

# China Wireless Technologies Limited

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



## Investor Presentation

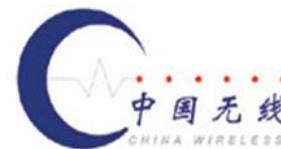
August 2010



Coolpad 酷派  
live smart



# Safe Harbor Statement



## ■ Important Notice

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

## ■ Disclaimer

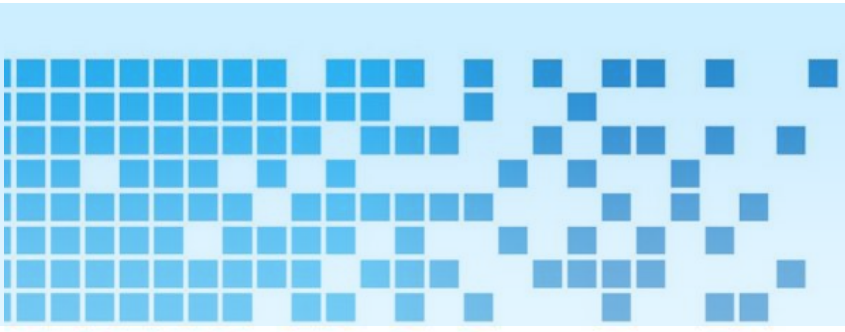
– This document does not constitute any recommendation or invitation to subscribe to or sell shares of China Wireless Technologies Limited, nor should it be used as the basis of any contract to buy or any pledge. Therefore, any decision to buy or sell the company's shares must be based solely on the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

# Agenda

- Company Introduction
- Investment Highlights
- Financial Highlights
- Future Growth Strategies
- Professional Management
- Q&A



**Coolpad** 酷派  
live smart



# Company Introduction

An **innovative** wireless telecom company  
Building on **core** technologies  
For **growing** with the PRC market

# Company Introduction



## China's leading smartphone developer & supplier

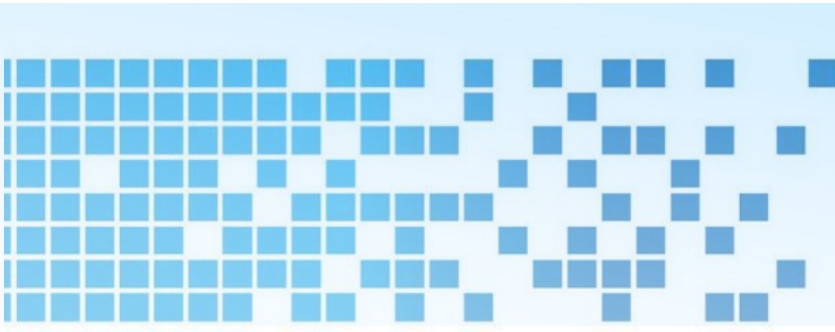
- Owning a famous smartphone brand **Coolpad** 酷派
- **Leading** China's 3G smartphone market with all-network 3G pipeline(No.3<sup>[1]</sup>)
- **Pioneer** in the global dual-mode dual-working<sup>[2]</sup> smartphone market(No.1<sup>[1]</sup>)
- Leading **R&D** capabilities with over 1,200 engineers in mobile's software and hardware designs
- Focusing on **complex** smartphone design and sole proprietary mobile operating systems based on Linux™, Windows® CE, Brew & Android, respectively
- Particular strength in the 3G technologies: CDMA2000/GSM (No.2<sup>[1]</sup>), TD-SCDMA/GSM (No.3<sup>[1]</sup>)
- Maintaining close & comprehensive cooperation with domestic telecom operators
- Recording a **robust** growth over the past years, ranked as **Deloitte Technology Fast 500 China & Fast 500 Asia Pacific** in 5 consecutive years

[1] representing Coolpad's domestic market position according to **SINO-MR** report in June 2010

[2] dual-mode dual-working("dual-mode ") phone is a phone carrying dual SIM cards, standby & working simultaneously



2014年12月10日



# Investment Highlights

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**Leading Position in China's 3G Smartphone Market**

**Strong 3G Product Mix**

**Expanded Market Reach**

**Leading R&D Capability**

**Blooming Market Opportunities**

# Investment Highlights



## (1) Leading Position in China's 3G Smartphone Market

### ■ Sales Volume of 3G **Coolpad** Smartphone Hits Record High 1H2010

- Sold a total of 1,420,000 units Coolpad smartphone (1H2009:100,000 units)
- Strengthened **leading** market position in China's 3G mobile market
- Widely recognized as **China's top 3G smartphone brand**

### Acc. 2010 Market Shares in Sales Volume by Brand

TD-SCDMA	M-share	CDMA2000	M-share	WCDMA	M-share
	33.7%		32.2%		58.3%
	10.0%		27.4%		12.5%
	9.5%		8.9%		12.1%
	7.6%		8.3%		7.6%
	7.6%		5.7%		3.6%
	6.9%		5.3%		3.1%

Source: SINO-MR Report 2010.6



# Investment Highlights



## (2) Strong 3G Product Mix

- **Tailor-made a Record Number of 3G Smartphone Models for the Operators in 1H2010**
  - The world first WCDMA/GSM dual-mode dual-working smartphone (Coolpad W700) rolled out in January 2010
  - 4 TD-SCDMA(HSDPA)/GSM dual-mode Coolpad smartphone
  - 6 CDMA1X(EVDO)/GSM dual-mode Coolpad smartphone
- **3G Products Contributed Strong Revenue and Market Share Growth**
- **Becoming One of the Few 3G Mobile Phone Vendors Who Can Offer Any Mode of 3G Smartphone Worldwide**

# Investment Highlights



## (3) Expanded Market Reach

### ■ Close Relationships with Domestic Telecom Operators

#### ■ **China Telecom** — CDMA & CDMA2000 network operator

↗ The biggest client, accounted for 65% of total revenue (1H2010)

↗ Tailor-made 8 new CDMA2000 smartphone in 1H2010

#### ■ **China Mobile** — GSM & TD network operator

↗ The 2nd biggest client, accounted for 30% of total revenue (1H2010)

↗ Tailor-made 4 new TD-SCDMA smartphone models in 1H2010

#### ■ **China Unicom** — GSM & WCDMA network operator

↗ Maintains a solid & strong relations over ten years

↗ Initially tailor-made 1 WCDMA/GSM dual-mode Coolpad smartphone in January 2010 (Approx. 4% of total revenue)

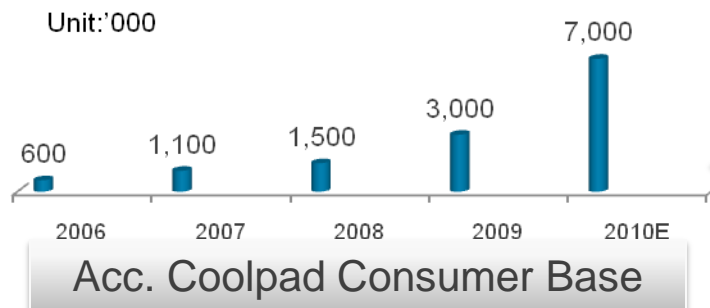


# Investment Highlights



## (3) Expanded Market Reach

- **Stretched Product Positioning into the Mass Mobile Market**
  - Initiated a series of brand campaign to promote **LIVE SMART**
  - **Actively expanded social distribution channels:**
    - ✈ Developed over 150 local distributors and agents
    - ✈ Directly established 4 Coolpad image shops
    - ✈ More than 10 Coolpad 3G specialized outlets
    - ✈ Expanded overseas market by close cooperation with its local mobile carriers in Vietnam, India, Indonesia, Taiwan Region etc.
  - **Strengthened Coolpad consumer base**



2010E: only the Management's target.

## (4) Leading R&D Capability

- **Over 1,500 patents** applications were made and gradually granted in the PRC, Korea, United States, etc. (30 June 2010)
- Over **3,000** employees; more than **1,000** of them are involved in R&D
- **3 R&D centers** and **1 production base** in Shenzhen, Xi'an, Beijing and Dongguan, respectively

## ■ Proprietary Mobile Operating Systems (O/Ss)

- Established **Multi-O/Ss Platform**, including Windows<sup>®</sup> CE, Brew, Linux<sup>®</sup> and Android(on testing), etc.
- **Various applications designed in-house based on the proprietary O/Ss platform**: user-friendly mobile software, convenient soft keypad, flexible Chinese handwriting with stylus, mobile information security and privacy protection, etc.

# Investment Highlights



## (4) Leading R&D Capability

### ■ Breakthroughs in Mobile Hardware and New Generation Tech

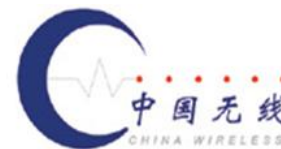
- Enhanced cooperation with the famous industry partners such as Leadcoretech, Qualcomm, TI, Freescale, Marvell, Datang, T3G etc.
- Initiated advanced R&D with telecom operators on 4G technology, mobile payment and cloud computing, etc.

### ■ Enhanced Mobile Experience

- Standardized **Coolmart** platform for third-party software and applications compatible with Coolpad smartphone
  - ✈ Approx. 1,500 of applications available for users to download freely (2010.6)
  - ✈ More than 500,000 of Coolpad users enrolled Coolpadtone(酷派通) account for enjoying this mobile experience (2010.6)



# Investment Highlights



## (4) Leading R&D Capability

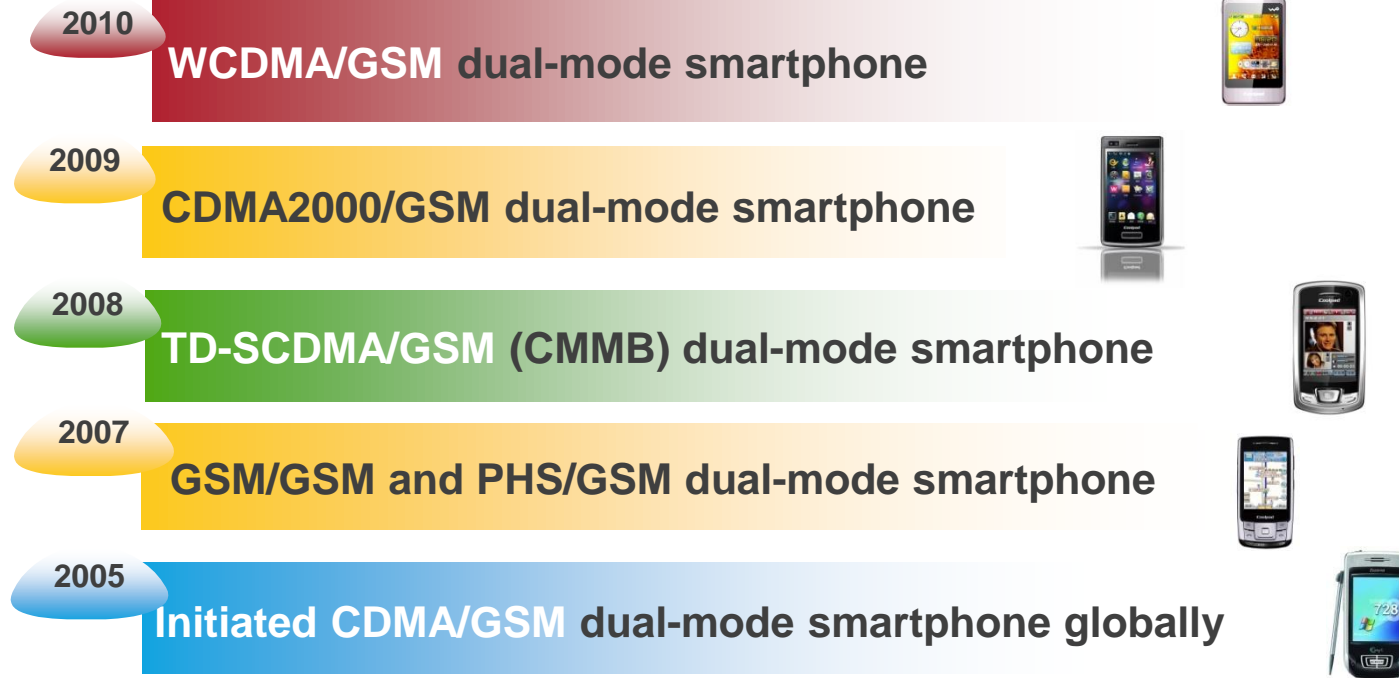
### ■ Tailor-made Various Successful Industrial Specific Applications

Industry	Key Functions	Successful Cases
Finance	A+H real-time stock quotes	Merchants Securities
	Historical data and charts	GF Securities, etc.
	Online trading	
Police	Individual profile	Guangdong police
	Information of residency	Shandong police
	Motor vehicles & stolen vehicles	Zhejiang police
Commerce	Merchandise info.	Beijing Administration for Industry & Commerce
	Enterprise info.	
	Mobile office & meeting	
Others	Streaming media, OA	Shanghai World Expo
	PPT & Conference call	Beijing Olympics

# Investment Highlights

## (4) Leading R&D Capability

### ■ Technology & Product Roadmap



**Evolving Pipelines & Product Portfolios**

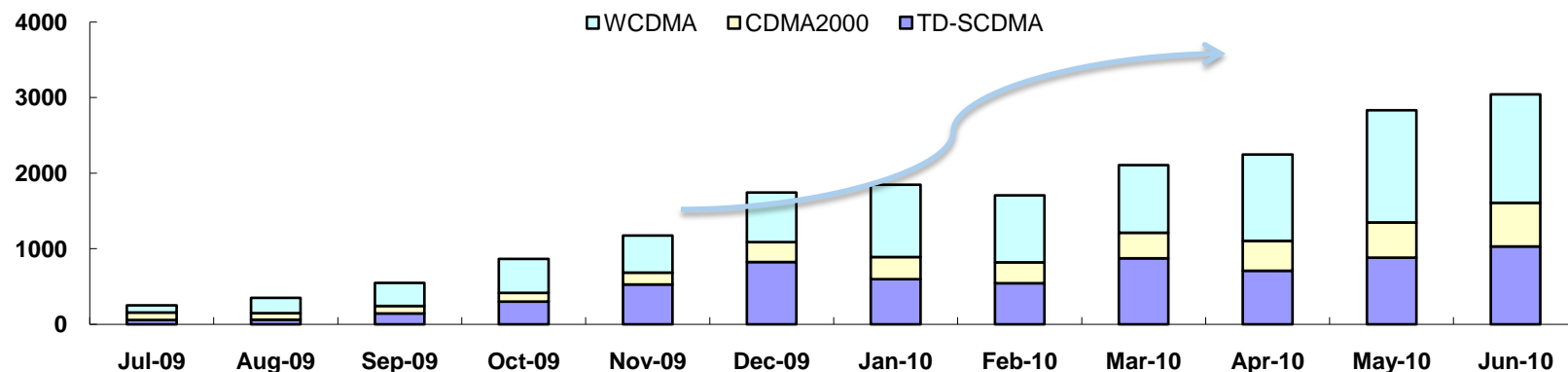
# Investment Highlights



## (5) Blooming Market Opportunities

- Emerging **3G subscribers** upgrading their 2G phones for 3G service
- The **MIIT** set a 3G subscriber's target of **150 million** to the end of 2011 (approx.25 million 3G subscribers to June 2010)
- 3 telecom operators' **aggressive** target of 3G subscribers (2010: 28 million)
- Unprecedented growth of domestic smartphone users recently—smaller coverage of smartphone comparing with that in developed countries

### 3G Market Size Development

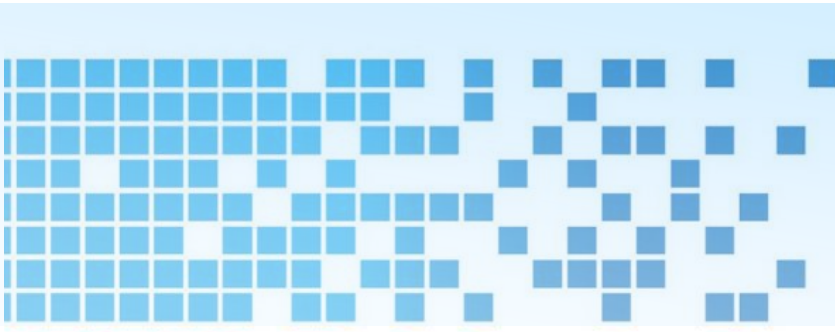


Source: SINO-MR Report 2010.6





2015年半年度报告



# Financial Highlights

# Financial Highlights



<i>HK\$'000 (Unaudited)</i>	<b>1H2010</b>	<b>1H2009</b>	<b>Change</b>
<b>Revenue</b>	<b>2,102,569</b>	715,701	↑ <b>193.8%</b>
<b>Gross profit</b>	<b>620,748</b>	243,525	↑ <b>154.9%</b>
<b>Gross profit margin</b>	<b>29.5%</b>	34.0%	↓ <b>4.5 pts</b>
<b>Profit before tax</b>	<b>288,082</b>	37,744	↑ <b>663.3%</b>
<b>Tax</b>	<b>(15,728)</b>	(5,335)	↑ <b>194.8%</b>
<b>Net profit attributable to shareholders</b>	<b>272,354</b>	32,409	↑ <b>740.4%</b>
<b>Proposed final dividend per share (HK cents)</b>	<b>1.0</b>	1.0	<b>Nil</b>

# Revenue Segmentation



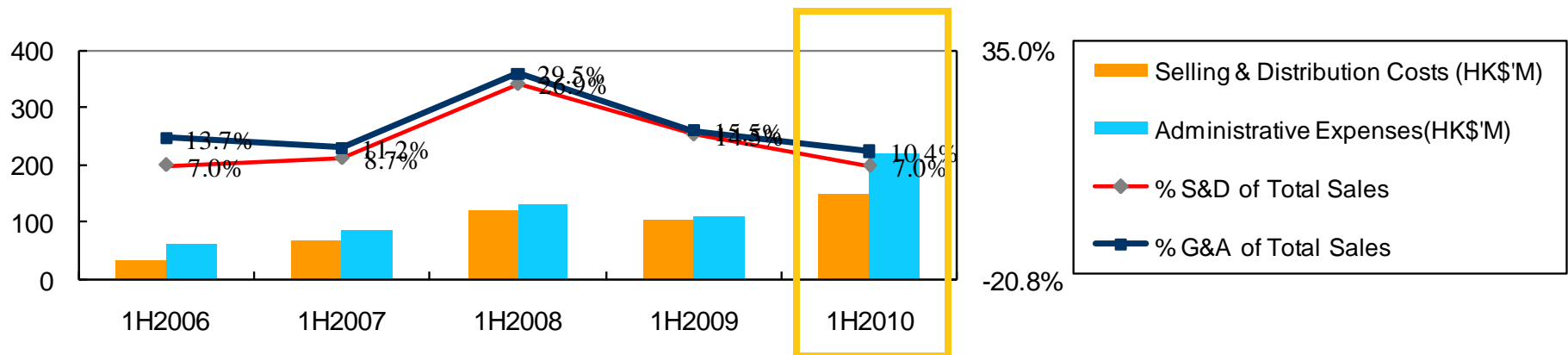
Products Type	1H2010 (HK\$'M)	% of total revenue	1H2009 (HK\$'M)	% of total revenue
3G Coolpad Smartphone	1,799.9	85.6%	247.9	34.6%
2G Coolpad Smartphone	285.9	13.6%	459.1	64.2%
Subtotal	2,085.8	99.2%	707.0	98.8%
Other Products	16.8	0.8%	8.7	1.2%
Total	2,102.6	100.0%	715.7	100.0%

- Major Business: **3G Coolpad Smartphone** contributed **85.6%** of total revenue in 1H2010
- Sales of **3G Coolpad Smartphone** achieved a **626.1%** growth as compared with 1H2009

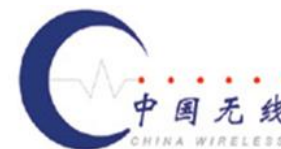
## Higher Operational Efficiency Achieved

### ■ Significant Decrease in % of SG&A over Total Revenue

- Improved internal operating process and administrative efficiency through a series of internal measures
- Effective marketing expense control
- Achieved economy of scale



# Summary Balance Sheet Items



	1H2010	2009A	2008A	2007A	2006A
Cash & Cash Equivalents (HK\$'M)	467.2	251.4	124.9	91.2	83.4
Receivable Turnover Days	26	40	88	51	78
Payables Turnover Days	65	74	103	64	119
Total Debt/ Book Equity	1.4	1.6	1.5	0.9	1.3
Quick Ratio (X)	1.0	0.8	0.9	1.1	1.2
Current Ratio (X)	1.4	1.3	1.2	1.6	1.7
Gearing Ratio (%)	49.3	55.0	54.9	41.3	53.1

**Improved working capital management & strengthened balance sheet**



# Future Growth Strategies

# Future Growth Strategies

## Innovation and R&D

- Close cooperation with industry leading suppliers to introduce more feature-rich and user friendly Coolpad products
- Advanced R&D on TD-LTE(4G)
- Focus on innovation of UI & ID to enhance users' mobile experience
- Introduction of Android-embedded Coolpad smartphone with a completely new UI and ID



## Product Differentiation

- New series of dual-mode 3G Coolpad smartphone to be launched:
  - 2 models of TD-SCDMA(HSDPA)/GSM
  - 4 models of CDMA1X(EVDO)/GSM
  - 1-2 model(s) of WCDMA/GSM
- Single-mode 3G/2G smartphone: TD-SCDMA(HSDPA), CDMA1X(EVDO), WCDMA and CDMA1X
- Diversify product appearance: develop more flip and slide phones in different colors
- Develop a series of wireless data access devices and MID (like iPad) products

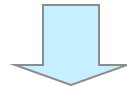
# Future Growth Strategies



## Expand Customer Base

- Focus on mid & low-end entry level smartphone in 2H2010
- Enrich applications & contents available in **Coolmart**
- Build more image shops & 3G specialized outlets in major cities of China
- Develop more direct & indirect social distribution channels

Advanced R&D + Product Differentiation + Large Customer Base



Leading Smartphone Developers  
and Suppliers in the PRC



# Professional Management



Mr. Deying GUO

- The chairman & CEO of China Wireless since its establishment
- A teacher in Shenzhen University before this position
- 17 years of experience in the wireless communications industry



Mr. Chao JIANG

- CFO; Joined China Wireless in June 2002
- 17 years of experience in the financial industry
- Various functions at the State Audit Bureau, finance dept. of Qiaoxing Electronic (Nasdaq:XING) & ZTE Corporation (HK:763)



Mr. Bin LI

- CTO; Joined China Wireless in June 1996
- 12 years of experience in software development and testing
- Various function at China Sanjiang Aviation Industry Group



Mr. Wang LI

- CMO; Joined China Wireless in March 2001
- 12 years of experience in the information technology industry
- Various function at Huawei Technology Company

Mr. Charles Zhang (張 林)

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