



CLOUDTEL Business Plan

August, 2014

Catalog



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CloudTel
Business Plan



Company Profile

Who are we?

CloudTel is a company dedicated to break down the communication barriers and delivering cloud communications solutions that free people to communicate in the way they want in today's mobile, distributed and always-on work world.

Delivered on a state-of-the-art cloud infrastructure, CloudTel cloud communications platform help millions of customers thrive in a new mobile world of work and living.

We have

Dream

- To change the world, to make people's life more smart,more wonderful.....

Passion

- We are young and energetic, passionate, we strive for our dream

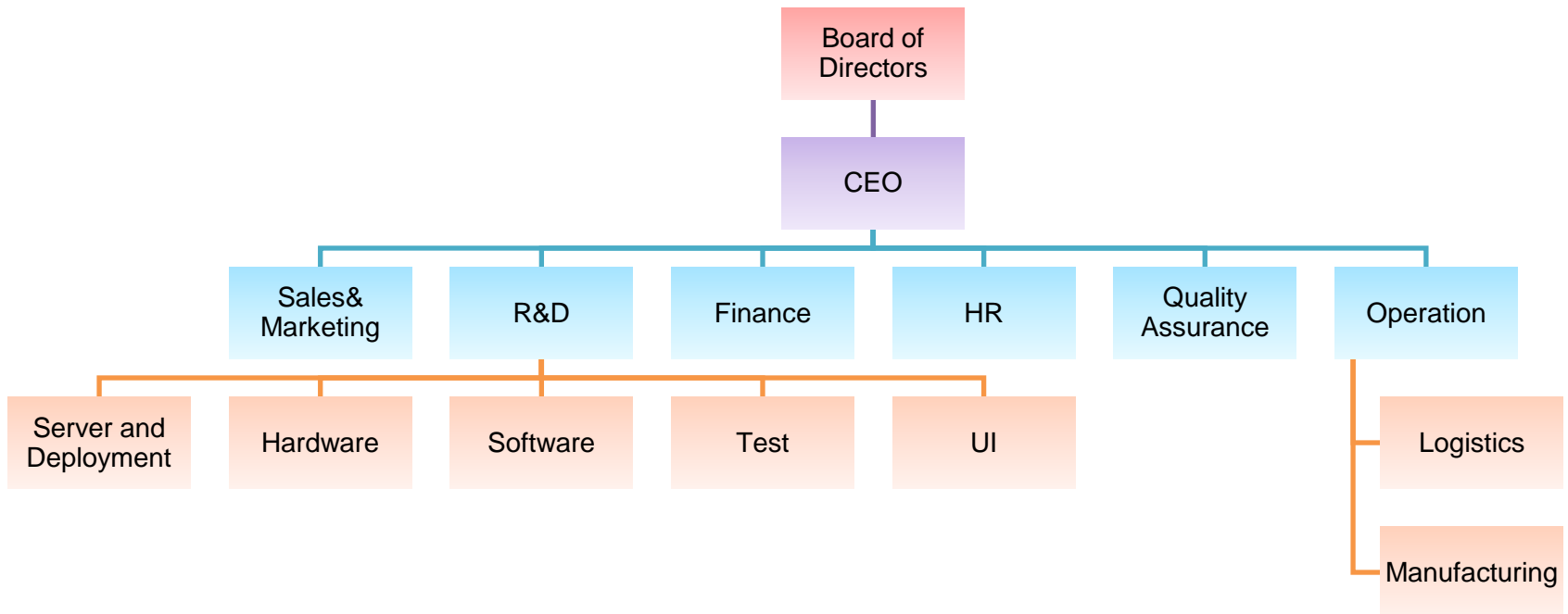
vision

- We connect every people, family and company in the cloud

Responsibility

- Create value for our customers, our shareholder, our staff and our partners

Organization Chart



R&D: Research and Development

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CloudTel Introduction

Hardware Platform

The CloudTel Smart Terminal is a unique multi-touch interactive 10 inch High Definition smart terminal



CloudTel Introduction



Features Highlight



CloudTel

10' inch
Touch
Screen

Android
Smart OS

WIFI and Cable
Supported

HD Video
Conversation

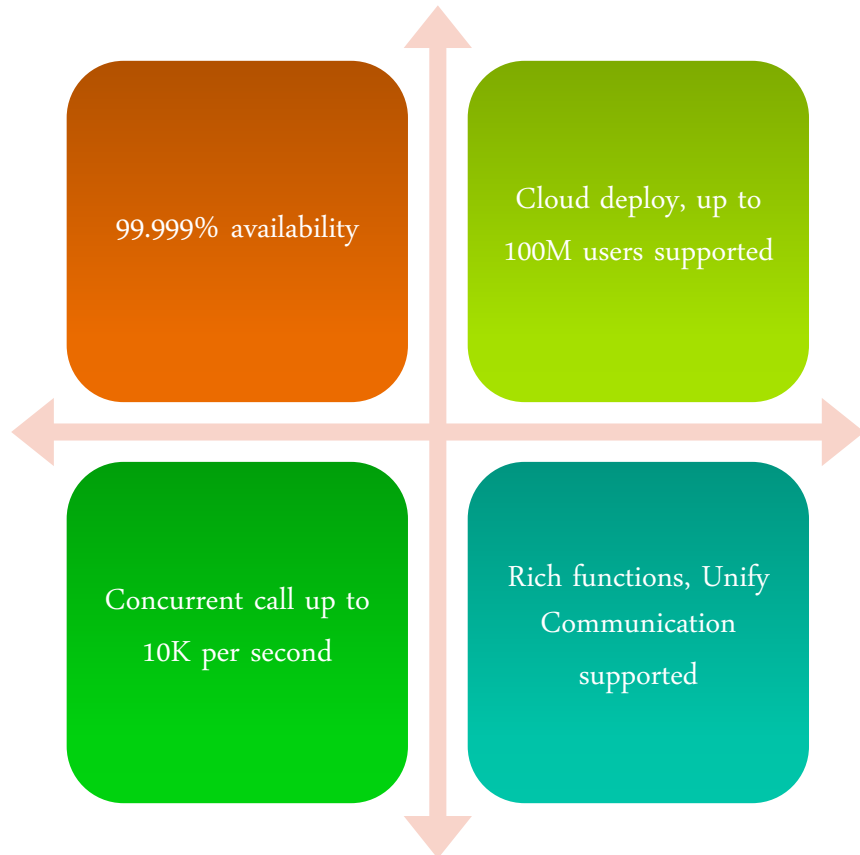
Multi-Touch
Interactive

Hardware Platform

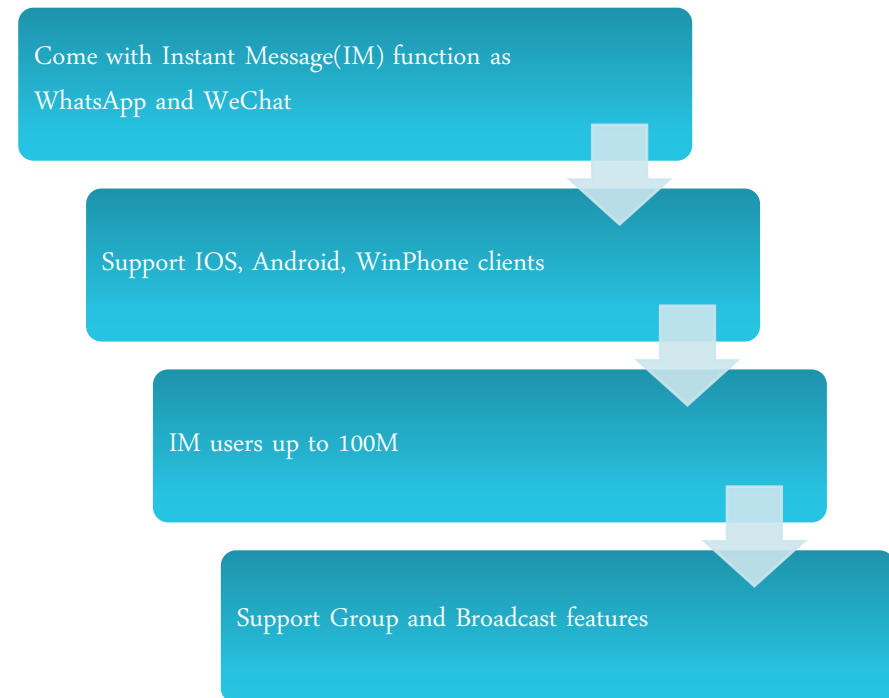
User Interface Features	Call Features	Operating System	Network and Provisioning	Other Features
10.1' TFT LCD display	6 lines	Android OS 2.3.4	SIP protocol support	6 feature keys
1280(H) x 800(V)	Call labels	Built-in Apps, e.g. Browser, Reader, Picture viewer and Video player etc.	IP assignment: static/DHCP/PPPoE	RJ11 port for PSTN
89 degree viewing angle	Auto audio recording	Support three party apps in Android market	Hardware	2 x 10/100 Base-T RJ45
16:10 wide screen aspect ratio	Call transfer, hold, resume	Video	CPU 1.2GHz	USB 3.0/2.0
High brightness: 350cd/m2	Call waiting and call timer	Video codec: H264	Memory 512M/1G(optional)	Audio output
Quick response time	One-touch speed dial	Resolution: QCIF/CIF/D1	Storage 4G/8G/16G(optional)	Video output
Capacitive touch screen	Three-party conference	Audio	Independent video codec	Power over Ethernet (PoE) (optional)
Actual 5-point touch	Do Not Disturb function	Primeview HD Voice	Camera	3. 5mm Headset port
Surface hardness 7H	Mute, Auto answer	Acoustic echo cancellation	5 mega pixel camera	HDMI port
Digital picture frame	Voice mail	Audio codec: G.711A/U, G.729A/B, G.722	Adjustable camera tilt	WiFi module(optional)
On-screen virtual keyboard	Event notification	Noise suppression	Automatic Focus	
	Volume control	Available voice detection	Easy picture switch between local and remote	
	Breathing light for status	Adaptive jitter buffers		
		Packet loss concealment		
		Comfort noise generation		

Software Platform - Communication

Carrier Class Soft-Switch Platform



IM Platform



Software Platform – Advertising Platform

Switch-on Advertising

- When user switch on the device, 5 sec ad content will shown before he can continue to use.

Standby Mode Full Screen Advertising

- When user switch off the device, like a screensaver showing different full screen ad content as promotion.

App Integrated Ad Banner

- For different App, we can integrate ad banner on the interface so that we can show more content to our users.

Advertisers Promotion Activities

- Cooperate with our advertisers to provide different activities to our customer so that they can know the advertiser brand more.

Switch-on Advertising



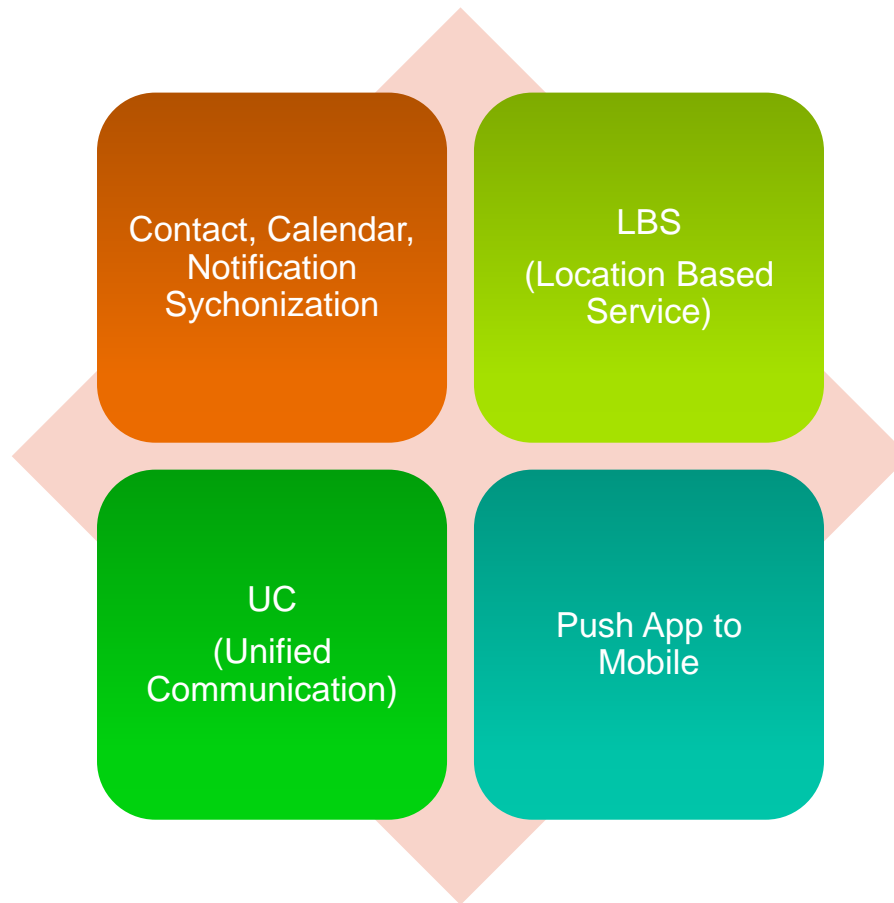
Standby Mode Advertising



In App Ad Banner



Software Platform – Device Continuity



Software Platform –Various Content & App

To provide different content, App and service to users base on different scenarios

General:

Cooperated App
recommendation
e-Commerce

Home:

Life tips
Smart home device control
News pushing
Remote healing

Office:

POS & CRM App
Restaurant Order App
Call center
Product demo App
News pushing

Hotel:

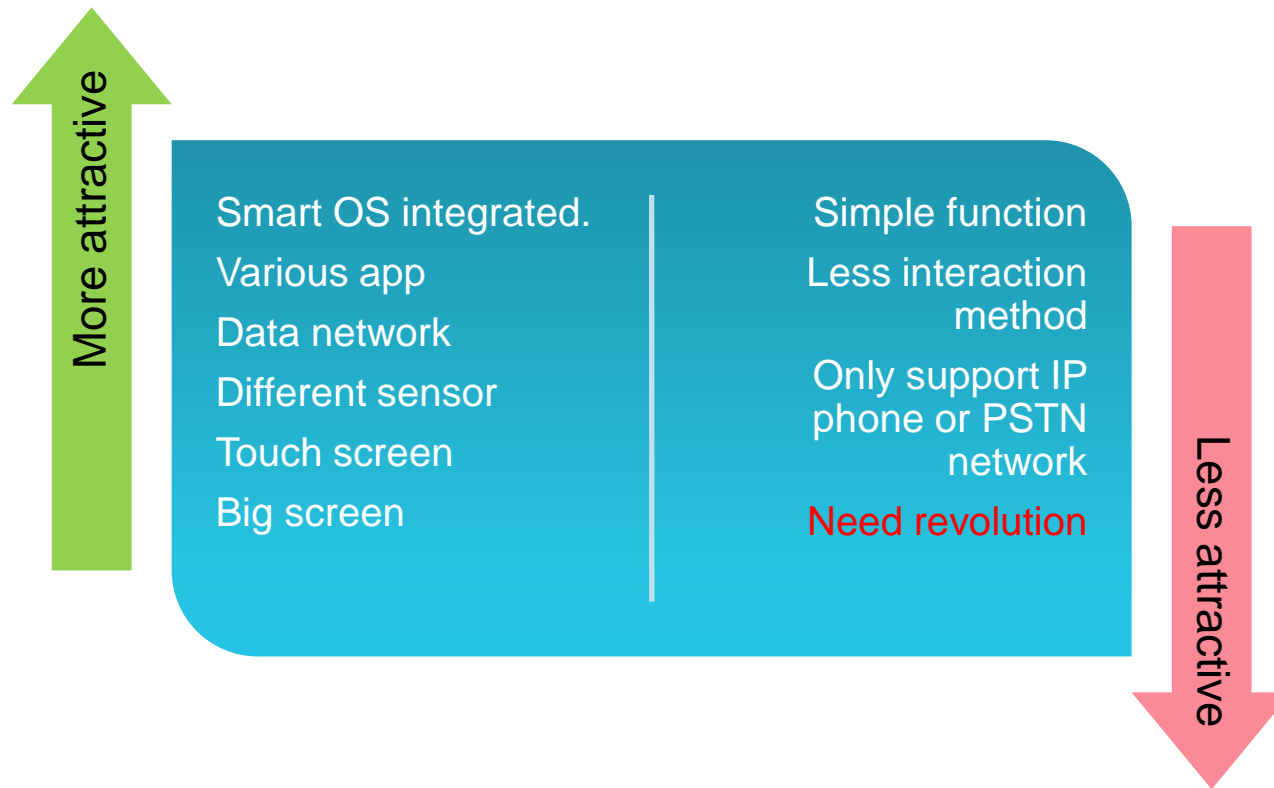
Room device control
Wi-Fi AP
Hotel introduction
Trip advisor
Restaurant booking App
Video housekeeper

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Market background

Traditional Desktop telephone replacement



Desktop phone replacement

Telco is seeking a replacement of traditional desktop phone so that they can rebuild the family market.

There is millions of analog desktop phones need to be upgrade to IP video smart terminals.

Just like functional cellphones being upgrade to smart cell phones. Nokia is gone, Apple and Samsun are rising to the top. Cloudtel will rise fast too.

China unicom

As China Unicom Beijing is the confirmed operator of multimedia video phone, China Unicom Beijing will be in charge of service's contract arrangement, provisioning, marketing as well as promotion and service daily operations.

Base on the agreement between both parties, capital provider will purchase multimedia videophone from device supplier (assign by China Unicom Beijing), and China Unicom Beijing will pay to capital provider for the related charges.

Device supplier and capital provider need to sign a purchase contract to ensure implementation of sales to secure their corresponding profit.

China Unicom Beijing is target to develop **320 Thousand** users and acquire 320 Thousand smart terminals in 2015 and 2016.

Remarks: Under a suitable market scale and build up a business brand, China Unicom will discover to expand the device sales and promotion via social channels.

China telecom(CT)

CT is planning to purchase smart terminal devices for their "Color eHome" program. Initial purchase amount is 1 million. Smart terminal supplier need to sign up for testing CT HQ will design and confirm the marketing and promotion plan, prepare the sales channel and customer service with branches in different provinces. Target to start procurement in July and launch to market in August or September in the first 10 provinces which is responded to deploy the smart terminals.

Regarding to "Color eHome" service will be a strategic importance in CT's business. CT will provide device purchase subsidy of "Color eHome" to expand the market capacity quickly:

- 1) Due to "Color eHome" will be the communication solution replacement of existing narrowband communication solution, PSTN network phone service will be ceased from 2019, all user need to migrate to "Color eHome" device step by step;
- 2) IMS-based communication solution will urge the deployment of CT "Broadband China" strategy as well as the development of fiber network rapidly.

CT "Color eHome" device initial development plan: **1 million in 2015** (for the first 10 provinces which is responded to deploy "Color eHome"), **2.5 millions in 2016** (Launch to 21 provinces in southern China), **4.5 millions in 2017** (Launch to all provinces in China);

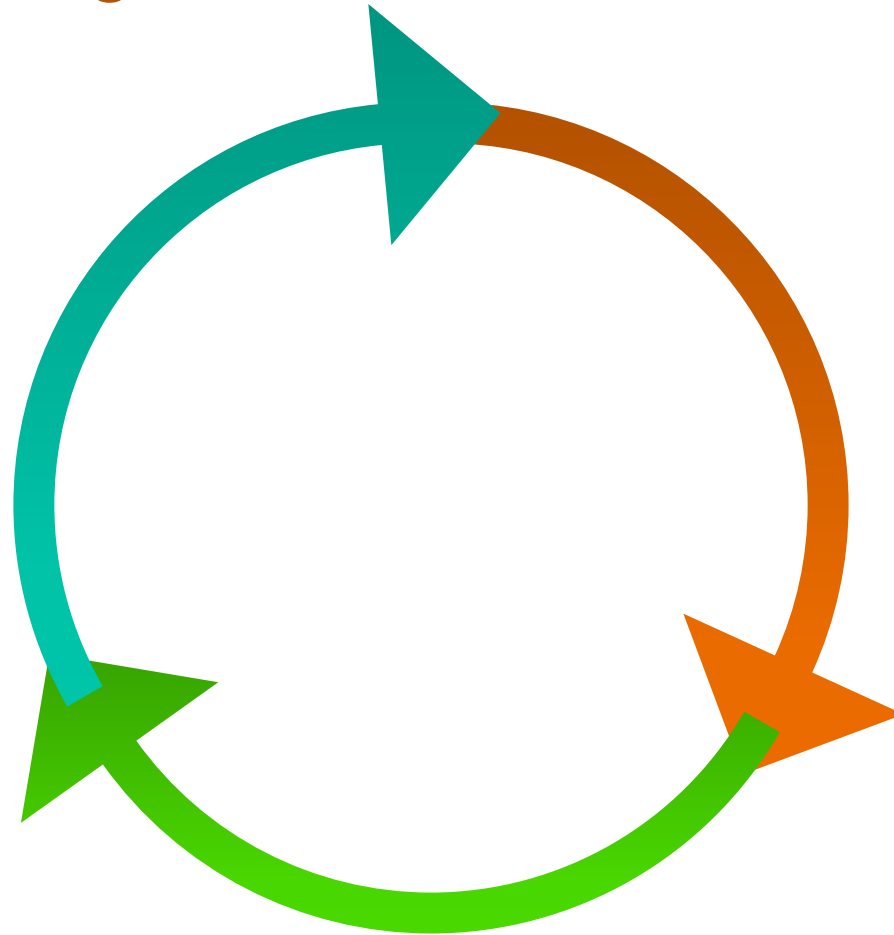
CT "Color eHome" network development plan: network user scale of existing 10 provinces which are deployed "Color eHome" is 15 millions.

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Business Analyze & Model

Different ways to generate revenue



E-commerce

In China, base on report from CNNIC *2013 China's Online Shopping Market Research Report*, here is some data for reference:

Online shopping users: 302 Millions

Transaction amount: 1.85 trillion RMB.

CloudTel is a good entrance to online shopping, we should line up some existing online malls (JD.com or Tmall) and use CloudTel as a shopping channel. With 10-inch big screen, this should provide a better experience compare to using smartphone.

Business Analyze & Model



E-commerce model(family and hotel)

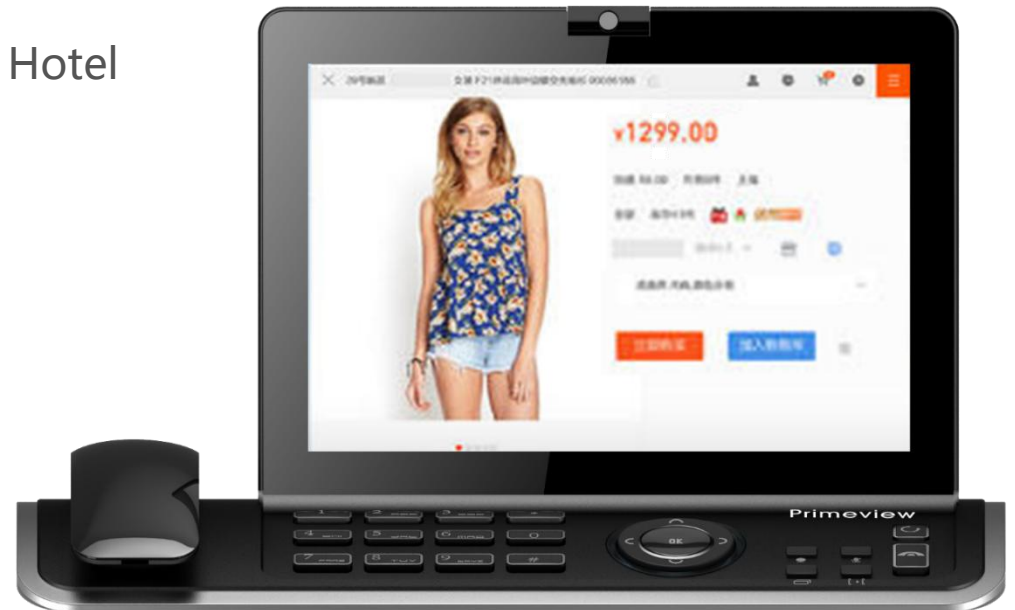
Per device revenue =

Average Transaction Amount (USD125) ×

Turnover Percentage (35%) ×

Revenue Sharing from Online Mall (15%) ×

Our Revenue after Sharing to Telco or Hotel
(80% left)



Advertisement

CloudTel as a fix device at home, office or hotel, this is a good channel to provide advertising service. We' ve defined some way to present ad banner:

- Switch-on Banner
- Standby Mode Banner
- App Integrated Ad Banner
- Advertisers Promotion Activities

Advertisement Model(family)

Per device revenue =

Monthly Ad Revenue per device (USD12) ×

Device Amount ×

Advertising Permeability (60%) ×

Our Revenue left after Sharing to Telco (80% left)

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Sales Planning

Sales Channel and target

We've defined 3 main users of Telco : Hotel rooms, Office and Family. To get in touch with those users. We need to find cooperation opportunities with chain hotels and Telco.

Chain Hotels

- Different Classes of hotels located all over the country.

Telco

- Office Users
- Family Users

Telephone companies

In coming 5 years, we are planning for get sales from at least 5 Telcos, most likely will be: China Unicom, China Telecom, Spain Telefónica, Mexico Telmex and Brasil Telecom. Base on the information we' ve got from China Telecom and China Unicom, we' ve defined our sales plan as below:

Terminals Number	2015Y	2016Y	2017Y	2018Y	2019Y
China Unicom	50,000	100,000	300,000	400,000	500,000
China Telecom		50,000	100,000	300,000	400,000
Spain Telecom			50,000	100,000	300,000
Mexico Telecom				50,000	100,000
Brazil Telecom					50,000
Total Terminals (New)	50,000	150,000	450,000	850,000	1,350,000
Total Terminals (Acc)	50,000	200,000	650,000	1,500,000	2,850,000
China Asian Agreement (New)	50,000	150,000	400,000	700,000	900,000
European/Latam Operator (New)	-	-	50,000	150,000	450,000

Chain hotel

In coming 5 years, we are planning for get in touch with significant chain hotels so that we can boost our device sales in a large scale, here is the plan:

First year, we will get in touch with 5 China hotel chain, and second years will contact International hotel chain:

Room Number (1 Device/Room)	2015Y	2016Y	2017Y	2018Y	2019Y
Domestic Hotel Chain:					
• 7-days Inn					
• Hanting					
• Home Inn	10,000	40,000	60,000	100,000	110,000
• Jinjiang Inn					
• City Inns					
International Hotel Chain:					
• Hilton Hotels					
• Starwood	-	10,000	40,000	50,000	85,000
• IHG					
• Hyatt					
Total Terminals (New)	10,000	50,000	100,000	150,000	195,000
Total Terminals (Acc)	10,000	60,000	160,000	310,000	505,000



Thank you!