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**COOLPAD GROUP LIMITED**

**酷派集團有限公司**

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

**(Stock Code: 2369)**

**ANNOUNCEMENT IN RESPECT OF**

**(1) PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR  
THE YEAR ENDED 31 DECEMBER 2016**

**(2) CONTINUED SUSPENSION OF TRADING**

**PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED  
31 DECEMBER 2016**

Reference is made to the announcement of Coolpad Group Limited (the “**Company**” together with its subsidiaries shall be referred to as the “**Group**”) dated 26 April 2017, 23 May 2017 (the “**Announcements**”) relating to the delay in publication of 2016 Annual Results and delay in despatch of 2016 Annual Report. Capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcements unless the context requires otherwise.

As disclosed in the previous Announcements, the Company currently still needs additional time to provide outstanding information to the Auditor and the Auditor currently also needs time to take auditing measures to verify the information to be provided by the Company in respect of the 2016 Annual Results.

In order to keep the shareholders of the Company (the “**Shareholders**”) and the public informed of the Group’s business operation and financial position, the Board would like to provide the Shareholders and the public with the preliminary unaudited financial information of the Group for the year ended 31 December 2016 together with the audited comparative figures for the same period in 2015.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2016

|   | 2016<br><i>HK\$'000</i><br>(Unaudited) | 2015<br><i>HK\$'000</i><br>(Audited) |
|---|--|--------------------------------------|
| REVENUE   | 7,994,485                              | 14,667,866                           |
| Cost of sales   | <u>(7,637,653)</u>                     | <u>(13,079,059)</u>                  |
| Gross profit  | 356,832                                | 1,588,807                            |
| Other income and gains  | 377,514                                | 472,999                              |
| Gain on loss of control of a subsidiary   | 182,620                                | 2,635,391                            |
| Loss on disposal of an investment in a joint venture  | (1,837,114)                            | –                                    |
| Selling and distribution expenses   | (1,009,842)                            | (958,838)                            |
| Administrative expenses   | (931,640)                              | (970,297)                            |
| Other expenses  | (926,225)                              | (168,581)                            |
| Finance costs   | (83,995)                               | (103,319)                            |
| Share of losses of:   |  |                                      |
| Joint ventures  | (138,969)                              | (184,491)                            |
| Associates  | <u>(171,877)</u>                       | <u>(660)</u>                         |
| (LOSS)/PROFIT BEFORE TAX  | (4,182,696)                            | 2,311,011                            |
| Income tax expense  | <u>(46,464)</u>                        | <u>(34,505)</u>                      |
| (LOSS)/PROFIT FOR THE YEAR  | <u><u>(4,229,160)</u></u>              | <u><u>2,276,506</u></u>              |
| OTHER COMPREHENSIVE (LOSS)/INCOME   |  |                                      |
| Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods: |  |                                      |
| Available-for-sale investments:   |  |                                      |
| Changes in fair value, net of tax   | (425)                                  | (377)                                |
| Exchange differences on translation of foreign operations                                     | (133,845)                              | (196,905)                            |
| Reclassification adjustment for a foreign operation disposed of during the year               | 19,048                                 | –                                    |
| Share of other comprehensive loss of:   |  |                                      |
| Joint ventures  | (493)                                  | (55,318)                             |
| Associates  | <u>(28,277)</u>                        | <u>–</u>                             |
| Net other comprehensive loss to be reclassified to profit or loss in subsequent periods       | <u>(143,992)</u>                       | <u>(252,600)</u>                     |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods:    |  |                                      |
| Gain on property revaluation  | 37,135                                 | 28,999                               |
| Income tax effect   | <u>(6,773)</u>                         | <u>(3,220)</u>                       |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods | <u>30,362</u>                          | <u>25,779</u>                        |

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** (continued)

*Year ended 31 December 2016*

|  | <b>2016</b><br><i>HK\$'000</i><br><b>(Unaudited)</b> | 2015<br><i>HK\$'000</i><br><b>(Audited)</b> |
|--|--|---|
| OTHER COMPREHENSIVE LOSS<br>FOR THE YEAR, NET OF TAX | <u>(113,630)</u>                                     | <u>(226,821)</u>                            |
| TOTAL COMPREHENSIVE (LOSS)/INCOME<br>FOR THE YEAR    | <u><b>(4,342,790)</b></u>                            | <u>2,049,685</u>                            |
| (Loss)/profit attributable to:                       |  |   |
| Owners of the Company                                | <b>(4,209,798)</b>                                   | 2,324,518                                   |
| Non-controlling interests                            | <u>(19,362)</u>                                      | <u>(48,012)</u>                             |
|  | <u><b>(4,229,160)</b></u>                            | <u>2,276,506</u>                            |
| Total comprehensive (loss)/income attributable to:   |  |   |
| Owners of the Company                                | <b>(4,313,547)</b>                                   | 2,106,449                                   |
| Non-controlling interests                            | <u>(29,243)</u>                                      | <u>(56,764)</u>                             |
|  | <u><b>(4,342,790)</b></u>                            | <u>2,049,685</u>                            |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2016

|  | 2016<br><i>HK\$'000</i><br>(Unaudited) | 2015<br><i>HK\$'000</i><br>(Audited) |
|--|--|--------------------------------------|
| <b>NON-CURRENT ASSETS</b>                    |  |                                      |
| Property, plant and equipment                | 997,534                                | 1,001,136                            |
| Investment properties                        | 106,427                                | 110,011                              |
| Prepaid land lease payments                  | 348,646                                | 436,038                              |
| Intangible assets                            | 46,510                                 | 102,945                              |
| Investments in joint ventures                | 108,288                                | 3,748,371                            |
| Investments in associates                    | 1,110,441                              | 197,759                              |
| Available-for-sale investments               | 31,075                                 | 36,916                               |
| Loans receivable                             | 25,001                                 | 37,046                               |
| Other non-current assets                     | 41,062                                 | 45,106                               |
| Deferred tax assets                          | 2,108                                  | 30,000                               |
|  | <hr/>                                  | <hr/>                                |
| Total non-current assets                     | 2,817,092                              | 5,745,328                            |
| <b>CURRENT ASSETS</b>                        |  |                                      |
| Inventories                                  | 1,395,870                              | 1,686,570                            |
| Trade receivables                            | 1,049,727                              | 1,619,599                            |
| Bills receivable                             | 82,491                                 | 129,345                              |
| Short-term loans receivable                  | 369,545                                | 995,513                              |
| Prepayments, deposits and other receivables  | 2,502,185                              | 979,157                              |
| Due from a director                          | 500                                    | 3,282                                |
| Due from a joint venture                     | –                                      | 195,051                              |
| Due from associates                          | 11,261                                 | –                                    |
| Due from other related parties               | 182,683                                | –                                    |
| Pledged deposits                             | 361,811                                | 413,488                              |
| Cash and cash equivalents                    | 1,308,082                              | 2,515,974                            |
|  | <hr/>                                  | <hr/>                                |
| Total current assets                         | 7,264,155                              | 8,537,979                            |
| <b>CURRENT LIABILITIES</b>                   |  |                                      |
| Trade payables                               | 1,784,925                              | 1,916,195                            |
| Bills payable                                | 1,321,077                              | 1,351,701                            |
| Other payables and accruals                  | 1,664,383                              | 2,081,268                            |
| Interest-bearing bank and other borrowings   | 1,123,095                              | 1,205,263                            |
| Due to associates                            | 268,420                                | 706                                  |
| Due to a joint venture                       | 4,406                                  | 2,359                                |
| Due to other related party                   | 50,538                                 | –                                    |
| Tax payable                                  | 88,189                                 | 84,004                               |
|  | <hr/>                                  | <hr/>                                |
| Total current liabilities                    | 6,305,033                              | 6,641,496                            |
| <b>NET CURRENT ASSETS</b>                    | <hr/> <b>959,122</b>                   | <hr/> <b>1,896,483</b>               |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> | <hr/> <b>3,776,214</b>                 | <hr/> <b>7,641,811</b>               |

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (continued)

Year ended 31 December 2016

|   | 2016<br><i>HK\$'000</i><br>(Unaudited) | 2015<br><i>HK\$'000</i><br>(Audited) |
|---|--|--------------------------------------|
| TOTAL ASSETS LESS CURRENT LIABILITIES               | <u>3,776,214</u>                       | <u>7,641,811</u>                     |
| NON-CURRENT LIABILITIES                             |  |                                      |
| Interest-bearing bank and other borrowings          | –                                      | 155,519                              |
| Deferred tax liabilities                            | 57,493                                 | 53,255                               |
| Other non-current liabilities                       | <u>9,720</u>                           | <u>16,342</u>                        |
| Total non-current liabilities                       | <u>67,213</u>                          | <u>225,116</u>                       |
| Net assets  | <u><u>3,709,001</u></u>                | <u><u>7,416,695</u></u>              |
| EQUITY  |  |                                      |
| <b>Equity attributable to owners of the Company</b> |  |                                      |
| Issued capital                                      | 50,326                                 | 43,544                               |
| Reserves  | <u>3,660,846</u>                       | <u>7,283,171</u>                     |
|   | 3,711,172                              | 7,326,715                            |
| Non-controlling interests                           | <u>(2,171)</u>                         | <u>89,980</u>                        |
| Total equity  | <u><u>3,709,001</u></u>                | <u><u>7,416,695</u></u>              |

Shareholders and potential investors are reminded that the information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited management accounts of the Group for the year ended 31 December 2016, and is not based on any data or information that has been audited or reviewed by the auditors and the audit committee. The relevant financial information is pending for further review by the Company, its auditors, the audit committee and, if applicable independent professional valuers, and will be subject to changes resulting from, among others, further review by the Company and any adjustments that might be proposed by the auditors. The Board cannot guarantee the unaudited financial results has truly reflected the financial performance and condition of the Group and might be misleading if the potential adjustments have not been taken into account.

Shareholders and potential investors are also cautioned not to unduly rely on the unaudited financial information disclosed above, and should exercise caution when dealing in the shares of the Company.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 3 April 2017. Trading in the shares of the Company will remain suspended until further notice.

By order of the Board  
**Coolpad Group Limited**  
**JIA YUETING**  
*Chairman*

Hong Kong, 31 May 2017

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