



CHINA WIRELESS ANNOUNCES 2012 INTERIM RESULTS
REVENUE HITS HISTORICAL HIGH TO HK\$6,220 MILLION

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CAPTURES THE STRONG GROWTH OF THE 3G MARKET IN CHINA
SALES VOLUME OF 3G COOLPAD SMARTPHONE HITS RECORD HIGH

Financial Summary (Unaudited)

(HK\$'000)	For the Six Months Ended 30 June		
	2012	2011	Change
Revenue	6,217.957	3,027,298	↑105.4%
Gross Profit	743,956	507,767	↑46.5%
Net Profit Attributable to Ordinary Equity Holders of the Company	152,518	118,981	↑28.2%
Earnings per Ordinary Share:			
- Basic	HK7.10 cents	HK5.33 cents	↑33.2%
- Diluted	HK7.02 cents	HK5.20 cents	↑35.0%

(Hong Kong, 21 August 2012) – **China Wireless Technologies Limited** (“China Wireless” or the “Company”) (stock code: 2369), China’s leading provider of smartphones and integrated wireless data solutions, announced its unaudited interim results for the six months ended 30 June 2012.

During the period under review, benefiting from the increasing popularity of 3G networks in China, more affordable monthly fees and attractive subsidies for purchasing the 3G smartphone unveiled by the three major telecommunications operators in China, as well as the continuing growth of the net-add 3G new users, sales volume of China Wireless Coolpad 3G smartphones hit historical high, driving the revenue of the Group increased 105.4% to around HK\$6,220 million in the first half of 2012.

To cope with the fiercely competitive environment of 3G smartphone market, the Group’s strategy was to rapidly launch various kinds of products during the period, including the third generation of RMB1,000 smartphones, covering the three 3G networks in Mainland China. The excellent performance and reasonable price of the products not only increased the Group’s share of the 3G smartphone market, but also successfully boosted the average selling price of the products from HK\$655 up to HK\$734; Gross profit increased 46.5% to HK\$744 million while gross profit margin was 12.0%.; net profit attributable to ordinary equity holders of the company was around HK\$153 million, a rise of 28.2% compared with the same period in 2011. Basic earnings per ordinary share and diluted earnings per ordinary share were HK\$7.10 cents and HK\$7.02 cents respectively.

Mr GUO Deying, Chairman of China Wireless, said, “In the first half of 2012, the Group not only further strengthened cooperation with the domestic telecommunications operators, but also achieved a breakthrough in the North America markets, aggressively expanding our market through various of distribution channels and market coverage. Furthermore, unveiling a series of competitive products drove the sales volume and revenue of Coolpad smartphones to hit a historical high, successfully securing a bigger share in the 3G smartphone market, as well as achieving profit growth in the smartphone market despite fierce competition. ”

During the period, the Group concentrated on continually developing in Android platform, while maintaining the traditional advantages of Coolpad, including dual-mode dual-standby, private models, better handwriting identification, and three-step contacts search. Meanwhile, the Group also added the innovative Coolpad support facilities, including the Coolcloud platform and the Coolmart application store, in order to provide Coolpad customers with a better smartphone user experience. In the first half of 2012, the Group successfully launched more than 15 kinds of new smartphones, including the Coolpad 7260 with 4.0 inch big touch screen and fashionable style; the dual-mode dual-standby Coolpad 5832 smartphone which was favoured by young people and students; the first dual core mid-range smartphone, the Coolpad 7728; and the TD-SCDMA high performance Coolpad 8180 smartphone which can access free online TV programmes.

Apart from strengthening collaboration with the domestic telecommunications operators, the Group also entered long-term strategic partnerships with qualified distributors and agents to create multi-sales channels. The Group established the Coolpad 3G franchises across several major cities in Mainland China, as well as the flagship shops owned by the Group, so that buyers could experience Coolpad smartphones and their services and to boost recognition of the Coolpad brand . Coolpad has not only gained a bigger market share and a better reputation in the Mainland China market, but also achieved a breakthrough laying the groundwork to secure sales in the North America market. The Group has researched and successfully developed the next generation of 4G smartphone based on FDD-LTE technology, and plans to enter the North America market to seize an early mover advantage in the new technology through cooperation with the local telecommunications operators to tap that market. In February 2012, the Group attended the seventh Mobile World Congress held in Barcelona, Spain for the first time, and Coolpad brand recognition has been substantially improved in the global smartphone market by the introduction of several excellent Coolpad products.

During the period, the Group launched Coolcloud 3.0 version with a more efficient data synchronisation function, as well as updated the content of the online application store Coolmart, exclusively for Coolpad users to enjoy an exciting user experience.

At the same time, the upgraded ERP system was deployed in April this year. The better integrated information technology systems of the Group not only boosted performance but provided a strong system foundation to support the increasing scale of the Group’s operations in the future. On the other hand, the capacity of the factory located in Dongguan City continued its expansion to fully satisfy the larger scale of business and the greater demand for the Group’s products. The product quality and the production cost controls were also assured, due to improvements in the equipment and procedures for product testing and assembly.

Looking ahead, the Group will continue to pursue technology innovation, enhancing the user experience of Coolpad products, as well as applying for more patents in terms of software, hardware and wireless telecommunication networks. At the same time, the Group will also strive to lower the cost of the components leveraging the larger scale of productions and orders. The Group plans to launch more than 15 new smartphone items in the second half of the year. The total of new smartphones launched for the full year will exceed 30, combined with the 15 items unveiled in the first half of the year, covering the CDMA-EVDO, TD-SCDMA, and WCDMA networks.

Mr GUO concluded, “Relying on the brand recognition of Coolpad in the domestic smartphone market, China Wireless expects to further expand the scale of its business, increase its market share, and create technology innovation to enhance the user experience and develop differentiated products. Meanwhile, the Group will also bolster its marketing activities and distribution capability, and improve its operating efficiency. On the other hand, apart from maintaining the leading position in the domestic 3G smartphone market, the Group will capture the market trend of 4G technology, and tap markets in North America during the second half of 2012, in order to become a leading brand in the world with a unique core competitive advantage.”

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About China Wireless Technologies Limited

China Wireless Technologies Limited, a leading developer and supplier of integrated smartphones, wireless data platform systems and value added business solutions in China, was founded in 1993, and listed on the Main Board in Hong Kong in December 2004. Leveraging its expertise and knowledge in wireless communications, the Company provides integrated solutions mainly for industry applications from back-end systems to wireless intelligent terminals with proprietary operating system for the telecom, public security, securities brokerages, and other industrial and commercial sectors. Its subordinate brand “Coolpad” has been one of the most famous brands in China’s smartphone market.

For Enquiries:

Strategic Financial Relations (China) Limited

Winne Lau	(852) 2864 4876	winnie.lau@sprg.com.hk
Justine Chen	(852) 2864 4877	justin.chen@sprg.com.hk
Shirley Chan	(852) 2114 4962	shirley.chan@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
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