

China Wireless Technologies Limited

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

2011 Interim Results Corporate Presentation

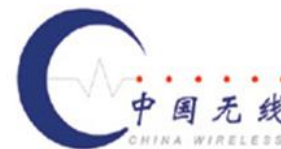
August, 2011



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.

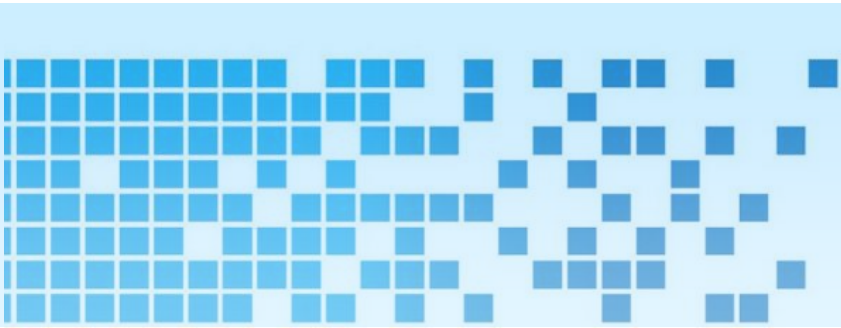
Agenda



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



Coolpad 酷派
live smart



Company Introduction

An **innovative** wireless telecom company
Building on **core** technologies
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 pipelines (No.5^[1])
- **Pioneer** in the dual-mode dual-working^[2] smartphone market(No.1^[1])
- Particular strength in the **3G technologies**: CDMA2000 (No.2^[1]), TD-SCDMA (No.4^[1])
- Outstanding **R&D** capabilities with over 1,800 engineers in mobile's software & hardware designs
- Focusing on complex smartphone design and sole proprietary mobile operating systems based on Brew™ and Android™ respectively
- Maintaining close & comprehensive cooperation with domestic telecom operators
- Recording a **robust** growth over the past years, ranked as **Deloitte Technology Fast 50 China & Fast 500 Asia Pacific** for 6 consecutive years

[1] representing Coolpad's domestic market position according to **SINO-MR** report in June 2011

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



Investment Highlights

Investment Highlights



Leading Position in China's 3G Mobile Market

Enriched 3G Product Portfolio

Expanded Market Reach

Blooming 3G Market Opportunities

Superior User Experience

Achieved Breakthroughs in Advanced Technologies

Investment Highlights



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

■ Revenue of 3G **Coolpad** Smartphone Hits Record High in 1H2011

- Revenue contribution from 3G segment surged to 97.9% in 1H2011 (2010: 85.6%)
- Product portfolio shifted to 3G mobile phone segment
- Maintained the top 5 position in domestic 3G mobile market

Leading Market Share in the 3G Handset Vendors

	Brand	Mkt Share (3G)
1	NOKIA	21.4%
2	SAMSUNG	16.0%
3	ZTE中兴	12.8%
4	ZTE中兴	9.1%
5	Coolpad酷派	8.2%

	Brand	Mkt Share (EVDO)
		24.4%
	Coolpad酷派	16.4%
	SAMSUNG	16.2%
	ZTE中兴	12.1%
	Hisense海信	2.9%

	Brand	Mkt Share (TDSCDMA)
	ZTE中兴	18.6%
		17.7%
	lenovo联想	13.7%
	Coolpad酷派	11.7%
	SAMSUNG	9.6%

Source: SINO-MR Report 2011.6

(2) Enriched 3G Product Portfolio (con't)

- **Tailor-made 3G New Smartphone Models for the major operators in 1H2011**
 - 2 WCDMA Coolpad **Coolpad** smartphone
 - 2 TD-SCDMA Coolpad **Coolpad** smartphone
 - 6 EVDO Coolpad **Coolpad** smartphone
- **Ranged from high-end to low-end models with pricing between RMB500 to RMB5,000**
- **Became one of the few 3G mobile phone vendors who are capable to offer any modes of 3G smartphone worldwide**

Investment Highlights



(2) Enriched 3G Product Portfolio (con't)

■ Technology & Product Roadmap

2011

CDMA1X EVDO/GSM Android based dual-mode smartphone



2010

WCDMA/GSM dual-mode smartphone



2009

CDMA2000/GSM dual-mode smartphone



2008

TD-SCDMA/GSM (CMMB) dual-mode smartphone



2007

GSM/GSM and **PHS/GSM** dual-mode smartphone



2005

Initiated CDMA/GSM dual-mode smartphone globally



Evolving Pipelines & Product Portfolios

Investment Highlights



(3) Expanded Market Reach

■ Close Relationships with Domestic Telecom Operators

- **China Telecom** — CDMA & CDMA2000 network operator
 - ↗ Accounted for 55% of total shipments; 16.4% of market share; ranking No.2
 - ↗ Tailor-made 6 new CDMA2000 smartphone in 1H2011
- **China Mobile** — GSM & TD network operator
 - ↗ Accounted for 39% of total shipments; 11.7% of market share; ranking No.4
 - ↗ Tailor-made 2 new TD-SCDMA smartphone models in 1H2011
- **China Unicom** — GSM & WCDMA network operator
 - ↗ Maintains a solid & strong relations over ten years
 - ↗ Tailor-made 2 WCDMA/GSM dual-mode smartphone in 1H2011 (Approx. 6% of total shipments)

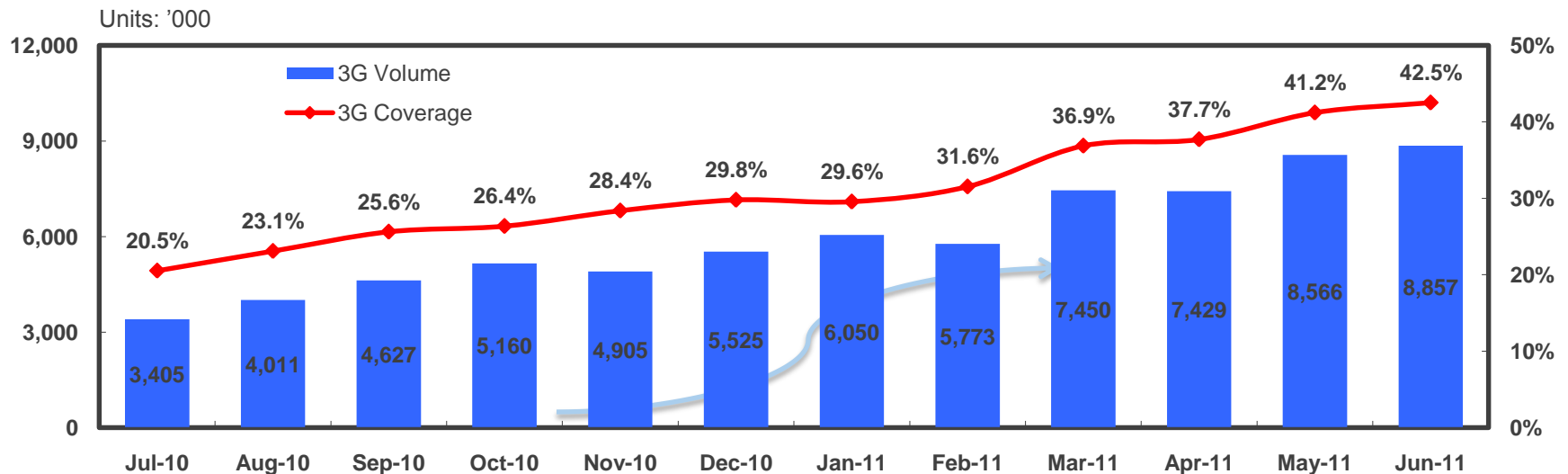


Investment Highlights



(4) Blooming 3G Opportunities

- Emerging **3G subscribers** upgrading their 2G phones for 3G services
- The **MIIT** set a 3G subscriber's target of **150 million** by the end of 2011 (approx. 70 million 3G subscribers by June 2011)
- 3 telecom operators' **aggressive** target of 3G subscribers
- Unprecedented growth of domestic smartphone users



Source: SINO-MR Report June 2011

(5) Superior User Experience

■ The “CoolMart”, the Application Store Owned by China Wireless:

- More than 20,000 hot games and applications
- An easy shopping experience for Chinese people



■ The “Coolcloud” – the First Cloud Computing Service Platform Debut in China

- Phase I: instant synchronization of the applications including Address List, Call Records, SMS, Memo, Photos, Files, etc.
- phase II: more powerful and perfect services from the Cloud including the Data Security, Large Capacity Mobile Storage etc.



Investment Highlights



(6) Achieved Breakthroughs on Advanced Technologies

■ Achievements in R&D on Next Generation Tech

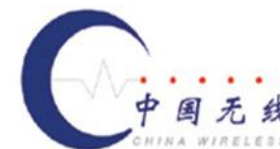
- Initiated advanced R&D with domestic telecom operators on TD-LTE 4G technology, mobile payment (NFC), etc.
- Presented a **Coolpad** 4G smartphone based on TD-LTE technology in the close ceremony of Shanghai World Expo





Financial Highlights

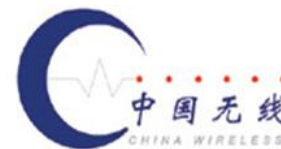
Financial Highlights



<i>HK\$'000</i>	1H2011	1H2010	Change (%)
Revenue	3,027,298	2,102,569	↑44.0
Gross profit	507,767	620,748	↓18.2
Gross profit margin (%)	16.8%	29.5%	↓12.7
Profit before tax	129,925	288,082	↓54.9
Tax	(10,822)	(15,728)	↓31.2
Net profit	119,103	272,354	↓56.3
% S&M	6.3	7.0	↓0.7
% G&A	7.6	9.7	↓2.1
Proposed final dividend per share (HK cents)	1.0	1.0	N/A

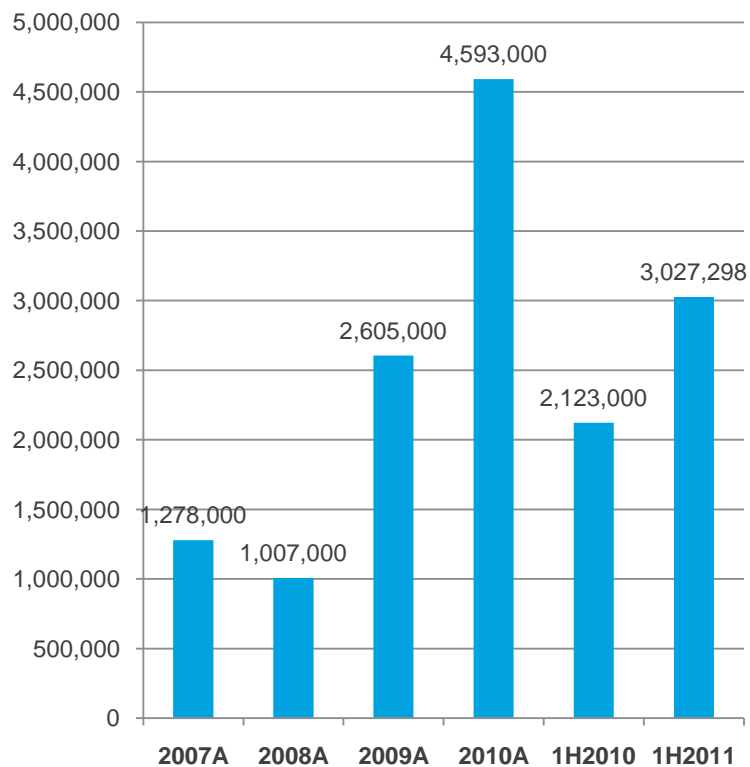
Sustainable revenue growth attributable to rapid growth of domestic 3G mobile phone market, but gross margin decreased due to crucial competition

Financial Highlights



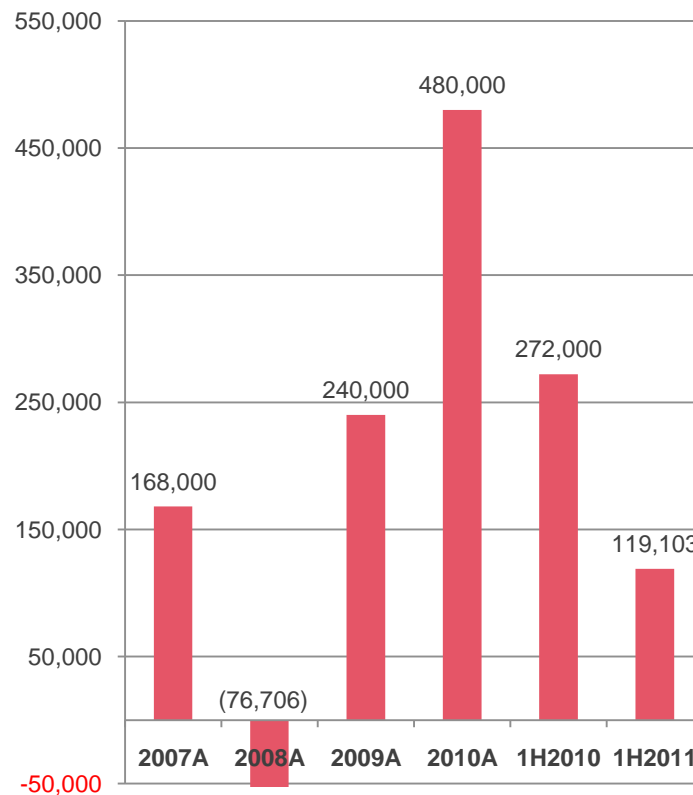
Revenue

HK\$'000

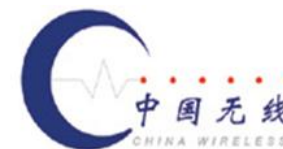


Net Profit

HK\$'000



Revenue Segmentation



Products Segment	1H2011 (HK\$'M)	% of Total Revenue	1H2010 (HK\$'M)	% of Total Revenue
3G CoolpadSmartphone	2,962.4	97.9	1,799.9	85.6
2G Coolpad Smartphone	52.5	1.7	285.9	13.6
Subtotal	3,014.9	99.6	2,085.8	99.2
Other Products	12.4	0.4	16.8	0.8
Total	3,027.3	100	2,102.6	100

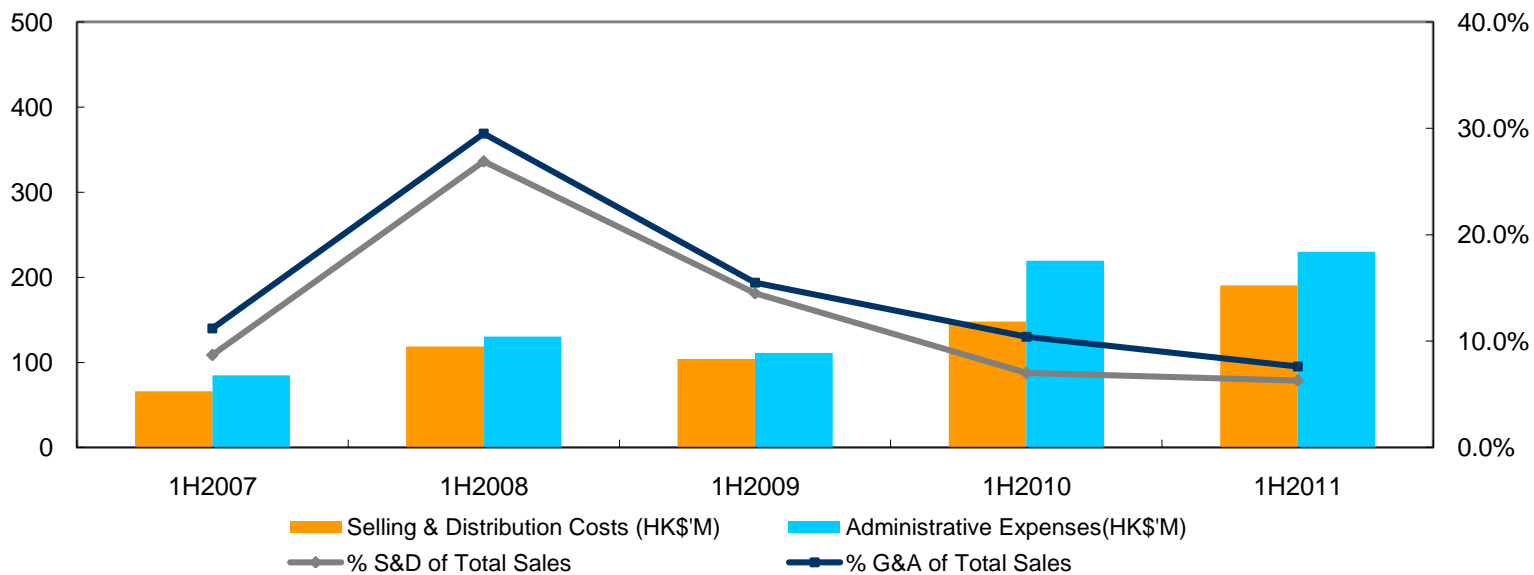
- Major Business: **3G Smartphone** contributed **97.3%** of total revenue in 1H2011
- Sales of **3G Smartphone** achieved a **41.7%** growth as compared with 1H2010

Operation Review

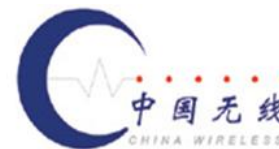


Higher Operational Efficiency Achieved

- Better Economies of Scale
- Stricter Measures on administrative and marketing expense control



Summary Balance Sheet Items



	1H2011	2010A	2009A	2008A	2007A
Cash & Cash Equivalents (HK\$'M)	1,043.9	641.9	251.4	124.9	91.2
Receivable Turnover Days	60.9	50.0	39.5	88	51
Payables Turnover Days	116.8	92.6	73.5	103	64
Total Debt/ Book Equity	1.9	2.0	1.6	1.5	0.9
Quick Ratio (X)	1.1	0.9	0.8	0.9	1.1
Current Ratio (X)	1.3	1.2	1.3	1.2	1.6
Gearing Ratio (%)	55.5	59	55.0	54.9	41.3

Strengthened working capital management & healthy 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
- Advancing R&D on TD-LTE(4G), mobile payment, and cloud computing and storage
- Focus on innovation of UI & ID and development of **Coolpad** applications to enhance users' mobile experience

Product Differentiation

- Launch more Android **Coolpad** Smartphone
- Launch new series of dual-mode 3G **Coolpad** smartphones and single-mode 3G smartphones:
TD-SCDMA, CDMA2000, WCDMA
- Develop a series of wireless data access devices and MID products



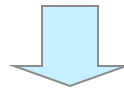
Future Growth Strategies



Expand Customer Base

- Expand mid & high-end smartphone sales
- Extend market reach to overseas market through exploring more cooperation with foreign telecommunications operators
- Strengthening the relationships with the domestic telecom operators and social distribution partners

Advanced R&D + Product Differentiation + Larger Customer Base



**Leading Smartphone Developer
and Supplier in the PRC**

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