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# **Coolpad 酷派**

## **COOLPAD GROUP LIMITED**

### **酷派集團有限公司**

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

**(Stock Code: 2369)**

- (1) PROPOSED RIGHTS ISSUE OF NOT LESS THAN 653,189,580 RIGHTS SHARES AND NOT MORE THAN 668,700,975 RIGHTS SHARES ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWENTY (20) SHARES HELD ON THE RECORD DATE AT HK\$1.10 PER RIGHTS SHARE**
- AND**
- (2) CLOSURE OF REGISTER OF MEMBERS**

**Underwriter**

**UOBKayHian**  
**大華繼顯**

#### **PROPOSED RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$719 million, before expenses, and not more than approximately HK\$736 million, before expenses, by way of a rights issue on the basis of three (3) Rights Shares for every twenty (20) Shares held on the Record Date at the Subscription Price of HK\$1.10 per Rights Share. The Rights Issue (subject to the Rights Shares that will be provisionally allotted to and taken up by Data Dreamland, Leview, Mr. Jiang and Mr. Li pursuant to the Irrevocable Undertakings) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

On the above basis of the Rights Issue, the Company will issue not less than 653,189,580 Rights Shares and not more than 668,700,975 Rights Shares, subject to the fulfillment or waiver (as appropriate) of the conditions precedent to the Rights Issue and the Underwriting Agreement.

Details of the intended use of proceeds of the Rights Issue are set out in the section headed “Reasons for the Rights Issue and use of proceeds” in this announcement.

If the Underwriter terminates the Underwriting Agreement or the conditions precedent to the Rights Issue are not fulfilled or waived (as appropriate), the Rights Issue will not proceed. **The attention of the investors and Shareholders is drawn to the section headed “Warning of the risks of dealing in the Shares and the Rights Shares in nil-paid form” of this announcement. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company and if they are in any doubt about their position, they should consult his/her/its own professional adviser(s). Overseas Shareholders should also note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

The expected timetable of the Rights Issue is set out in the section headed “Expected timetable” in this announcement.

Pursuant to the Underwriting Agreement, the Underwriter has agreed, subject to the terms and conditions set out in the Underwriting Agreement, to subscribe for or procure the subscription of those Rights Shares (other than the Rights Shares that Data Dreamland, Leview, Mr. Jiang and Mr. Li have irrevocably undertaken to take up pursuant to the Irrevocable Undertakings) that are not taken up by the Qualifying Shareholders.

## **GENERAL**

As the Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under Rule 7.19(6)(a) of the Listing Rules.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Despatch Date and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 1 February 2016 to Friday, 5 February 2016 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$719 million, before expenses, and not more than approximately HK\$736 million, before expenses, by way of a rights issue on the basis of three (3) Rights Shares for every twenty (20) Shares held on the Record Date at the Subscription Price of HK\$1.10 per Rights Share. The Rights Issue (subject to the Rights Shares that will be provisionally allotted to and taken up by Data Dreamland, Leview, Mr. Jiang and Mr. Li pursuant to the Irrevocable Undertakings) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

## **Issue statistics**

Basis of the Rights Issue: Three (3) Rights Shares for every twenty (20) existing Shares held by the Qualifying Shareholders on the Record Date

Number of existing Shares in issue: 4,354,597,200 Shares as at the date of this announcement

Number of Rights Shares: Not less than 653,189,580 Rights Shares (assuming no new Share being issued and/or repurchased by the Company on or before the Record Date) and not more than 668,700,975 Rights Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other new Share being issued and/or repurchased by the Company on or before the Record Date)

Nominal Value of Rights Shares: Not less than HK\$6,531,895.80 (assuming no new Share being issued and/or repurchased by the Company on or before the Record Date) and not more than HK\$6,687,009.75 (assuming full exercise of all the outstanding and exercisable Share Options and no other new Share being issued and/or repurchased by the Company on or before the Record Date)

Subscription Price: HK\$1.10 per Rights Share

Assuming (i) no exercise of any outstanding and exercisable Share Options; (ii) no new Share being issued and/or repurchased by the Company on or before the Record Date, the 653,189,580 Rights Shares represent:

- (a) 15.00% of the Company's existing issued shares as at the date of this announcement; and
- (b) 13.04% of the Company's issued shares as enlarged by the issue of the Rights Shares.

## **The Subscription Price**

The Subscription Price for the Rights Shares is HK\$1.10 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 14.73% to the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 15.38% to the average of the closing prices of approximately HK\$1.30 per Share for the last five consecutive trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 13.39% to the theoretical ex-rights price of HK\$1.27 per Share based on the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, (i) the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-rights price; and (ii) the prevailing market conditions and recent financial conditions of the Group. In order to enhance the attractiveness of the Rights Issue, issuance of new shares by way of rights issue at a discount to the market price has been commonly adopted by listed issuers in Hong Kong to encourage existing shareholders to take up their entitlements so as to participate in the potential growth of the listed issuers in the future. Furthermore, since the Rights Issue will allow the Qualifying Shareholders to maintain their pro-rata shareholding in the Company, the Directors consider that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds of not less than approximately HK\$719 million and not more than approximately HK\$736 million will be raised from the Rights Issue upon full acceptance of the relevant provisional allotment of Rights Shares and, taking into account the estimated expenses in connection with the Rights Issue of approximately HK\$21 million, the estimated net proceeds from the Rights Issue will be not less than approximately HK\$698 million and not more than approximately HK\$715 million, translating into a net price per Rights Share of approximately HK\$1.07 (assuming no new Share being issued and/or repurchased by the Company on or before the Record Date) or approximately HK\$1.07 (assuming full exercise of all the outstanding and exercisable Share Options and no other new Share being issued and/or repurchased by the Company on or before the Record Date).

Save for the Share Options, as at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into the existing Shares.

Share Options outstanding as at the date of this announcement have the following exercise price, exercise period and expiry date (*Note*):

<b>Exercise price per share (HK\$)</b>	<b>Exercise period</b>	<b>Expiry date</b>	<b>Number of Share Options held by employees/ Directors</b>
<b>Employees</b>			
0.199	27 February 2013 to 26 February 2017	26 February 2017	1,000,000
0.199	27 February 2014 to 26 February 2017	26 February 2017	1,000,000
0.199	27 February 2015 to 26 February 2017	26 February 2017	1,000,000
0.199	27 February 2016 to 26 February 2017	26 February 2017	1,000,000
0.337	20 May 2015 to 19 May 2018	19 May 2018	1,372,000
0.337	20 May 2016 to 19 May 2018	19 May 2018	1,496,000
0.337	20 May 2017 to 19 May 2018	19 May 2018	1,496,000
1.620	28 June 2012 to 27 June 2016	27 June 2016	8,884,000
1.620	28 June 2015 to 27 June 2017	27 June 2017	9,336,000
1.620	28 June 2016 to 27 June 2017	27 June 2017	4,952,000
1.620	28 June 2015 to 27 June 2018	27 June 2018	7,976,000
1.620	28 June 2016 to 27 June 2018	27 June 2018	4,764,000
1.620	28 June 2017 to 27 June 2018	27 June 2018	4,764,000

<b>Exercise price per share (HK\$)</b>	<b>Exercise period</b>	<b>Expiry date</b>	<b>Number of Share Options held by employees/ Directors</b>
0.839	12 July 2012 to 11 July 2016	11 July 2016	12,952,800
0.839	12 July 2015 to 11 July 2018	11 July 2018	48,000
0.839	12 July 2016 to 11 July 2018	11 July 2018	144,000
0.839	12 July 2017 to 11 July 2018	11 July 2018	144,000
1.164	27 December 2015 to 27 December 2017	27 December 2017	20,072,500
1.164	27 December 2016 to 27 December 2017	27 December 2017	11,067,500
1.164	27 December 2015 to 27 December 2019	27 December 2019	1,392,000
1.164	27 December 2016 to 27 December 2019	27 December 2019	1,488,000
1.164	27 December 2017 to 27 December 2019	27 December 2019	1,488,000
1.164	27 December 2018 to 27 December 2019	27 December 2019	1,488,000
1.540	10 January 2015 to 10 January 2019	10 January 2019	4,480,000
1.540	10 January 2016 to 10 January 2019	10 January 2019	11,960,000
1.540	10 January 2017 to 10 January 2019	10 January 2019	11,960,000
1.540	10 January 2018 to 10 January 2019	10 January 2019	11,960,000
1.540	10 January 2017 to 10 January 2021	10 January 2021	2,000,000

<b>Exercise price per share (HK\$)</b>	<b>Exercise period</b>	<b>Expiry date</b>	<b>Number of Share Options held by employees/ Directors</b>
1.492	22 January 2016 to 22 January 2020	22 January 2020	16,736,000
1.492	22 January 2017 to 22 January 2020	22 January 2020	16,736,000
1.492	22 January 2018 to 22 January 2020	22 January 2020	16,736,000
1.492	22 January 2019 to 22 January 2020	22 January 2020	16,736,000
1.492	22 January 2017 to 22 January 2021	22 January 2021	11,232,000
1.620	16 October 2016 to 16 October 2020	16 October 2020	88,032,000
1.620	16 October 2017 to 16 October 2021	16 October 2021	76,000,000
<b>Directors</b>			
0.199	27 February 2015 to 26 February 2017	26 February 2017	1,000,000
0.199	27 February 2016 to 26 February 2017	26 February 2017	1,000,000
1.620	28 June 2014 to 27 June 2018	27 June 2018	2,000,000
1.620	28 June 2016 to 27 June 2018	27 June 2018	1,000,000
1.620	28 June 2017 to 27 June 2018	27 June 2018	1,000,000
0.839	12 July 2012 to 11 July 2016	11 July 2016	1,200,000

<b>Exercise price per share (HK\$)</b>	<b>Exercise period</b>	<b>Expiry date</b>	<b>Number of Share Options held by employees/ Directors</b>
1.164	27 December 2015 to 27 December 2019	27 December 2019	1,000,000
1.164	27 December 2016 to 27 December 2019	27 December 2019	1,000,000
1.164	27 December 2017 to 27 December 2019	27 December 2019	1,000,000
1.164	27 December 2018 to 27 December 2019	27 December 2019	1,000,000
1.620	16 October 2017 to 16 October 2021	16 October 2021	40,000,000

*Note: As at the date of this announcement, the Company has outstanding Share Options carrying rights to subscribe for total of 435,092,800 new Shares of which Share Options carrying the rights to subscribe for a total of 103,409,300 new Shares are exercisable during the period covering the date of this announcement until the Record Date. Such outstanding Share Options have all been vested and are exercisable as at the date of this announcement and before the Record Date. Assuming no grant of Share Options by the Company and full exercise of the subscription rights attaching to such outstanding and exercisable Share Options, an additional 15,511,395 Rights Shares will be issued.*

Adjustments to the exercise price and number of Shares which may be subscribed pursuant to the outstanding Share Options may be required under the terms and conditions of the Share Option Schemes as a result of the completion of the Rights Issues. The auditors or an approved financial adviser of the Company will be appointed to certify the necessary adjustments, if any, to the exercise price and number of Shares which may be subscribed pursuant to the outstanding Share Options. Further announcement will be made by the Company in this regard as and when appropriate.

### **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus to the Non-Qualifying Shareholders for information purposes only.

To qualify for the Rights Issue, a Shareholder must:

- (a) be registered as a member of the Company at the close of business on the Record Date; and
- (b) not be a Non-Qualifying Shareholder.



In order to be registered as members of the Company at the close of business on the Record Date, holders of the Shares must lodge any transfer of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd., at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 29 January 2016.

### **Closure of register of members**

For determining the entitlements to the Rights Issue, the register of members of the Company will be closed from Monday, 1 February 2016 to Friday, 5 February 2016, both dates inclusive. No transfer of Shares will be registered during this period.

### **Rights of the Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Overseas Shareholder may not be eligible to take part in the Rights Issue. The Board will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiries, the Board is of the opinion that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders on the Despatch Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholding on the Record Date and to be sent to them, at their own risk, in Hong Kong dollars as soon as practicable. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares, will be made available for excess application on EAFs by the Qualifying Shareholders.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

## **Basis of provisional allotment**

The basis of provisional allotment of the Rights Issue shall be three (3) Rights Shares for every twenty (20) existing Shares held by a Qualifying Shareholder on the Record Date, constituting an issue of not less than 653,189,580 Rights Shares and not more than 668,700,975 Rights Shares at the Subscription Price of HK\$1.10 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with the remittance for the Rights Shares being applied for with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd., at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 2 March 2016.

Save for the Irrevocable Undertakings given by each of Data Dreamland, Leview, Mr. Jiang and Mr. Li, as at the date of this announcement, the Board has not received any information from any other shareholders of the Company of their intention to take up the Rights Shares to be provisionally allotted to them.

## **Fractions of the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market. If a premium (net of expenses) was received after such sale, the Company will retain the proceeds from such sale(s). Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders.

## **Status of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

## **Share certificates and refund cheques for the Rights Shares**

Subject to the fulfilment or waiver (as the case may be) of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or about Thursday, 10 March 2016 by ordinary post to the allottees, at their own risk, to their registered addresses. Applicants will receive one share certificate for all the Rights Shares issued to him/her/it. Dealings in the fully-paid Rights Shares are expected to commence on Friday, 11 March 2016.

Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or about Thursday, 10 March 2016 by ordinary post to the applicants, at their own risk, to their registered addresses.

## **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares and for any unsold Rights Shares arising from the aggregation of fractional entitlement. Application for excess Rights Shares can be made only by duly completing and signing an EAF and lodging the same with the relevant remittance for the excess Rights Shares being applied for with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Ltd., at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 2 March 2016.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:—

- (i) no preference will be given to applications for topping-up odd lot holdings to whole lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their nil-paid Rights Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to the availability of excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Rights Shares applied for by them.

In applying the principles in (i) and (ii) above, reference will only be made to the number of excess Rights Shares being applied for. No reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company at the close of business on the Record Date. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Friday, 29 January 2016.

## **Application for listing and dealings of the Rights Shares**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of the HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Nil-paid Rights Shares are expected to be traded in board lots of 4,000. Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

### **Irrevocable Undertakings**

As at the date of this announcement, each of Data Dreamland, Leview, Mr. Jiang and Mr. Li is interested in the following number of Shares:

	<b>No. of Shares</b>	<b>% of the total issued share capital of the Company</b>
Data Dreamland	881,962,496	20.25
Leview	780,380,000	17.92
Mr. Jiang	25,620,000	0.59
Mr. Li	17,500,000	0.40

Each of Data Dreamland, Leview, Mr. Jiang and Mr. Li has irrevocably undertaken to the Company and the Underwriter that (i) it/ he will not dispose of its/ his Shares beneficially owned by it/ him from the date of the Irrevocable Undertakings up to and including the Record Date; (ii) it/ he will accept and pay for in full or procure the acceptance and payment in full of the Rights Shares which will represent the pro rata entitlement provisionally allotted to it/ him or its/ his nominee(s) as holder(s) of such Shares under the Rights Issue; and (iii) it/ he shall not apply for any Rights Shares in excess of those provisionally allotted to it/ him as referred to in (ii) above.

## **UNDERWRITING ARRANGEMENT**

### **Underwriting Agreement**

Date: 22 January 2016 (after trading hours)

Underwriter: UOB Kay Hian

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, UOB Kay Hian and its ultimate beneficial owners are independent third parties not connected with any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates as defined in the Listing Rules

Number of the Rights Shares: Not less than 653,189,580 Rights Shares (assuming no new Share being issued and/or repurchased by the Company on or before the Record Date) and not more than 668,700,975 Rights Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other new Share being issued and/or repurchased by the Company on or before the Record Date)

Number of Underwritten Rights Shares: not less than 397,370,206 Rights Shares (assuming no new Share being issued and/or repurchased by the Company on or before the Record Date) and not more than 412,881,601 Rights Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other new Share being issued and/or repurchased by the Company on or before the Record Date), being all the Rights Shares other than the Rights Shares that Data Dreamland, Leview, Mr. Jiang and Mr. Li have irrevocably undertaken to take up pursuant to the Irrevocable Undertakings

Commission: a fixed sum in the amount of HK\$5.07 million and 3.1% of the aggregate Subscription Price of the Underwritten Rights Shares comprising the commitment of the Underwriter as determined on the Record Date

The commission rate was determined after arm's length negotiations between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Conditions precedent of the Rights Issue and the Underwriting Agreement

The underwriting obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (a) publication of this announcement pursuant to the Listing Rules by no later than 8:30 a.m. on the Business Day following the date of the Underwriting Agreement;
- (b) (i) the Rights Shares (nil-paid) to all Qualifying Shareholders and (ii) the Rights Shares (nil-paid) representing the aggregate of fractional entitlements and the entitlements of the Overseas Shareholders which they would otherwise have to allot to the Underwriter or its nominee/agent to be dealt with in accordance with the Underwriting Agreement having been provisionally allotted by a resolution of the Board on the terms set out in the Prospectus Documents;
- (c) Listing Approval having been obtained prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus, and such permission not being withdrawn prior to the Latest Time for Termination;
- (d) each condition to enable the nil-paid Rights Shares and the fully-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Listing Approval) having been satisfied not later than two Business Days after the Record Date/ prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (e) the Stock Exchange issuing a certificate authorising registration of the Prospectus with the Hong Kong Companies Registry under section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than a Business Day before the Despatch Date (or such later time and/or date as the Company and the Underwriter may agree in writing) and, following registration of the Prospectus, a copy of the Prospectus having been submitted to the Stock Exchange for publication on its website not later than the Despatch Date (or such later time and/or date as the Company and the Underwriter may agree in writing);
- (f) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than a Business Day before the Despatch Date, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than a Business Day before the Despatch Date;
- (g) posting of the Prospectus Documents to the Qualifying Shareholders on or before the Despatch Date;
- (h) delivery of the duly executed counterparts of the Irrevocable Undertakings and the Underwriting Agreement by Data Dreamland, Leview, Mr. Jiang and Mr. Li on the date of the Underwriting Agreement to the Company and the Underwriter;
- (i) the representations and warranties of the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li referred to in the Underwriting Agreement remaining true and accurate in all material respects and none of the undertakings of the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li referred to in the Underwriting Agreement having been breached;

- (j) compliance by the Company with all of its obligations under the Underwriting Agreement or in relation to the publication of this announcement;
- (k) compliance by Data Dreamland, Leview, Mr. Jiang and Mr. Li with all of their respective obligations under the Underwriting Agreement and under the Irrevocable Undertakings and the Irrevocable Undertakings are not being terminated;
- (l) compliance by the sub-underwriter(s) with all their respective obligations by the sub-underwriter(s) under sub-underwriting letter/agreement(s) to be entered into by the Underwriter, if any and such sub-underwriting letter/agreement(s) being in full force and effect and not being terminated; and
- (m) receipt by the Underwriter (in the form and substance to the satisfaction of the Underwriter) of all relevant documents to be provided by the Company by the times specified in the Underwriting Agreement.

If any of the conditions precedent (which has not previously been waived by the Underwriter if capable of being waived under the Underwriting Agreement) is not fulfilled, or becomes incapable of fulfilment, on or prior to the relevant date specified thereon for fulfilment of the relevant condition or, if no such date is so specified or referred to, are not fulfilled on or prior to the Latest Time for Termination (or, in any such case, such later date or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement) shall terminate and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the parties in respect of any breach of the Underwriting Agreement occurring prior to such termination.

The Underwriter may at any time in writing waive any of the conditions precedent set out above (except paragraphs (c) and (e) or extend the time or date for fulfilment of any such condition (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by the Underwriter.

### **Undertakings by Data Dreamland and Leview**

Each of Data Dreamland and Leview, jointly and severally, undertakes that:

- (a) each of them shall not and shall use its reasonable endeavours to procure that companies controlled by each of them shall not, without first having obtained the prior written consent of the Underwriter, transfer or otherwise dispose of (including without limitation by the creation of any option) or acquire any Share or any interest therein or any option, right or warrant in respect of any Share between the date of the Underwriting Agreement and the date of the Prospectus; and
- (b) each of them shall not and shall use its reasonable endeavours to procure that companies controlled by each of them shall not, without the prior written consent of the Company and the Underwriter, transfer or otherwise dispose of (including without limitation by the creation of any option, right or warrant to purchase) or acquire (except by taking up Rights Shares provisionally allotted in respect of Data Dreamland and Leview's beneficial shareholding interests in the Company pursuant to the Rights Issue or pursuant to the Underwriting Agreement) any Share or any interest therein between the date of the Prospectus and the latest time for acceptance.

Each of Data Dreamland and Leview further jointly and severally, undertakes to the Company and the Underwriter that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Closing Date of the Underwriting Agreement (the “**Lock-up Period**”), each of them shall not and shall procure that none of its respective subsidiaries, its respective holding company, the subsidiaries of its respective holding company, and their respective nominees and affiliates (whether individually or together and whether directly or indirectly) shall:

- (a) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares) or any interests therein beneficially owned or held by each of Data Dreamland and Leview or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;
- (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (c) announce any intention to enter into or effect any such transaction,

unless with the prior written consent of the Underwriter, provided that this undertaking shall not apply (i) if the Underwriting Agreement does not become unconditional and is terminated in accordance with the Underwriting Agreement; or (ii) if the Underwriting Agreement is terminated by the Underwriter pursuant to certain events prescribed by the Underwriting Agreement. For the avoidance of doubt, each of Data Dreamland and Leview shall not be restricted from purchasing any Shares during the Lock-up Period provided that such purchase(s) is/are conducted in compliance with all applicable laws.

### **Undertakings by the Company**

The Company undertakes to the Underwriter, and each of Data Dreamland and Leview jointly and severally undertakes to the Underwriter to procure, that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Closing Date of the Underwriting Agreement, the Company shall not (except for the Rights Shares):

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (except for the allotment or issue of Shares upon exercise of the outstanding Share Options);
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of such transaction; or
- (c) announce any intention to enter into or effect any such transaction,

unless with the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed).



## Termination of the Underwriting Agreement

The Underwriter may by a notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement on the occurrence of certain events as set out below:

- (a) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (b) any material breach of any of the representations, warranties or undertakings given by the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li contained in the Underwriting Agreement comes to the knowledge of the Underwriter, or there has been a material breach on the part of the Company or Data Dreamland, Leview, Mr. Jiang and Mr. Li of any other provisions of the Underwriting Agreement, or the Underwriter has cause to believe that any such breach has occurred;
- (c) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given by the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li pursuant to the Underwriting Agreement would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in material respect, comes to the knowledge of the Underwriter;
- (d) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (e) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute material omission therefrom;
- (f) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (g) there is any material adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the opinion of the Underwriter acting in good faith is material in the context of the Rights Issue; or
- (h) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
  - i. any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory, currency or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC;

- ii. the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;

which, in the sole opinion of the Underwriter:

- (i) have or will have, or is likely to have, a material adverse effect or is or will be, or is likely to be, materially adverse to any present or prospective Shareholder in its capacity as such;
- (ii) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (iii) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in this announcement and the Prospectus Documents.

If prior to the Latest Time for Termination, any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement (save in respect of the termination clause under the Underwriting Agreement which shall remain in full force and effect, and save further that the Company shall pay as soon as practicable the underwriting commission and other costs, charges and expenses (if any)) shall terminate forthwith.

**The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement does not become unconditional or in the event the Underwriter exercise their rights to rescind or terminate the Underwriting Agreement prior to the Latest Time for Termination, then the Rights Issue will not proceed, and the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights and obligations under the Underwriting Agreement) and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the Company, Data Dreamland, Leview, Mr. Jiang and Mr. Li and the Underwriter in respect of any breach of the Underwriting Agreement occurring prior to such termination. In such an event, the Company will make a further announcement at the relevant time.**

### **Fund Raising Activities in the Past 12 Months**

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Rights Issue:

**(a) assuming no new Share being issued and/or repurchased by the Company and no exercise of any outstanding and exercisable Share Options on or before the Record Date:**

	As at the date of this announcement		Shareholding upon completion of the Rights Issue			
	No. of Shares	%	All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (except for Data Dreamland, Leview, Mr. Jiang and Mr. Li) and all Untaken Shares taken up by the Underwriter	
			No. of Shares	%	No. of Shares	%
Data Dreamland <sup>(Note 1)</sup>	881,962,496	20.25	1,014,256,870	20.25	1,014,256,870	20.25
Mr. Jia Yueting <sup>(Note 2)</sup>	780,380,000	17.92	897,437,000	17.92	897,437,000	17.92
Mr. Jiang <sup>(Note 3)</sup>	25,620,000	0.59	29,463,000	0.59	29,463,000	0.59
Mr. Li	17,500,000	0.40	20,125,000	0.40	20,125,000	0.40
Mr. Chan King Chung	384,000	0.01	441,600	0.01	384,000	0.01
Mr. Huang Dazhan	288,000	0.01	331,200	0.01	288,000	0.01
Mr. Xie Weixin	384,000	0.01	441,600	0.01	384,000	0.01
Mr. Li Wang <sup>(Note 4)</sup>	10,040,000	0.23	11,546,000	0.23	10,040,000	0.20
Public Shareholders	2,638,038,704	60.58	3,033,744,510	60.58	2,638,038,704	52.68
Underwriter	–	–	–	–	397,370,206	7.94
<b>Total</b>	<b>4,354,597,200</b>	<b>100.00</b>	<b>5,007,786,780</b>	<b>100.00</b>	<b>5,007,786,780</b>	<b>100.00</b>

# Certain percentage figures included in the above table has been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

**(b) assuming full exercise of all the outstanding and exercisable Share Options and no other new Share being issued and/or repurchased by the Company on or before the Record Date:**

	As at the date of this announcement		Upon issue of the Share Options on or before the Record Date		All Rights Shares are subscribed by the Qualifying Shareholders		Shareholding upon completion of the Rights Issue None of the Rights Shares are subscribed by the Qualifying Shareholders (except for Data Dreamland, Leview, Mr. Jiang and Mr. Li) and all Untaken Shares taken up by the Underwriter	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Data Dreamland <sup>(Note 1)</sup>	881,962,496	20.25	881,962,496	19.78	1,014,256,870	19.78	1,014,256,870	19.78
Mr. Jia Yueting <sup>(Note 2)</sup>	780,380,000	17.92	780,380,000	17.51	897,437,000	17.51	897,437,000	17.51
Mr. Jiang <sup>(Note 3)</sup>	25,620,000	0.59	25,620,000	0.57	29,463,000	0.57	29,463,000	0.57
Mr. Li	17,500,000	0.40	17,500,000	0.39	20,125,000	0.39	20,125,000	0.39
Mr. Chan King Chung	384,000	0.01	384,000	0.01	441,600	0.01	384,000	0.01
Mr. Huang Dazhan	288,000	0.01	288,000	0.01	331,200	0.01	288,000	0.01
Mr. Xie Weixin	384,000	0.01	384,000	0.01	441,600	0.01	384,000	0.01
Mr. Li Wang <sup>(Note 4)</sup>	10,040,000	0.23	10,040,000	0.23	11,546,000	0.23	10,040,000	0.20
Option Holders	-	-	103,409,300	2.32	118,920,695	2.32	103,409,300	2.02
Public Shareholders	2,638,038,704	60.58	2,638,038,704	59.18	3,033,744,510	59.18	2,638,038,704	51.46
Underwriter	-	-	-	-	-	-	412,881,601	8.05
<b>Total</b>	<b>4,354,597,200</b>	<b>100.00</b>	<b>4,458,006,500</b>	<b>100.00</b>	<b>5,126,707,475</b>	<b>100.00</b>	<b>5,126,707,475</b>	<b>100.00</b>

# Certain percentage figures included in the above table has been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

*Note:*

1. The entire issued share capital of Data Dreamland is held by Barrie Bay (PTC) Limited (“Barrie Bay”). Barrie Bay is acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a unit trust held by HSBC International Trustee Limited (“HSBC Trustee”), which is acting as the trustee of the Barrie Bay Trust. The Barrie Bay Trust is a discretionary trust set up by Mr. Guo Deying and Ms. Yang Xiao and the discretionary objects of which include the children of Mr. Guo Deying and Ms. Yang Xiao.
2. 780,380,000 Shares are held by Leview, the entire share capital of which is held by Leview Mobile Ltd., the entire share capital of which is held by Le Ltd., the entire share capital of which is held by Lele Holding Ltd., the entire share capital of which is held by Mr. Jia Yueting.
3. Mr. Jiang directly owns 25,200,000 Shares. Mr. Jiang is also deemed to be interested in the 420,000 shares held by Wintech Consultants Limited as he was one of the discretionary objects under the China Wireless Employee Benefit Trust, a discretionary trust established for the benefit of the employees of the Group and the China Wireless Share Award Plan.
4. Mr. Li Wang resigned as an executive Director with effect from 18 January 2016.

**Shareholders and public investors should note that the above changes in shareholding structure of the Company are for illustration purpose only and the actual change in the shareholding structure of the Company upon completion of the Rights Issue is subject to various factors including, among other things, the results of acceptance of the Rights Issue.**

**EXPECTED TIMETABLE**

The expected timetable for the Rights Issue is set out below:

<b>Event</b>	<b>Time and Date</b>
Last day of dealings in the Shares on a cum-rights basis. . . . .	Wednesday, 27 January 2016
First day of dealings in the Shares on an ex-rights basis. . . . .	Thursday, 28 January 2016
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue . . . . .	4:30 p.m. on Friday, 29 January 2016
Register of members closes to determine entitlements . . . . .	Monday, 1 February 2016 to Friday, 5 February 2016 (both dates inclusive)
Record Date . . . . .	Friday, 5 February 2016
Register of members re-opens. . . . .	Thursday, 11 February 2016

Despatch of the Prospectus Documents . . . . . Wednesday, 17 February 2016

First day of dealings in nil-paid Rights Shares . . . . . 9:00 a.m. on Friday, 19 February 2016

Last day for splitting nil-paid Rights Shares . . . . . 4:30 p.m. on Tuesday, 23 February 2016

Last day of dealings in nil-paid Rights Shares . . . . . 4:00 p.m. on Friday, 26 February 2016

Latest time for acceptance of, and payment for,  
the Rights Shares and application  
for excess Rights Shares . . . . . 4:00 p.m. on Wednesday, 2 March 2016

Latest Time for Termination . . . . . 5:00 p.m. on Thursday,  
3 March 2016

Announcement of results of acceptance and  
excess applications of Rights Issue . . . . . Wednesday, 9 March 2016

Despatch of share certificates for fully-paid  
Rights Shares and refund cheques in respect of  
wholly or partially unsuccessful  
applications for excess Rights Shares . . . . . Thursday, 10 March 2016

First day of dealings in fully-paid Rights Shares. . . . . 9:00 a.m. on Friday, 11 March 2016

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

**REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

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.

The Group has been actively expanding its business with the aim of enhancing its overall financial performance and bringing its Shareholders with increasing return. Even though the smartphone market is volatile and becoming more fierce, the Group restructured its business units to support its long-term growth and actively promoted its brand awareness. More resources and working capital of the Group will be put into the developments of new technologies and the expansion of the retail open channels. Meanwhile, in addition to the market in Mainland China, the Group also engages in the sales of smartphones in the overseas markets, including India, USA, Western Europe, and Southeast Asia. In order to strengthen and provide better user experience and strengthen its operational capability in the mobile internet field, the Group also set up strategic cooperation with major internet companies and expects to construct a mobile internet ecosystem.

As disclosed in the announcement of the Company dated 28 November 2013, the Directors approved the reconstruction plan (the “**Reconstruction Plan**”) of the properties owned by Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. (“**Yulong Shenzhen**”), a subsidiary of the Company, in Coolpad Information Harbor (“**Coolpad Information Harbor**”), No. 2 Mengxi Road, Hi-Tech Industry Park (Northern), Nanshan District, Shenzhen, the People’s Republic of China.

The Reconstruction Plan is implemented in accordance with urban planning plan drawn up by the Shenzhen government after the Group’s communication with the Shenzhen government. It involves abolition of certain existing properties owned by Yulong Shenzhen and construction of taller properties with higher gross floor areas in the Coolpad Information Harbor.

In view of the above, the Board considers it would be beneficial for the Group to replenish its funding resources to support the Reconstruction Plan and the development of the current businesses and to better prepare for the Company to take advantage of future business opportunities as and when they arise. The Board further considers that it is more prudent to finance the Group’s long-term growth by long-term financing, preferably in the form of equity which will not increase the Group’s finance costs. In this regard, after considering various possible fund raising avenues, the Directors consider that the Rights Issue to be most appropriate for reasons that:

- the Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so; and
- the Rights Issue could replenish and strengthen the equity base and funding resources of the Company for its further business development and working capital needs without imposing significant financial costs to the Group.

Given the above factors, the Directors consider that the Rights Issue to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

It is the present intention of the Company to apply the net proceeds from the Rights Issue in the following manner:

- approximately 71.43% of the net proceeds from the Rights Issue for the Reconstruction Plan;
- approximately 21.43% of the net proceeds from the Rights Issue for the promotion of its brand awareness and the development of the distribution channels; and
- approximately 7.14% of the net proceeds from the Rights Issue for the general working capital of the Group.

## **Effect of bad weather on the latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares**

The latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 2 March 2016. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 2 March 2016. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Wednesday, 2 March 2016, the dates mentioned in the “Expected Timetable” section may be affected. The Company will notify Shareholders by way of a separate announcement of any change to the expected timetable as soon as practicable.

## **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES IN NIL-PAID FORM**

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Thursday, 28 January 2016. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 19 February 2016 to Friday, 26 February 2016 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**



## GENERAL

As the Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under Rule 7.19(6)(a) of the Listing Rules.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Despatch Date and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 1 February 2016 to Friday, 5 February 2016 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acceptance Date”	4:00 p.m. on Wednesday, 2 March 2016 (or such other time or date as the Underwriter may agree in writing with the Company as the latest time for acceptance of, and payment for, the Rights Shares as well as application for excess Rights Shares and payment of consideration thereof)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, a Sunday or a day on which typhoon signal no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date of the Underwriting Agreement”	3 March 2016, the expected date on which the obligations of the Underwriter under the Underwriting Agreement become unconditional
“Company”	Coolpad Group Limited (酷派集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2369)
“Data Dreamland”	Data Dreamland Holdings Limited, a limited liability company incorporated in the British Virgin Islands and a substantial shareholder of the Company, which holds 881,962,496 Shares as at the date of this announcement, representing approximately 20.25% of the issued shares of the Company

“Despatch Date”	Wednesday, 17 February 2016 or such later date as the Underwriter may agree in writing with the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only to the Non-Qualifying Shareholders (as the case may be)
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) for application for excess Rights Shares proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertakings”	the irrevocable undertakings dated 22 January 2016 given by each of Data Dreamland, Leview, Mr. Jiang and Mr. Li in favour of the Company and the Underwriter regarding their respective obligations in relation to the Rights Issue, as described in the section headed “Irrevocable Undertakings” in this announcement
“Last Trading Day”	22 January 2016, being the last trading day immediately before the date of the Underwriting Agreement
“Latest Time for Termination”	5:00 p.m. on Thursday, 3 March 2016, being the Business Day following the date of Acceptance Date, or such later date as the Company and the Underwriter may agree in writing
“Leview”	Leview Mobile HK Limited (樂風移動香港有限公司), a company with limited liability incorporated in Hong Kong and the substantial shareholder of the Company, which holds 780,380,000 Shares as at the date of this announcement, representing approximately 17.92% of the issued shares of the Company
“Listing Approval”	the grant of permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Main Board of the Stock Exchange
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Jiang”	Jiang Chao (蔣超), one of the executive directors of the Company, who is beneficially interested in 25,620,000 Shares as at the date of this announcement, representing approximately 0.59% of the issued shares of the Company
“Mr. Li”	Li Bin (李斌), one of the executive directors of the Company, who holds 17,500,000 Shares as at the date of this announcement, representing approximately 0.40% of the issued shares of the Company
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register (is) are outside Hong Kong where the Directors, based on advice provided by legal advisers, consider it necessary or expedient to exclude any such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Option Shares”	a maximum of 103,409,300 new Shares to be allotted and issued upon the exercise of all the 103,409,300 vested outstanding Share Options which are exercisable from the date of this announcement and up to the Record Date
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Prospectus”	the prospectus to be issued and despatched to the Shareholders containing details of the Rights Issue on the Despatch Date in connection with, among other matters, the Rights Issue in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus, the PALs and the EAFs
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Friday, 5 February 2016, being the date by reference to which entitlements under the Rights Issue are determined
“Registrar”	the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Ltd., at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong

“Rights Issue”	the proposed issue by way of rights issue on the basis of three (3) Rights Shares for every twenty (20) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	not less than 653,189,580 shares and not more than 668,700,975 shares to be issued and allotted under the Rights Issue
“SFC”	the Securities and Futures Commission
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	option(s) to subscribe for Shares granted by the Company in accordance with the Share Option Schemes
“Share Option Schemes”	the share option schemes adopted by the Company on 21 November 2004 and 23 May 2014
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.10 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“take up” or “taken up”	those Rights Shares in respect of which the valid PALs and EAFs have been lodged and accompanied by cheques or other remittances for the full amount payable in respect thereof
“Underwriting Agreement”	the underwriting agreement dated 22 January 2016 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Rights Shares”	not less than 397,370,206 Rights Shares (assuming no new Share being issued and/or repurchased by the Company on or before the Record Date) and not more than 412,881,601 Rights Shares (assuming full exercise of all the outstanding and exercisable Share Options and no other new Share being issued and/or repurchased by the Company on or before the Record Date), being all the Rights Shares other than the Rights Shares that Data Dreamland, Leview, Mr. Jiang and Mr. Li have irrevocably undertaken to take up pursuant to the Irrevocable Undertakings

“Untaken Shares”	such number of Rights Shares that are not taken up by Qualifying Shareholders by way of valid acceptances of provisional allotments or valid applications under the EAFs
“UOB Kay Hian” or “Underwriter”	UOB Kay Hian (Hong Kong) Limited (大華繼顯(香港)有限公司), a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
“%”	per cent.

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

Hong Kong, 22 January 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.*