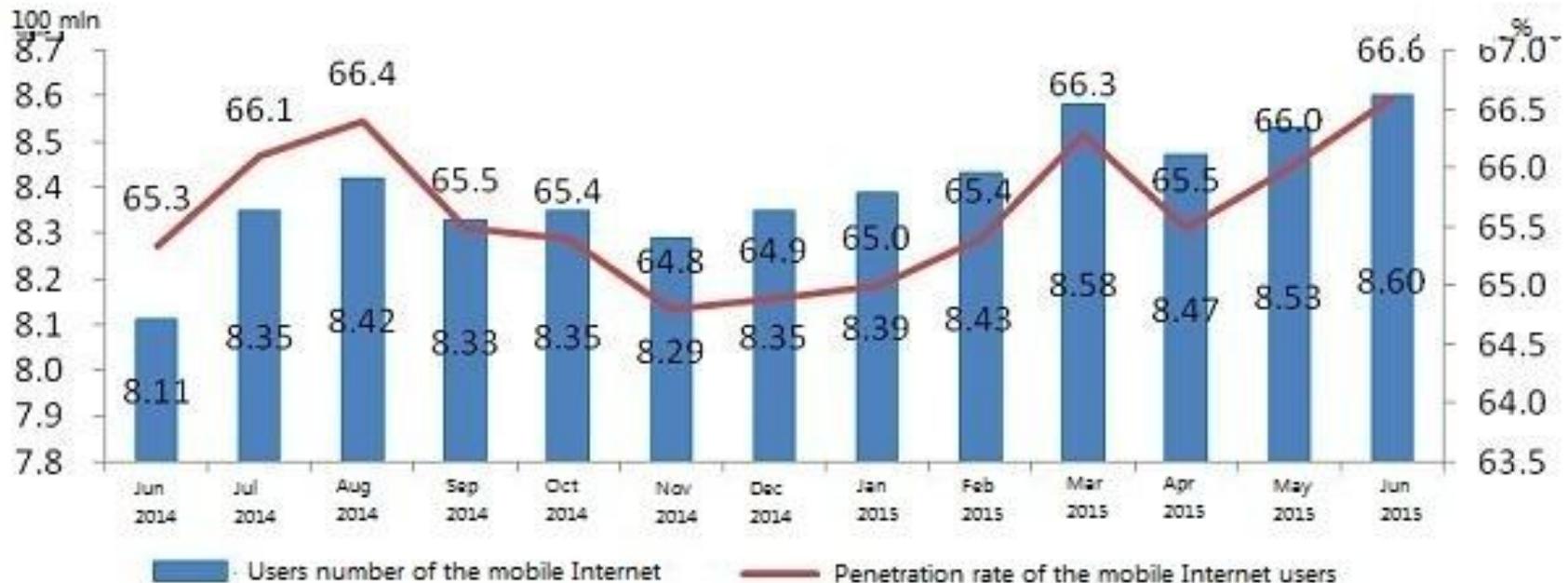
The smartphone shipment units of Mainland China increased 7.4% year-on-year in the first half of 2015; The percentage of 4G smartphone was much higher than that of the others.



Source: China Academy of Information and Communications Technology("CAICT")

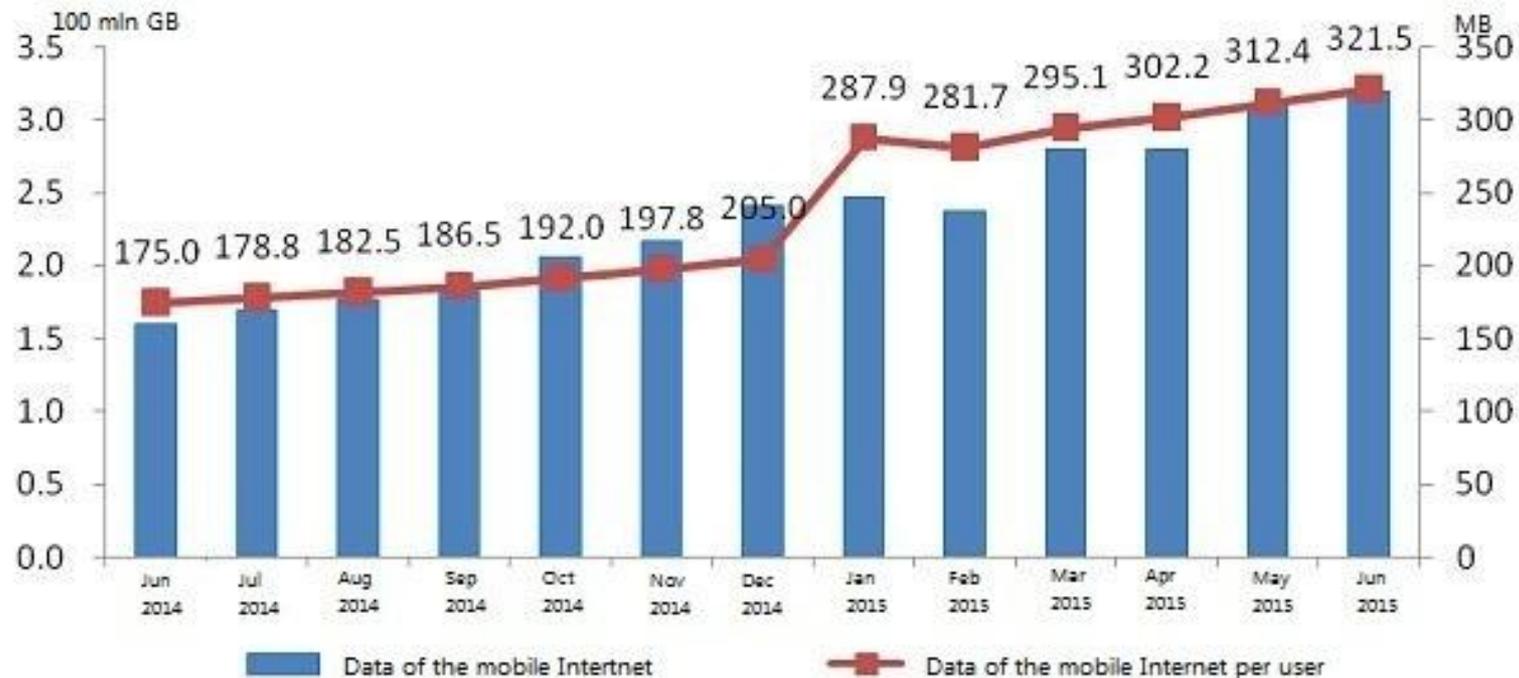
## The growth of the mobile Internet users

Along with the popularity of the smartphone and the better experience of the mobile Internet, the number of the mobile phone users accessing to mobile Internet reached to 860 million in June 2015 while the penetration rate was 66.6% in Mainland China.



## The growth of the mobile data flow

As the speed of the mobile Internet became much faster in the 4G networks, and the local carriers started to reduce the network tariffs, the monthly mobile data consumed per user increased to 321.5MB in June 2015.



## Company Introduction

### China's leading 4G smartphone developer & supplier

- An **innovative** wireless telecom product company with **core technologies**
- Owns famous smartphone brands (*Coolpad, ivvi, Dazen/Qiku*)
- **Leads in** China's 4G smartphone market with new models of **all-network**
- Strategic cooperations with Qihoo360, LeTV to focus on **the mobile Internet business** under the notion of opening and sharing
- Provides **Coolcloud solution** in the PMCC (Personal, Mobile, Cloud, Computing)
- **Outstanding R&D capabilities** in mobile's software & hardware design
- **Diversified sales channels** in the smartphone market

# Company introduction

Forbes Asia's Fab 50 Companies

2015 RANKING

0		China Zhengtong Auto Services	Hong Kong	\$1.4 B	\$5 B	Specialty Stores
0		<b>Coolpad 酷派</b> Coolpad Group	China	\$1.2 B	\$3.2 B	Telecommunications Equipment
320		 Cosmos Pharmaceutical	Japan	\$2.8 B	\$3.7 B	Drugstore Chains
0		 CP All	Thailand	\$12.3 B	\$11 B	Food Retail
0		 CWT	Singapore	\$0.9 B	\$12 B	Trucking
0		 Goertek	China	\$7.1 B	\$2.1 B	Electronic Components
0		 Great Wall Motor	China	\$14.9 B	\$9.9 B	Motor Vehicles
0		 Gree Electric Appliances	China	\$23 B	\$22.7 B	Electronics/Appliances

The Group debuted on the **Asia's Fab 50 Companies** in 2015, owing to the initial success of the 4G strategy and the expanding overseas market.

# Agenda

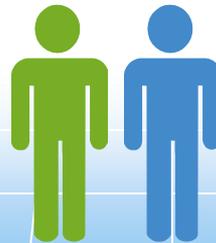
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# Investment highlights

- Mobile Internet
- Strong R&D team
- Rich 4G products

## Investment Highlights

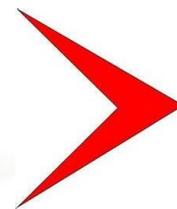
- Intellectual property
- Sales channels
- Markets extension



Provide every individual with the privilege to enjoy the extravagant experience of using integrated terminal of wireless data solutions

## The strategy of mobile Internet business

To explore the mobile Internet business deeply and develop the best experience of mobile applications, the Group set up a Joint Venture (“JV”) with Qihoo360 concentrating on the online channel under the brand of Qiku and Dazen



QIKU

dazen

# Building a strong mobile Internet ecosystem

JV could help the Group building a strong mobile Internet ecosystem, through the plan of the crowd-funding for the mobile apps and the most affordable price of the best smartphones, such as the cheapest 4G smartphone equipped with fingerprint scanner.

cozen 大神

神码通道 登录 注册 进入商城 我的购物车

大神 Note3  
全球  款千元指纹手机

899元

移动4G版

1099元

全网通4G版

立即预约

了解Note3

下次开售时间：8月13日 10:00

超值套餐，现货开放购买

购买移动版套餐

购买全网通版套餐

发货时间：提交并成功支付订单7天内发货



## Building a strong mobile Internet ecosystem

On 20 July 2015, Leview Mobile HK Limited officially became the second largest shareholder of the Group with 18% of the issued shares of the Company.

The Group plans to build such a strong ecosystem that the users could not only experience the best mobile apps but also enjoy the vast video resources from LeTV.

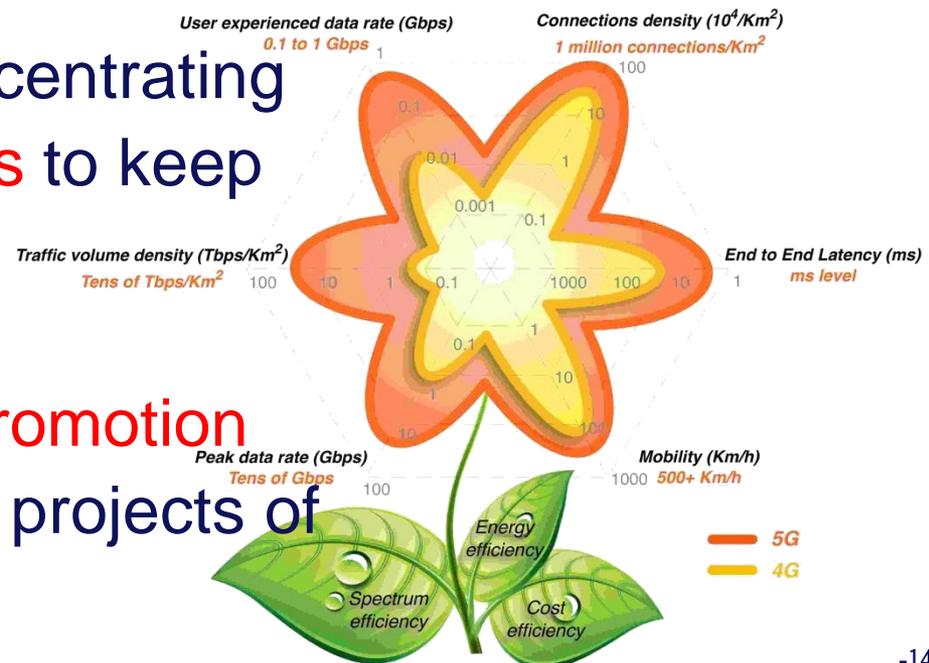


# Owning strong R&D capabilities

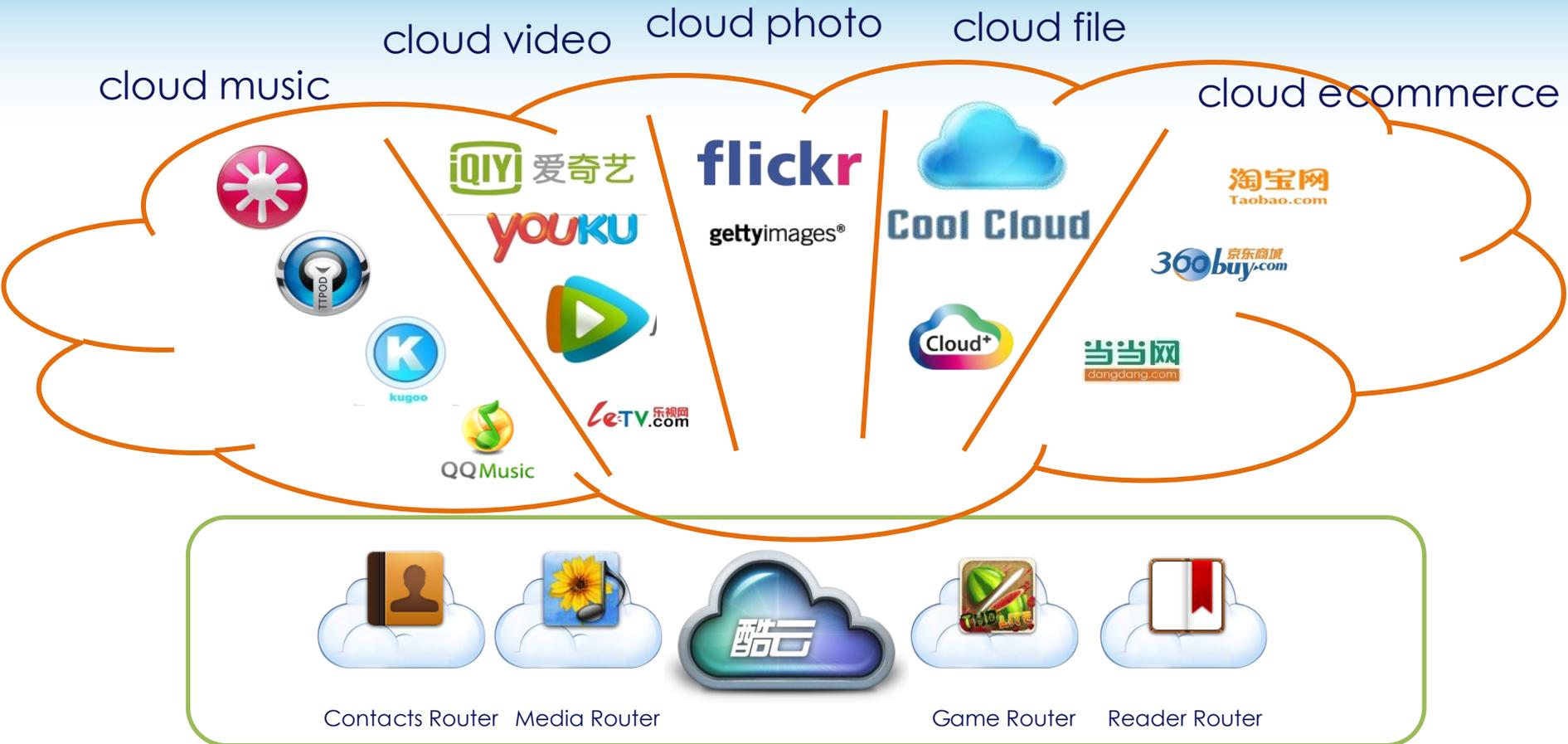


Own the global R&D teams concentrating on **the cutting-edge technologies** to keep the core competencies.

Joined into the **IMT 2020(5G) Promotion Group**, and participated into the projects of 5G in Mainland China.



# The strategy of the mobile cloud



The R&D team focuses on the business and the applications of the mobile cloud.

# Rich 4G smartphones mix



Coolpad 'Fengshang PRO'



ivvi 'Little i'

Dazen 'Note 3'

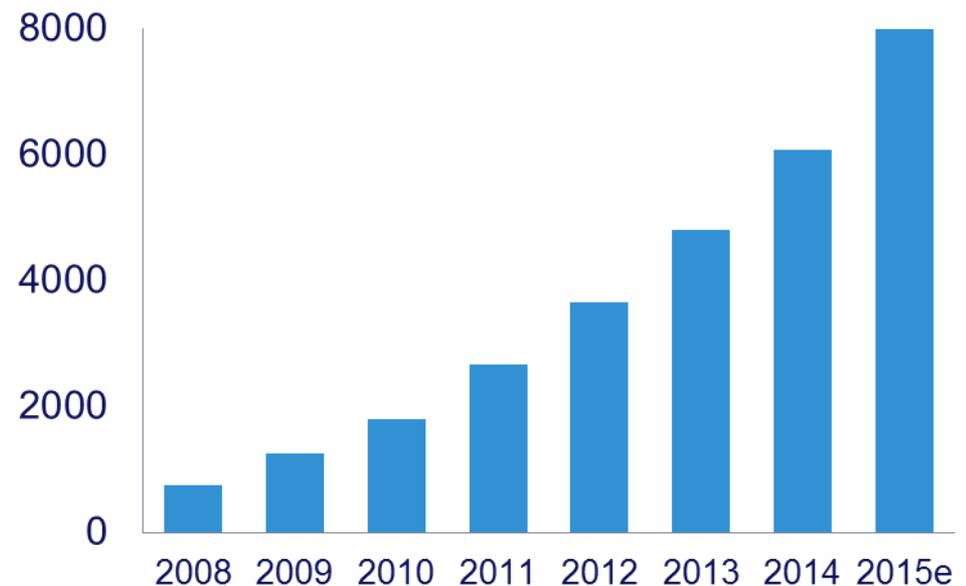


¥ 899

# Intellectual property rights

Be the member of key international/domestic standards organizations, such as IETF, 3GPP, IMT2020, and CCSA, and participate into the stipulation of **some network standards**.

Apply patents and keep conducting research in some fields, such as **5G, D2D technology, LAA technology, TSC technology, the internet of vehicle**.



Number of patents (including both patents granted and patents applied)

# Diversified sales channels to keep growth



**Coolpad**  
through the carriers channel



**ivvi**  
through the retail open channel

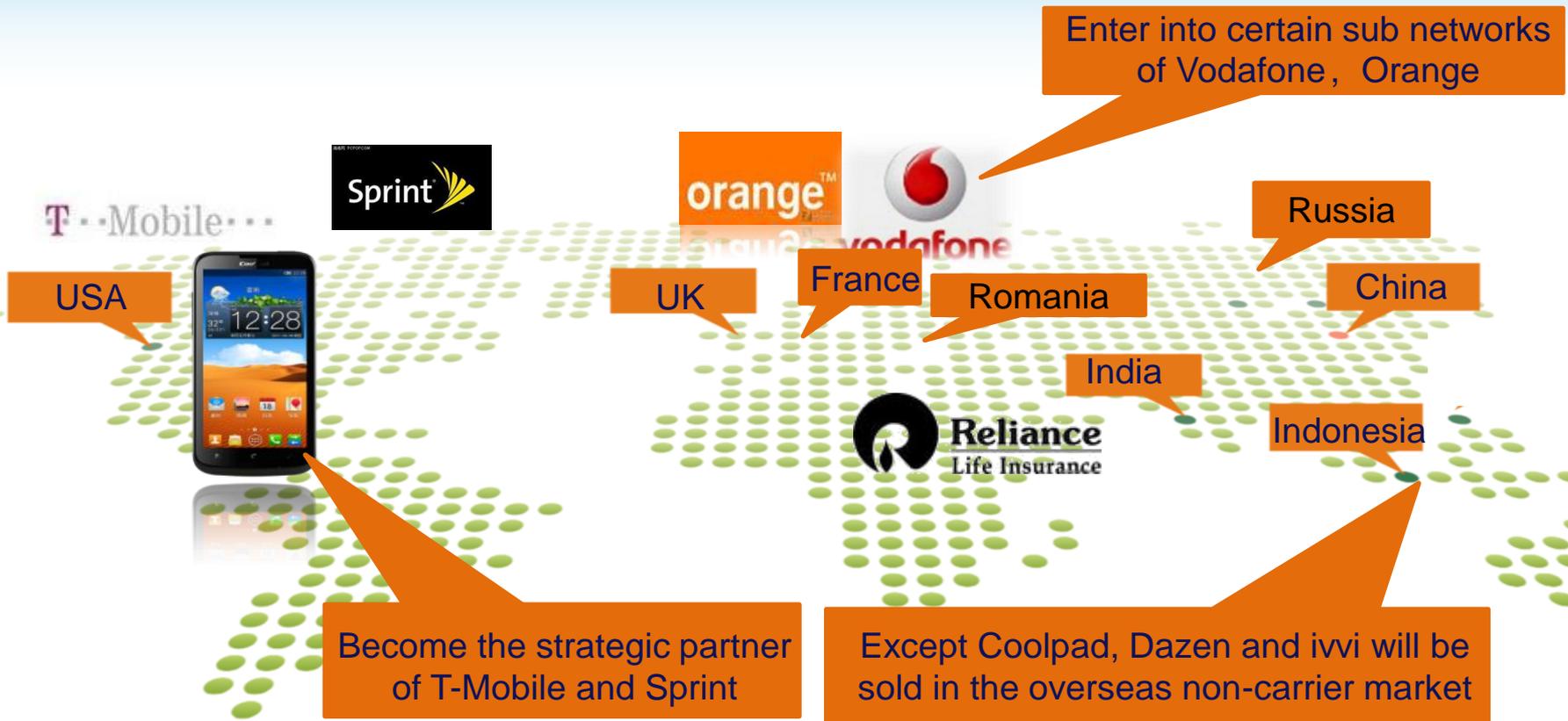


**Overseas market**  
including USA, India, Europe



**Dazen/Qiku**  
through the online channel

# Keep expanding the overseas market



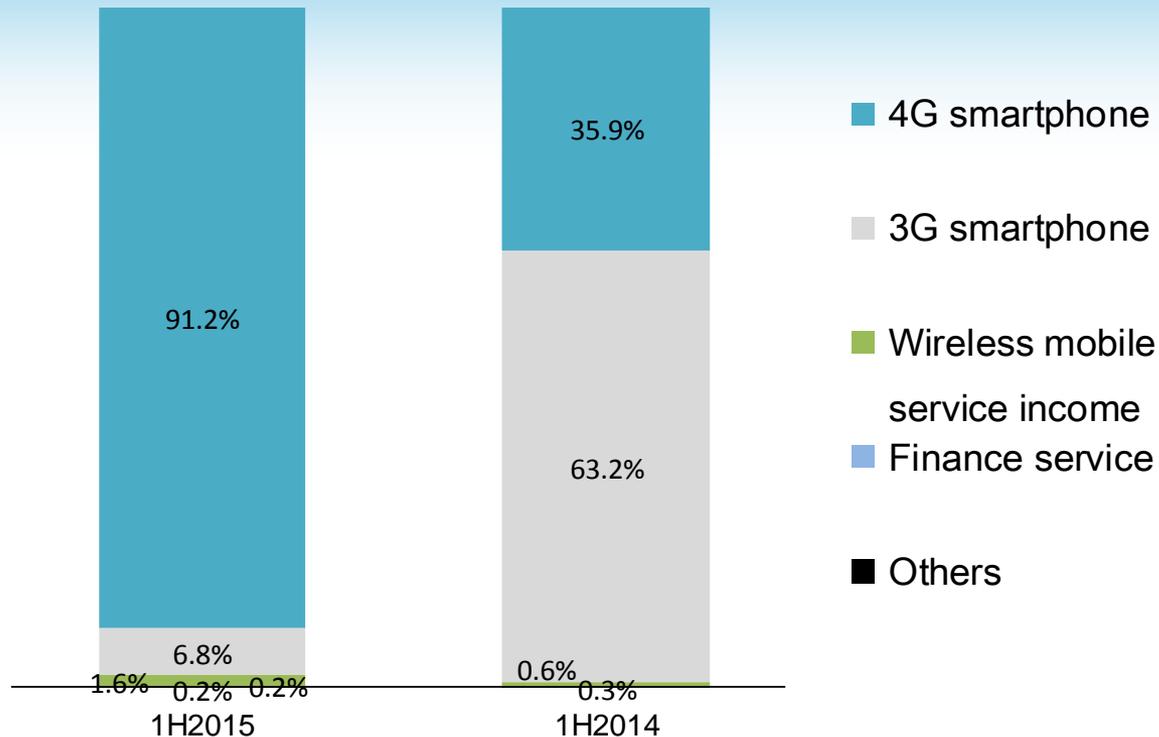
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# Financial performance

<i>HK\$'000</i>	1H2015	1H2014	Change (%)
Revenue	8,782,787	14,934,734	↓41.2%
Profit before tax	2,869,783	482,734	↑494.5%
Tax	(32,602)	(69,702)	↓53.2%
Net profit attributable to owners of the Company	2,842,841	412,862	↑588.6%
Basic earnings per share (HK cents)	65.93	9.71	↑579.0%
Gross profit margin (%)	12.7	13.6	↓0.9ppt
%S&D	5.5	5.4	↑0.1ppt
%G&A	5.6	5.5	↑0.1ppt
Proposed final dividend per share (HK cent)	-	1	-

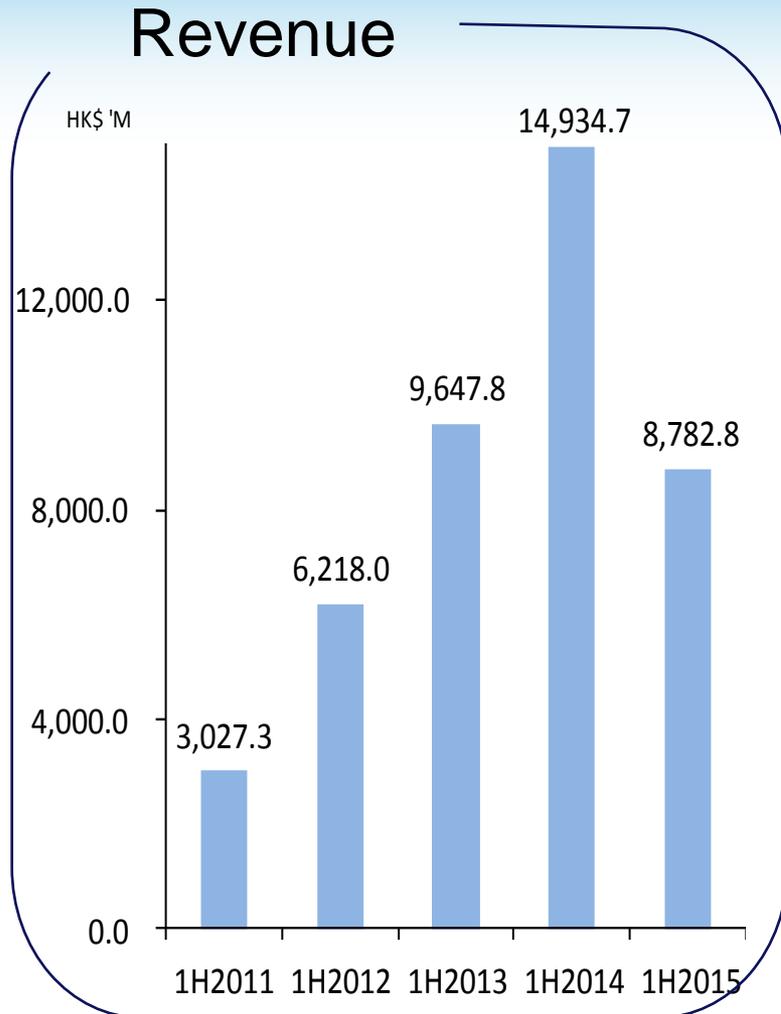
## Revenue segment



The revenue of **4G Smartphone** increased by **49.5%** yoy, contributing **91.2%** of total revenue in 1H2015.

**Wireless application service income** achieved a growth of **60.2%** compared with that of 1H2014.

## Comparison of the recent five 1H's revenue

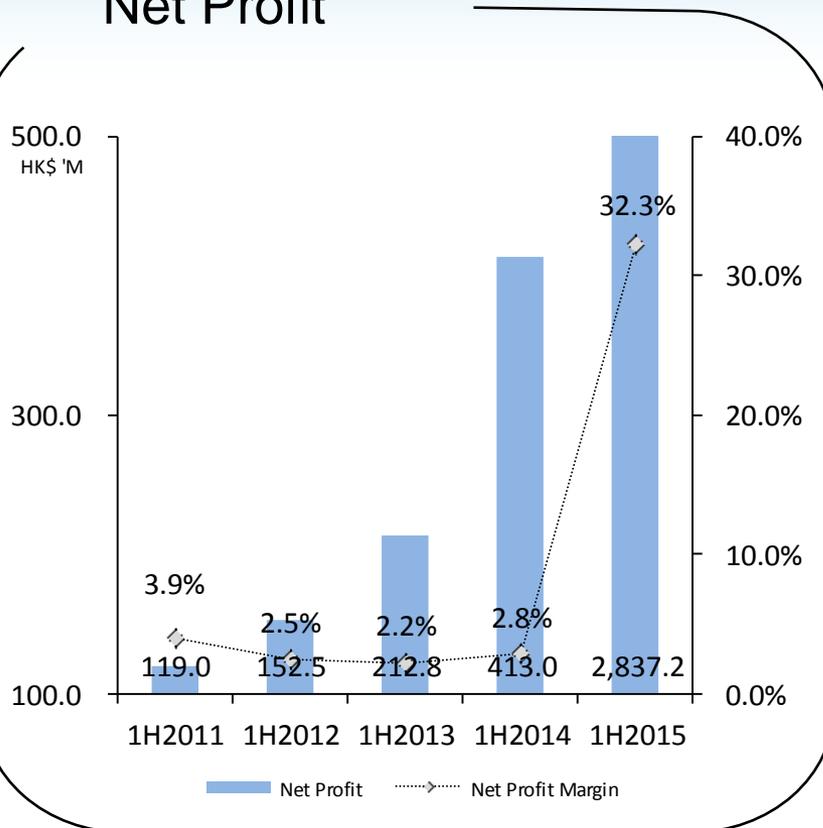


Revenue declined by 41.2% to HK\$8,782.8 million in 1H2015 compared with that of 1H2014.

The decline was mostly due to **the restructuring** of the Group's business units and **a more fierce competition**.

## Comparison of the recent five 1H's net profit

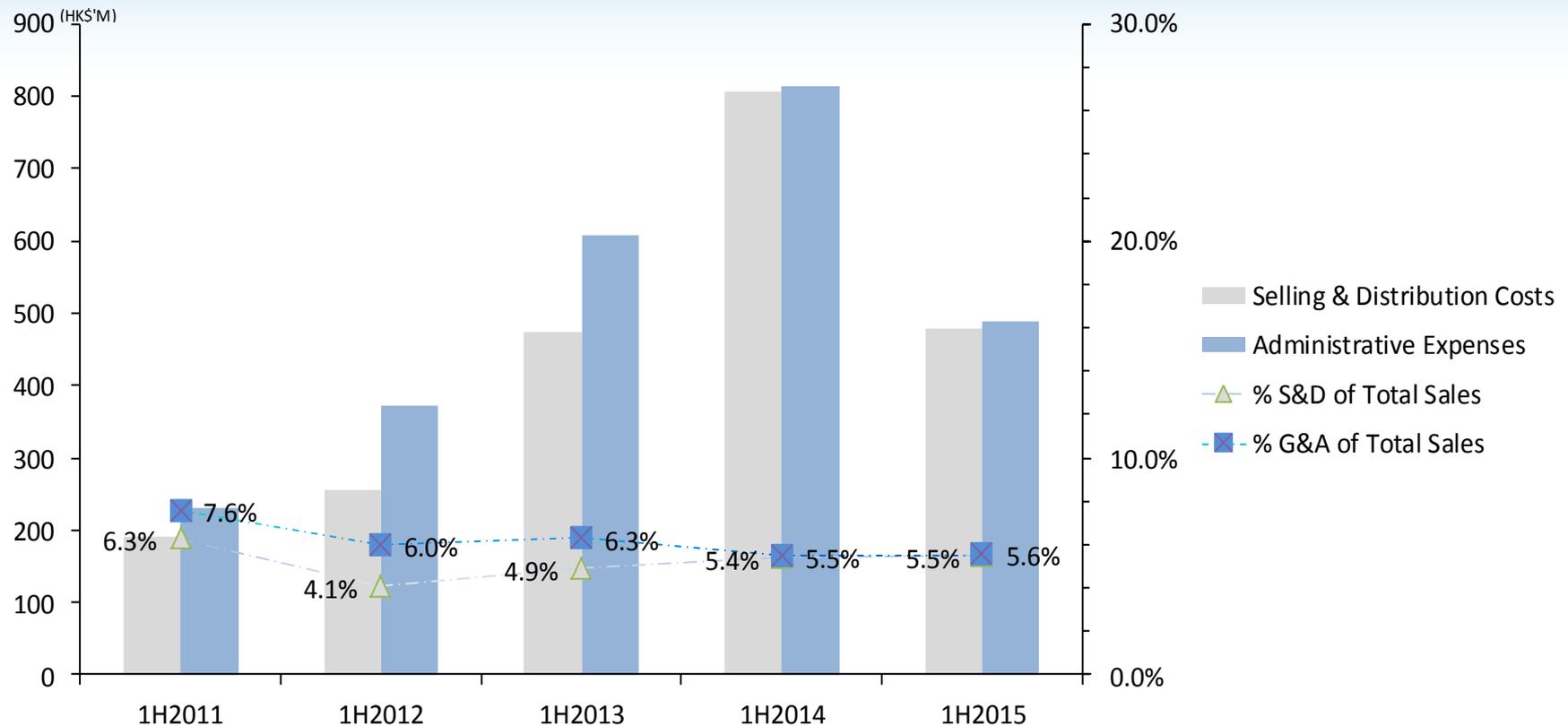
### Net Profit



Because of **the disposal of certain interest** in a subsidiary, the net profit increased to HK\$2,837.2 million in 1H2015.

However, operating profit of 1H2015 **declined** compared with that of 1H2014.

# Higher operational efficiency



The SG&A ratio increased slightly in 1H2015, due to the process of restructuring.

## Balance sheet summary

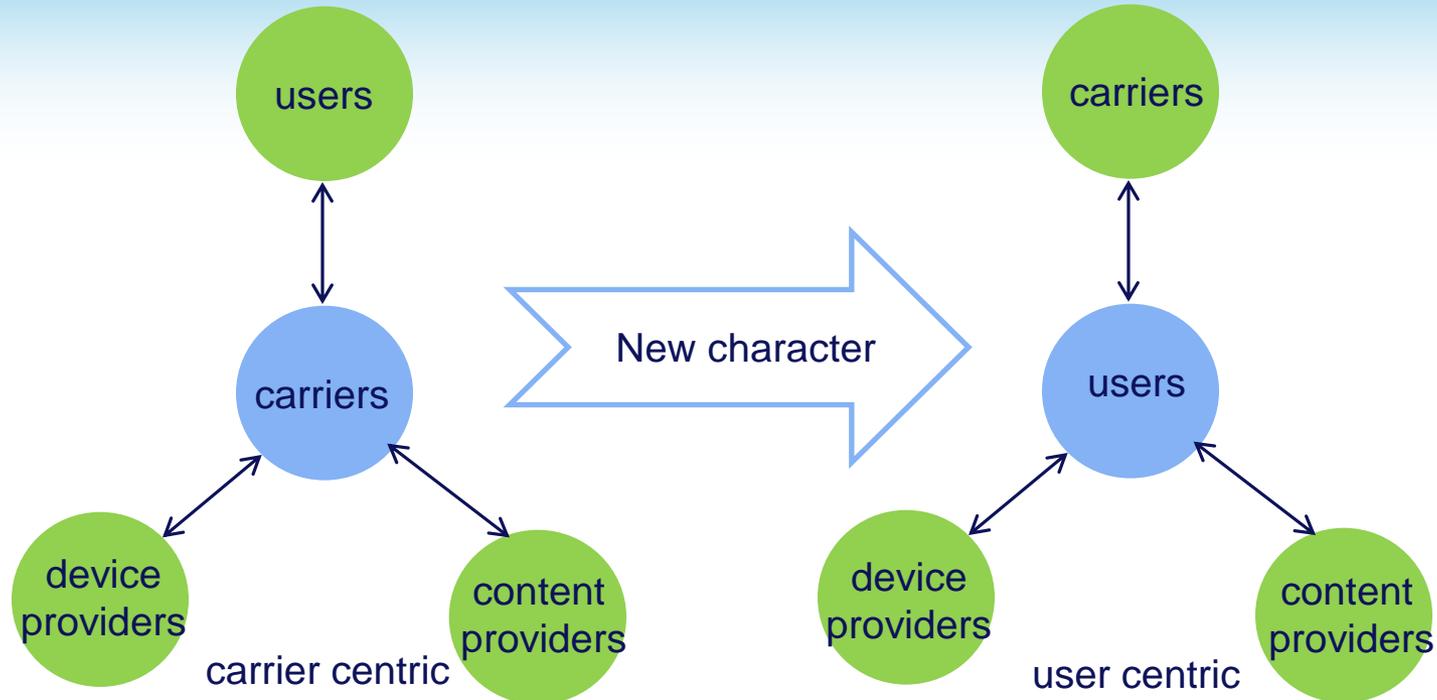
	1H2015	2014A
Cash & Cash Equivalents (HK\$'M)	3,945.6	2,959.1
Receivable Turnover Days	60.9	43.5
Payables Turnover Days	48.1	32.8
Inventory Turnover Days	59.0	44.4
Total Debt/ Book Equity	0.8	2.8
Gearing Ratio (%)	35.2	65.4

The balance sheet of the Group is healthy, and its free cash flow is relatively strong.

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## Future growth strategies

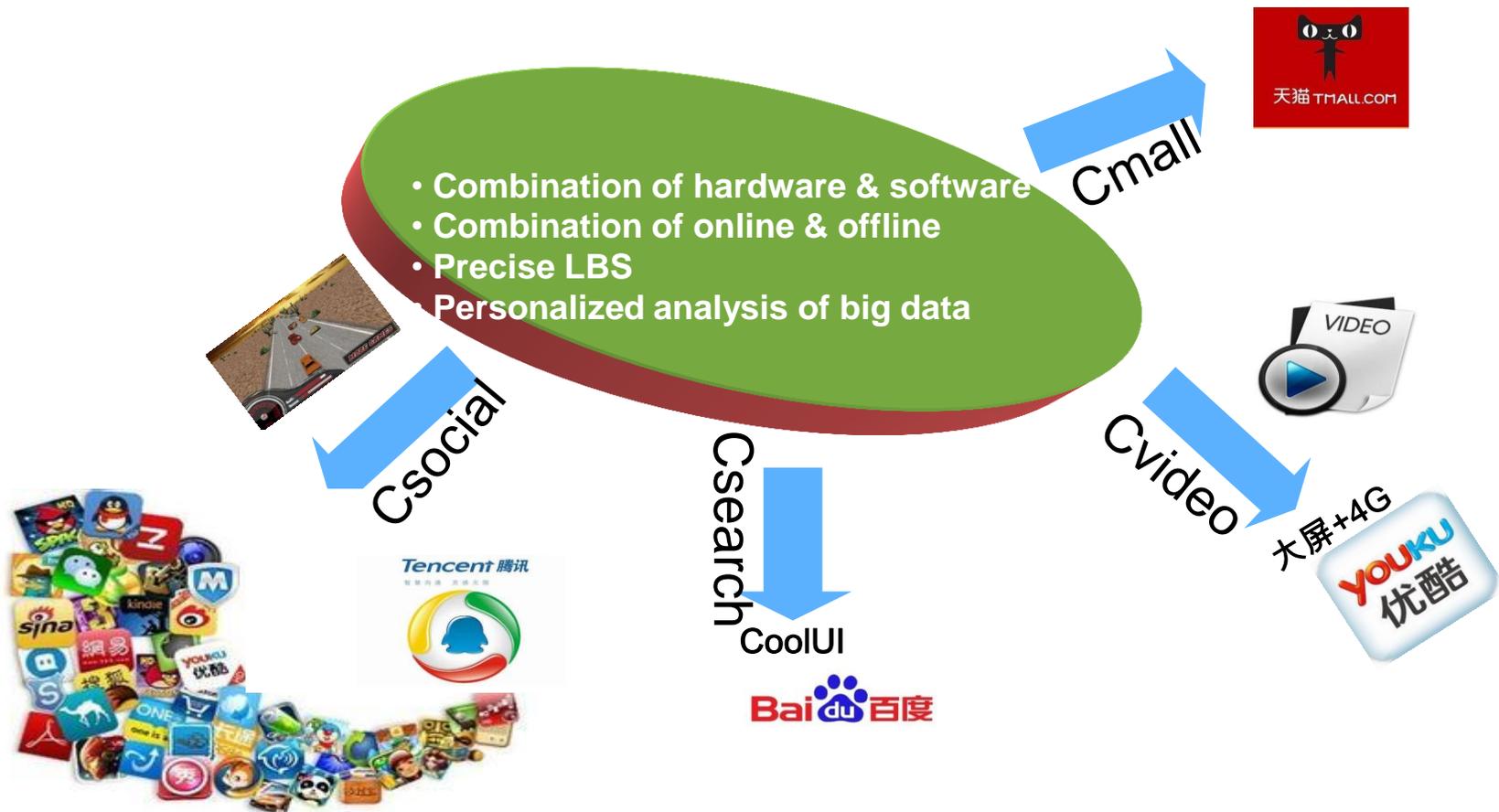


The focus of the smartphone's design will be transformed **from carrier-centric to user-centric**.

Improve the R&D capability to keep the core competitiveness.

## Future growth strategies

Strengthen the operational capability of the mobile Internet service, and enlarge the mobile Internet income.



# Future growth strategies

锐意进取  
迎锋向尚



Coolpad  
live smart

锋尚Pro

- 按压式指纹识别，安全新时代
- 高通64位8核处理器，无畏前行
- 1300万后置摄像头，完美画质
- 2GB超大内存，畅快刷图



酷派智能产品与服务平台

HAPPY  
Valentine's day



这个七夕小i迎来了另一半

ivvi 小i 银色版京东开售

Continue to improve the brand awareness, and the capability of the brand's promotions and activities.

## Future growth strategies

Optimize the operating system and mobile applications of the smartphone to continually improve user experience.

Cooperate with Qihoo360, LeTV to construct **a super ecosystem**, and to increase user stickiness.



## Future growth strategies



Cooperate closely with the upstream components suppliers to ensure on-time delivery of components.

Execute the delicacy management to improve general operation effectively.

# Thank You !

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**ivvi**  
时尚手机

**QIKU** **cazen** 大神

**Coolpad** 酷派