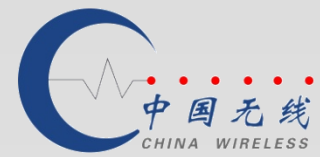


# China Wireless Technologies Limited

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



## 2012 Interim Results Corporation Presentation

August, 2012



- 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 Performance
- Future Growth Strategies
- Q&A





# Company Introduction

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

## China's leading 3G smartphone developer & supplier

- Owning a famous smartphone brand **Coolpad** 酷派
- **Leading** China's 3G smartphone market with all-network 3G pipelines (No.5<sup>[1]</sup>)
- **Pioneering** in the dual-mode dual-working<sup>[2]</sup> smartphone market (No.1<sup>[1]</sup>)
- Particular strength in the **3G technologies**
- Outstanding **R&D** capabilities in mobile's software & hardware designs
- Focusing on complex smartphone design and differentiated mobile operating systems development based on Android™
- 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 7 consecutive years

[1] representing Coolpad's domestic market position according to **SINO-MR** report in July, 2012

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



# Investment Highlights



# Investment Highlights



- 1 Leading Position in China's 3G Mobile Market
- 2 Enriched 3G Product Portfolio
- 3 Expanded Market Range
- 4 Blooming 3G Market Opportunities
- 5 Superior User Experience
- 6 Achieved Breakthroughs in Advanced Technologies

# Leading Position in China's 3G Mobile Market



## ■ Revenue of 3G **Coolpad** 酷派 Smartphone Hits Record High in 1H2012

- Revenue contribution from 3G segment surged to 99.5% in the first half of 2012 (1H2011: 97.9%)
- Product portfolio completely shifted to 3G smartphone segment
- Maintained the top 5 position in domestic 3G mobile market





## ■ Sales Volume of Tailor-made 3G Smartphone for the Operators Recorded Historical High in 1H2012

- Coolpad 7260 was one of the best selling smartphone based on the WCDMA network, with 4.0 inch big touch screen, fashionable style.
- Coolpad 5832 was the cheapest dual-mode dual-working smartphone, which the young people and the students were very satisfied with.
- Coolpad 7728 was the first dual core mid-end smartphone, which was popular by its excellent performance and the affordable price to most of the customers.
- Coolpad 8180 was one TD-SCDMA high cost/performance smartphone, by which the users could enjoy the online TV free.

## ■ Ranged from high-end to low-end models with pricing between RMB500 to RMB 5,000

## ■ Became One of the Few 3G Mobile Phone Vendors Who Can Offer Any Mode of 3G, 4G Smartphone Worldwide

## Technology & Product Roadmap

- 2012 **WCDMA, EVDO, TD-SCDMA Android based smartphone**
- 2011 **CDMA EVDO/GSM Android based dual-mode smartphone**
- 2010 **CDMA1X EVDO/GSM Android based 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**

# Expanded Market Range



## ■ Close Relationships with Domestic Telecom Operators

### ■ China Telecom — CDMA & CDMA EVDO network operator

↗ Tailor-made 6 new CDMA-EVDO smartphone unveiled in 1H2012



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

↗ Tailor-made 5 new TD-SCDMA smartphone models unveiled in 1H2012



CHINA MOBILE

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

↗ Tailor-made 5 WCDMA/GSM dual-mode smartphone unveiled in 1H2012



China unicom 中国联通

## ■ Set up multi-channel sales



# Expanded Market Range (con't)

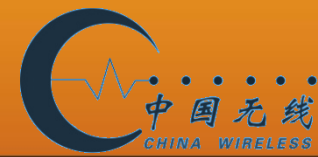


- Global market strategy cooperating with the Overseas Telecom Operators
- Set up overseas R&D Center
- The **Coolpad** 酷派 3G smartphone business has already expanded into India, Taiwan, Indonesia, etc.
- 4G smartphones to be launched in USA in 2H2012.
- Participated in the Seventh Mobile World Congress (MWC) held in Barcelona, Spain.

Sales Network And Service Network Deployment Across The World.

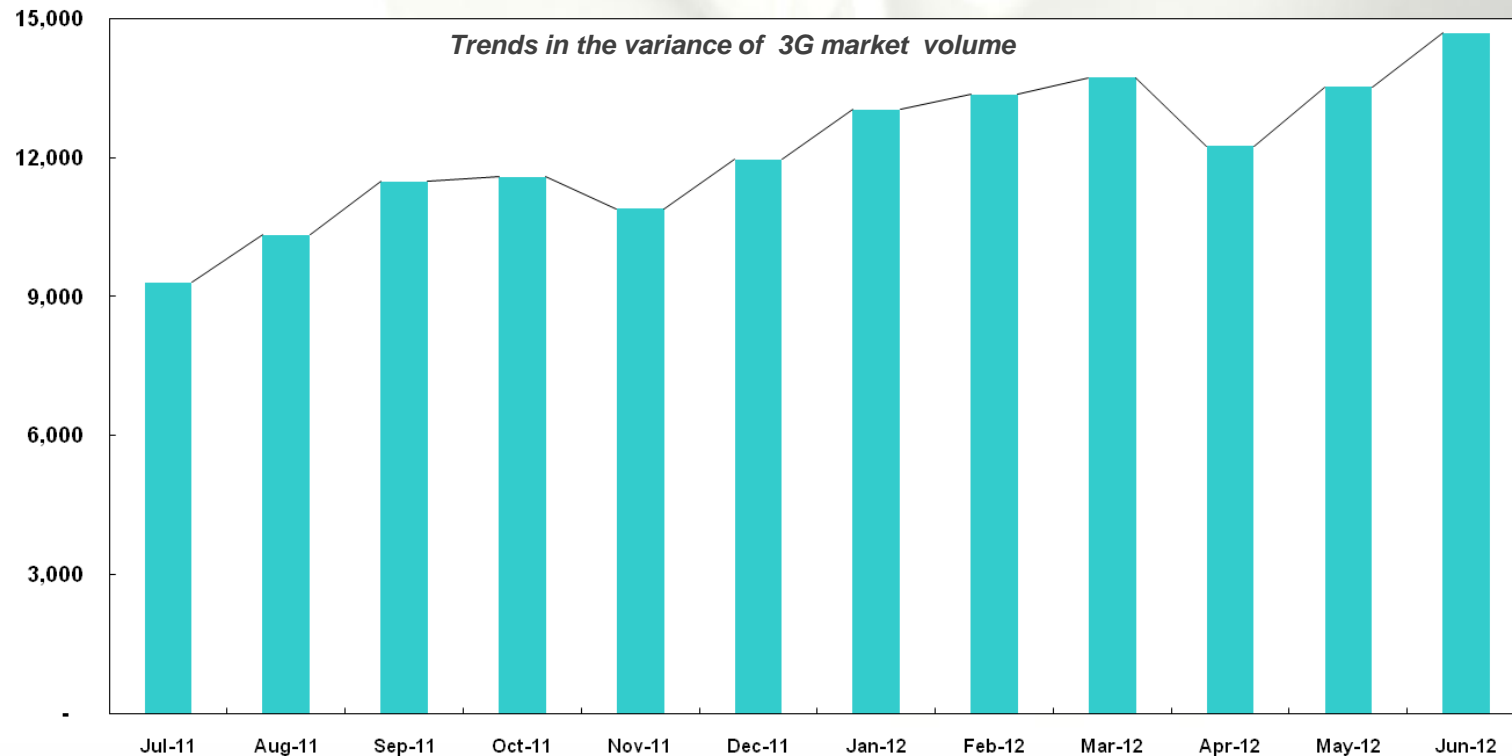


# Blooming 3G Opportunities



- Emerging **3G subscribers** upgrading their 2G phones for 3G services
- 3 telecom operators' **aggressive** target of 3G subscribers
- Unprecedented growth of domestic smartphone users

Units: '000



Source: SINO-MR Report July 2012



## ■ The “Coolcloud” – the Cloud Computing and Storage Service Platform Debut in China

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



### Cloud Media

Wherever you are, your handset will deliver you tailor-made city news where you stay.



### Cloud Shield

Virus by Cloud check and kill, OS by Cloud monitoring, the remote anti-theft feature controls your lost handset and protect your privacy.



### Cloud Weather

Anytime updated as per local reality, also share with your buddies.



### Cloud Storage

Offers your dedicate data space, anytime and anywhere have easier access to it by multi-devices.



## ■ Achievements in R&D on Next Generation Technology

- Initiated advanced R&D with global telecom operators on **LTE 4G technology**, mobile payment (**NFC**), etc.



# Financial Performance

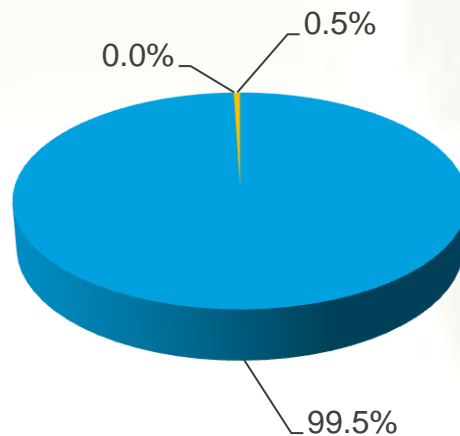


# Financial Performance



<i>HK\$ millions</i>	1H2012	1H2011	Change (%)
Revenue	6,218.0	3,027.3	105.4
Gross profit	744.0	507.8	46.5
Gross profit margin (%)	12.0	16.8	4.8
Profit before tax	178.1	129.9	37.1
Tax	(26.1)	(10.8)	141.7
Net profit attributable to Owners of the Company	152.5	119.0	28.2
Basic earnings per share	7.10 cents	5.33 cents	33.2
Diluted earnings per share	7.02 cents	5.20 cents	35.0
% S&D	4.1	6.3	(2.2)
% G&A	6.0	7.6	(1.6)

## 1H2012

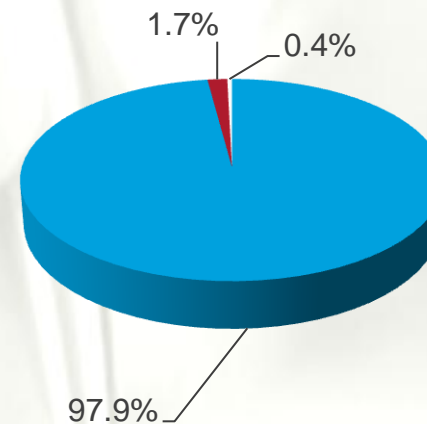


■ 3G Coolpad Smartphone

■ 2G Coolpad Smartphone

■ Others

## 1H2011



■ 3G Coolpad Smartphone

■ 2G Coolpad Smartphone

■ Others

- Major Business: **3G Smartphone** contributed **99.5%** of total revenue in 1H2012
- Sales of **3G Smartphone** achieved a **108.8%** growth as compared with 1H2011

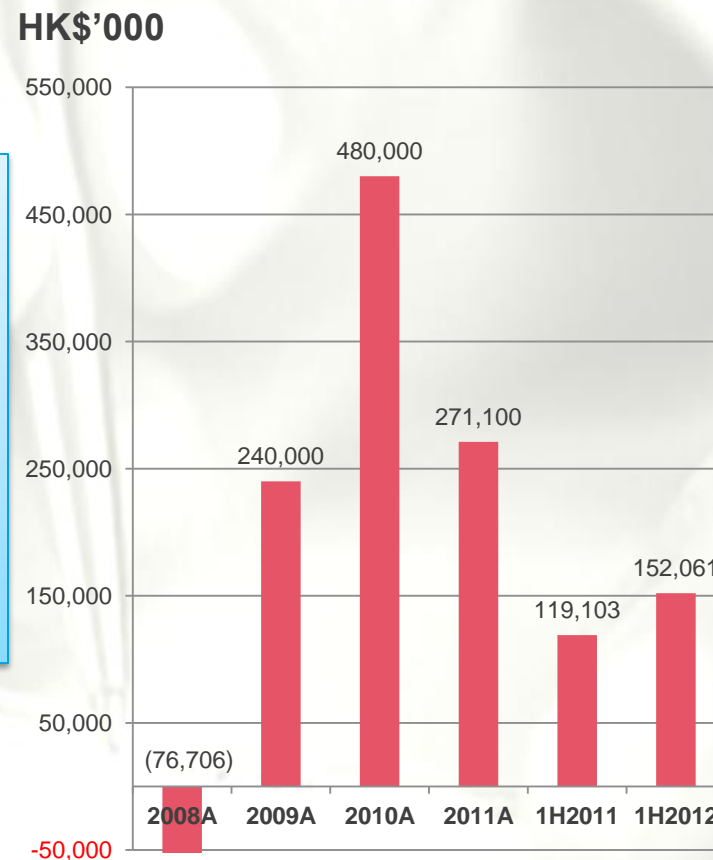
## Revenue



- Sustainable revenue growth attributable to **rapid growth** of domestic 3G Smartphone market
- Representing a growth of **105.4%** compared with 1H2011
- Due to the increasing market share of Coolpad smartphone in Mainland China

- Net Profit increased HK\$33.0 million, or **27.7%**, compared with 1H2011
- Net Profit increase due to an increase in gross profit

## Net Profit

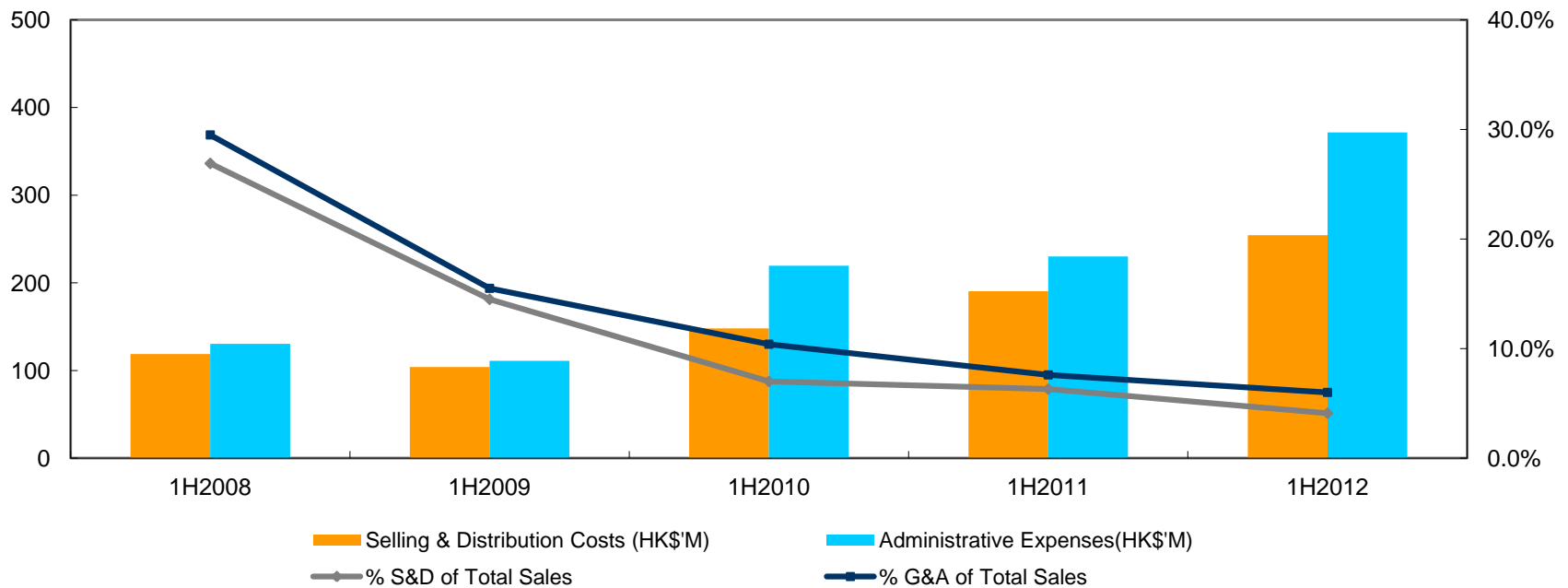




# Higher Operational Efficiency Achieved



- Stricter measures on administrative and marketing expense control
- The upgraded ERP system was put into use official in April 2012
- Improvement of the infrastructure for the product testing and assembly



# Summary Balance Sheet



<i>HK\$ millions</i>	<b>1H2012</b>	<b>2011A</b>	<b>2010A</b>	<b>2009A</b>	<b>2008A</b>
Cash & Cash Equivalents (HK\$' million)	1,435.4	1,058.9	641.9	251.4	124.9
Receivable Turnover Days	39	44	50.0	40	88
Payables Turnover Days	111	122	92.6	74	103
Total Debt/ Book Equity	2.3	2.4	2.0	1.6	1.5
Gearing Ratio (%)	62	66	59	55	55

Improved working capital management & strengthened balance sheet

# Future Growth Strategies



## Innovation and R&D

- Close cooperation with industry leading suppliers to introduce more feature-rich and user-friendly **Coolpad** 酷派 products
- Advancing R&D on LTE(4G), mobile payment, and cloud computing and storage
- Focus on innovation of UI & ID and development on **Coolpad** 酷派 applications to enhance users' mobile experience

## Product Differentiation

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



## Expand Customer Base

- Expand the 3G smartphone sales
- Extend market range 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**

Mr. Andrew Cao (曹遠福)  
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## Investors Relations Department China Wireless Technologies Limited

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Address: Coolpad Information Harbor, 2nd Mengxi Rd., Hi-Tech Industry Park (North), Nanshan District, Shenzhen, the PRC



天翼 3G WCDMA R4

3.0 GHz  
2x15GHz 雙智能核

2650 mAh  
超長待機

5.0 英寸HD  
高清大屏

4.0 Android ICS

大觀 Magview II 9900  
一手掌控的平板智能手機

\*詳細升級方法請諮詢服務熱線: 400-888-1388 中國電信定制手機

中國電信 CHINA TELECOM Coolpad live smart



中国移动通信 CHINA MOBILE Coolpad live smart

炫于心 影出众

Coolpad 炫影8180  
千元智能4.0英寸高清触屏手机

- 4.0英寸大屏，视觉体验更震撼
- 1GHz CPU，高速处理更流畅
- 炫薄弧线设计，尽显时尚个性
- 支持3G+WIFI，时刻网络随行
- CMMB电视，精彩永不错过

智能易体验