



China Wireless Announces 2011 Annual Results
Revenue Increases by 59.8% to Approximately HK\$7.34 billion

* * * * *

Seizes the Opportunities Arising from
the Rapid Growth of the 3G Smartphones in China
Shipment of 3G Coolpad Smartphones Achieves Historical High

Financial Summary (audited)

(HK\$'000)	Year Ended 31 December		
	2011	2010	Change (%)
Revenue	7,340,500	4,592,700	↑59.8
Gross Profit	1,081,400	1,117,400	↓3.2
Net Profit Attributable to Ordinary Equity Holders of the Company	271,400	480,300	↓43.5
Earnings per Ordinary Share:			
- Basic	HK12.39cents	HK22.98 cents	↓46.1
- Diluted	HK12.15cents	HK22.22 cents	↓45.3
Gross Profit Margin	14.7%	24.3%	↓9.6ppt
Final Dividend	HK2 cents	HK5 cents	↓60.0

(Hong Kong, 21 March 2012) – **China Wireless Technologies Limited** (“China Wireless” or the “Company”) (stock code: 2369), China’s leading provider of integrated wireless data solutions and smartphones, announced its annual audited results for the year ended 31 December 2011.

Benefitting from explosive growth in the number of new 3G smartphone users in China during the year, annual shipment of the Group’s 3G Coolpad smartphones in 2011 has achieved a historical high with year-on-year growth of 113% to 10.75 million units. The rapid adoption of smartphones caused the Group’s consolidated revenue to rise substantially by 59.8% to HK7.34 billion. During the year, to enlarge market share, the Group strategically shifted the product mix to increase the sales volume of mid-range to low-end Coolpad smartphones. However, due to keen competition for that market segment, the average selling price of Coolpad smartphones decreased, causing a decline in gross profit of 3.2% to HK1.08 billion while gross profit margin was 14.7%. Net profit attributable to ordinary equity holders of the Company was HK271 million. Basic earnings per ordinary share and diluted earnings per ordinary share were HK12.39 cents and HK12.15 cents respectively. The Directors proposed a final dividend of HK2.0 cents per share for the year 2011. Together with the interim dividend of HK1.0 cents per share, the total dividend for the full year of 2011 is HK3.0 cents per share.

~ more ~

Mr Guo Deying, Chairman of China Wireless, said, “In 2011, we strived to promote the mid-range to low-end 3G Coolpad smartphones and successfully enlarged our market share in 3G smartphones. The new highs in product shipment and revenue have provided significant economies of scale and bargaining power aiding the cost control efforts of the Group. Meanwhile, we continued to optimise our product mix and launched a total of 30 new types of high-end and mid-to-low-end 3G smartphones during the year. Our diversified product lines cover all modes of 3G networks.”

In 2011, the Group has successfully incorporated Android operating system smartphones in its product mix. All of the Coolpad Android smartphones have preserved the Coolpad identity DNA, including the dual-mode dual-working features, privacy and security protection, convenient three step contact search, fast Chinese character identification, and so on. In the high-end smartphone segment, the Group released the global 5-inch screen high-end smartphone, the Coolpad Magview I 9930, a dual-mode smartphone for CDMA-EVDO and GSM network working together. This was followed by its flagship smartphone Coolpad Magview II 9900, with robust hardware which was more user-friendly. The Group also launched the E239, an entry-level 3G smartphone positioned to tap the younger consumer segment; and a smartphone with a long standby time, the D539; as well as the W706, the first Coolpad low-end WCDMA smartphone. Meanwhile, the Group also introduced a series of better cost/performance smartphones with a range of functions to meet the diversified demands of 3G smartphone users. These included the 5820 One-Key Weibo 3G Android smartphone optimised for mobile social networking; the 5860 4-inch screen smartphone at a lower price; the 8810 online TV TD-SCDMA smartphone; as well as the 7260 next generation high cost/performance 3G WCDMA smartphone.

Benefiting from the increasing number of 3G users and attractive subsidies for 3G smartphone buyers, most of the Group’s shipments during 2011 were to domestic telecommunications operators. In addition, the Group also set up the Coolpad direct stores to enhance market presentation as well as boost brand recognition of Coolpad. Apart from the domestic market, the Group expanded the sales channel of Coolpad mid-range and low end smartphones to the overseas market by collaboration with the local telecommunications operators.

In 2011, the Group still insisted on developing innovative technology, and the emphasis on R&D capability enabled the successful transformation of the operating system of the Coolpad smartphone from Windows CE to Android OS. Meanwhile, the R&D operations had completed restructuring in 2011, which has helped to secure more significant patents, strengthen partnership with the telecommunications operators in the field of R&D on next generation network technologies (such as LTE of 4G technology), mobile payment using Near Field Communications and other technologies related to cloud computing and storage.

The Group is committed to improving the Coolpad user experience, and has already released two versions of Coolcloud (based on cloud computing and storage), which could help Coolpad users integrate ordinary data, such as contacts, SMS, phone records, and information sharing. The Coolpad users could also enjoy the Coolmedia, Coolweather and other information provided by the Group, for instant access to weather reports, news, stock trends, and a scheduler on the go. Meanwhile, the Group has also launched the online application store Coolmart, which has the licensing rights to more than 30,000 software and hot games for customers to download free of charge.

Looking ahead, the Group will continue to strengthen the close cooperation with domestic telecommunications operators, and to maintain the strong growth in its shipments of mid-range and low-end smartphones. As the Coolpad Android operating system models gain a larger base of users, the Group will release new models in the future.

In 2012, more and more flagship stores will be set up in the tier-one cities to improve the brand recognition as well as bolster sales of Coolpad in 2012. The Group will dedicate more resources to after-sales service, in order to let the Coolpad customers better harness the power of their smartphones. Furthermore, Coolcloud and Coolmart will be pivotal to the long-term development strategy of the Group, and these packages are expected to promote the sales volume of Coolpad smartphones through value-added services such as the enhancing the user experience. Additionally, the production at the second phase of the Songshan Lake production base will commence in 2012, which could provide support for large volume shipments during most of the year.

Mr Guo concluded, "To capitalise on the increasing popularity of 3G smartphones in China, we will expand our market share by optimising our product mix with more differentiated products. We will continue to strengthen our leading edge in research and development so as to create more innovative products and services. Towards this end, the Group will continue to invest more resources into building a research and development team and to build up our own talent pool. In this way we will aim to maintain our leadership in the domestic 3G smartphone market."

~ End ~

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 R&D expertise in wireless communications, the "Coolpad" brand developed by the Group has become Mainland China's most famous brand in the dual-mode handset market.

For Enquiries:

Strategic Financial Relations (China) Limited

Winne Lau	(852) 2864 4876	winnie.lau@sprg.com.hk
Justin Chen	(852) 2864 4877	justin.chen@sprg.com.hk
Jason Liang	(852) 2864 4899	jason.liang@sprg.com.hk

China Wireless Technologies Limited

Cao Yuanfu	(86 755) 3302 3607	ir@yulong.com
------------	--------------------	--