



**CHINA WIRELESS REPORTS RECORD HIGH RESULTS FOR 2010
PROFIT BEFORE TAXATION DOUBLES TO HK\$ 4.8 BILLION**

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**OPTIMIZED PRODUCT PORTFOLIO
GRASPED MAINLAND CHINA'S VIBRANT 3G GROWTH OPPORTUNITY**

Financial Summary (audited)

| | Year Ended 31 December | | |
|----------------------------------|------------------------|------------------|----------|
| | 2010 HK\$'000 | 2009 HK\$'000 | Change |
| Revenue | | | |
| 3G Coolpad Smartphone | 4,036,800 | 1,526,500 | (164.4%) |
| 2G Coolpad Smartphone | 522,100 | 1,062,000 | (50.8%) |
| Other Products | 33,800 | 16,200 | (108.6%) |
| Consolidated Revenue | 4,592,700 | 2,604,900 | ↑76.3% |
| Gross Profit | 1,117,400 | 714,700 | ↑56.3% |
| Profit Before Taxation | 480,300 | 240,000 | ↑100.1% |
| Basic Earnings/ (Loss) per Share | HK22.98cents | HK11.74cents | ↑95.7% |
| Gross Profit Margin | 24.3% | 27.4% | ↓3.1pts |
| Final Dividend | 5 | 3 | ↑66.7% |

(Hong Kong, 23 March 2011) – **China Wireless Technologies Limited** (“China Wireless” or the “Company”) (HKEx: 02369), China’s leading provider of smartphones and integrated wireless data solutions, today announced its annual audited results for the year ended 31 December 2010.

Benefiting from an unprecedented growth momentum driven by vibrant 3G implementation in Mainland China and the Company’s optimized and diversified product portfolio, China Wireless achieved outstanding results in 2010. Its 3G Coolpad smartphone sales soared in 2010, leading a 76.3% surge in consolidated revenues to HK\$4,593 million. Profit before taxation spiked by 100.1% to HK\$480 million, delivering a record-setting performance. The basic earnings per share is HK22.98 cents (2009:HK11.74 cents). The Directors proposed a final dividend of HK5.0 cents per share for the year ended 31 December 2010. Together with the interim dividend of HK1.0 cent per share, the total dividend for the full year is HK6.0 cents per share (2009: HK4.0 cents per share).

Mr Guo Deying, Chairman of China Wireless, said, “China Wireless adjusted the product structure, expanding the product line in its mid and low-end smartphone strategy, and has successfully seized the emerging 3G market in China. The Company’s turnover and profit have reached a record high and achieved encouraging results. At the same time, the Company diversified the product portfolio launching the new 3G Coolpad smartphone which broke a record during the year. The diversified products cover all modes of 3G networks, making us well-placed to grasp the opportunity presented by the vibrant growth of Mainland China’s 3G mobile market.”

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During the year, the Company focused on the development of 3G mobile market in Mainland

China, quickly responding to the domestic telecommunications operators' requirement for customised 3G mobile and successfully launched of several 3G Coolpad smartphones for three domestic telecommunications operators. Approximately 20 dual-mode 3G Coolpad smartphone models were launched to widen the Company product mix during the year (2009: 10 models) with the revenue from 3G Coolpad smartphones increasing by 164.4% to HK\$4,037 million, accounting for 87.9% of total revenue (2009:58.6%). The revenue contribution of 2G Coolpad smartphones and other revenue were recorded at 11.4% and 0.7% respectively. The total sales volume of the mobile phone reached 5.04 million, a substantial increase in 132.3% compared with 2009.

The Company changed its product mix to the mid and low-end market of the mass market, which resulted in the reduction of Company's overall average selling price to HK\$911 for the year under review from HK\$1,200 for the year ended 2010. Facing the intensive market and price competition, the Company reduced its average selling price to enhance its competitiveness, thus the Company's overall gross profit margin dropped to 24.3%, down 3.1 percentage points.

Currently, the Company's Coolpad product covers all modes of 3G networks, including TD-SCDMA and CDMA2000 as well as WCDMA networks. In January 2010, the Company successfully broke into WCDMA mobile market with the roll-out of the Coolpad W700 smartphone, the first WCDMA/GSM dual-mode dual-working smartphone worldwide. The Company has become one of the few 3G mobile phone vendors who are able to offer any mode of 3G mobile phones worldwide. Its Coolpad brand has been widely known as China's leading 3G brand by its consumers and business partners in Mainland China. The Company's market share in terms of shipment volume of 3G mobile phones in 2010 maintained in the top 3 among the peers in the domestic 3G mobile market.

In an R&D breakthrough, the Company launched its first Android-embedded smartphone "Coolpad N930" in November 2010. Considered as another flagship model following the "Coolpad N900", "Coolpad N930" has become a new revenue source of the Group. Besides, the Company presented a Coolpad 4G smartphone based on TD-LTE technology at the closing ceremony of Shanghai World Expo. It has also strengthened its R&D collaboration with domestic telecommunications operators on next generation network technologies (such as TD-LTE of 4G technology). The Company also made a breakthrough in the R&D on the mobile terminal solutions regarding mobile payment and cloud-computing technologies during the year under review.

During the year, the Company expanded its direct and indirect distribution channels in addition to its close collaborations with mobile operators. As at the end of 2010, the Group had more than 100 distributors and agents at home and abroad, and had established 10 Coolpad direct shops and outlets in China. The Company launched a series of campaign for promoting the "LIVE SMART" brand in a number of media channels, while creating a positive and healthy corporate image in the domestic 3G mobile market.

Looking ahead, the Company plans to introduce a series of Android-embedded dual mode smartphones ranging from the high-end to low-end models and more dual-mode dual-working 3G smartphones as it enlarges its product portfolio. The Company also intends to introduce better price-performance and entry-level 3G phones to the mass market to expand market share. Besides, the Company is developing a series of wireless data access devices and tablets similar to the iPad to meet domestic 3G subscribers' demands. As a long-term development strategy, China Wireless continues to extend its reach to the overseas market through exploring more collaboration with foreign telecommunications operators.

Mr Guo concluded, “As the telecommunication industry changes and grows at a rapid pace, the Company strives to enhance its competitiveness by implementing strategies of product differentiation, expanding its product portfolio, advancing R&D efforts and focusing on both product and service innovations. Riding on the leadership position in the 3G handset market, we are confident that our “Coolpad” brand can expand successfully, and continue to achieve high growth for the Group, while bringing rewarding returns to our shareholders.”

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About China Wireless Technologies Limited

Established in 1993 and listed on the Stock Exchange of Hong Kong in December 2004, China Wireless Technologies Limited is a leading developer and supplier of integrated wireless data solutions for smartphone handsets, mobile data platform systems, and value-added business operations in the PRC. The Group mainly provides its product and solutions to enterprises, the Government and mobile operators as well as individual consumers in the PRC. Through its expertise and knowledge in wireless communications, the Group has developed advanced R&D capabilities in mobile communications and obtained more than 1,500 patents. The “Coolpad” brand developed by the Group has become Mainland China’s most famous brand in the dual-mode handset market.

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China Wireless Technologies Limited

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