NON-COMPETITION AGREEMENT

This Non-Competition Agreement (the "AGREEMENT") is entered into on this

\_\_\_\_\_\_\_day of April, 20XX, by and among:

QIAO XING UNIVERSAL TELEPHONE, INC., a company incorporated in the British

Virgin Islands, whose principal executive offices are at Qiao Xing Science

Industrial Park, Tang Quan, Huizhou City, Guangdong, People's Republic of China

(the "PRC") 516023 ("XING");

QIAO XING MOBILE COMMUNICATION CO. LTD., a company incorporated in the British

Virgin Islands, whose principal executive offices are at 10th Floor CEC

Building, 6 Zhongguancun South Street, Beijing, the PRC, 100086 ("QXM");

HUI ZHOU QIAO XING COMMUNICATION INDUSTRY, LTD., a company incorporated in the

PRC, whose principal executive offices are at Qiao Xing Science Industrial Park,

Tang Quan, Huizhou City, Guangdong, the PRC, 516023, and which is a subsidiary

of Xing ("HZQX"); and

MR. RUI LIN WU, chairman and chief executive officer of Xing, a citizen of the

PRC, Passport number G08803824, whose business address is Qiao Xing Science

Industrial Park, Tang Quan, Huizhou City, Guangdong, the PRC, 516023 ("MR. WU").

WHEREAS Xing beneficially owned 100% of QXM's outstanding share capital as of

March 1, 20XX and Mr. Wu and members of his family beneficially owned or

controlled approximately 26.7% of the outstanding shares of Xing as of December

31, 20XX.

NOW THEREFORE, in consideration of the foregoing, the parties hereto hereby

agree as follows:

ARTICLE 1 THE BUSINESS

1.1 The parties hereby agree that the core business of QXM (the "QXM

BUSINESS")is the design, manufacture and sale of all types of mobile handsets

and related accessories, including but not limited to GSM, CDMA and 3G mobile

handsets, as well as handsets that may contain commercial, entertainment,

computing or other consumer electronics functions, or other distinctive

functions such as medical, security, or other functions utilizing portable

electronic devices, as determined from time to time by the board of directors of

QXM.

ARTICLE 2 COVENANTS

2.1 Xing and Mr. Wu undertake that they will not use any information

concerning QXM, its subsidiaries and affiliates, and their respective

businesses, including, but not limited to, technology, financial forecasts,

financial condition, operations, assets, liabilities and business strategy, that

they currently or will in the future possess in any way that will be detrimental

to the QXM Business and will also procure that any other person or entity with

which they share such information will not take any action that will be

detrimental to the QXM Business, provided, however, that nothing in this Article

2.1 shall prevent or hinder Xing from making such public disclosures and

providing such information to regulatory authorities, including information

regarding QXM and the QXM Business, as may be required to comply with the

relevant U.S. securities laws and regulations and, requirements imposed by any

relevant stock exchange or over-the-counter market. In addition, Xing and QXM

shall in good faith

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coordinate investor relations activities so as to allow Xing to engage in

investor relations activities consistent with other U.S. publicly listed

companies, provided, however, that Xing shall obtain prior QXM approval to the

release of QXM information not previously communicated to the market by QXM (or

by Xing with QXM's approval) or not otherwise required to be disclosed by Xing

under relevant U.S. securities laws, which consent shall not be unreasonably

withheld by QXM.

2.2 Xing covenants and agrees with QXM that Xing will not, and will procure

that each of its subsidiaries will not, solely or jointly, or through any

person, company, enterprise or unit other than QXM and its subsidiaries,

develop, carry on, participate in, engage in, or be involved in any businesses

or activities that result in or may result in direct or indirect competition

with the QXM Business, including but not limited to (i) making investments in

businesses that result in or may result in direct or indirect competition with

the QXM Business; (ii) soliciting any business, for itself or for other persons,

from any person that has business relationships with QXM; (iii) soliciting the

employment of, or hiring, any officer, directors or employee of QXM and (iv)

interfering with the QXM Business or encouraging other persons to interfere with

the QXM Business ((i), (ii), (iii) and (iv) collectively, the "COMPETING

CONDUCT"), provided, however, that the Competing Conduct shall not include the

funding or other support for the current business of HZQX, which includes the

manufacture and sale of Cosun-branded economy handsets for the PRC market (the

"CURRENT HZQX HANDSET BUSINESS"). For the avoidance of doubt, these economy

handsets shall not include any additional key features that have not been

substantially developed by HZQX as of the date of this Agreement, except

pursuant to Article 3 below.

2.3 HZQX covenants and agrees with QXM that HZQX will not, and will procure

that each of its subsidiaries will not, solely or jointly, or through any

person, company, enterprise or unit, develop, carry on, participate in, engage

in, or be involved in any businesses or activities that result in or may result

in direct or indirect competition with the QXM Business, including but not

limited to engaging in any of the Competing Conduct, provided that nothing in

this Section 2.3 shall preclude HZQX from engaging in the Current HZQX Handset

Business.

2.4 Mr. Wu covenants and agrees with QXM that Mr. Wu will not, and will

procure that each of the members of his family will not, solely or jointly, or

through any person, company, enterprise or unit other than QXM and its

subsidiaries, develop, carry on, participate in, engage in, or be involved in

any businesses that result in or may result in direct or indirect competition

with the QXM Business, including but not limited to engaging in any of the

Competing Conduct, provided that nothing in this Section 2.4 shall preclude Mr.

Wu from funding or otherwise supporting the Current HZQX Handset Business.

ARTICLE 3 RIGHT OF FIRST REFUSAL

3.1 If Xing, HZQX, any of Xing's other subsidiaries, or Mr. Wu (himself or

through one of his family members) is offered, or otherwise becomes aware of,

any business opportunity that is reasonably likely to result in direct or

indirect competition with the QXM Business or any business opportunity that is

reasonably associated with the QXM Business, such party shall promptly notify

QXM and shall use its best efforts to offer, or cause to be offered, such

business opportunity to QXM. Upon receipt of such notice of such a business

opportunity, QXM shall, as soon as practicable, convene a board meeting at which

at least two independent directors are present, to discuss whether to pursue

such business opportunity. If the board of QXM decides to pursue such business

opportunity, QXM shall notify the other

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parties hereto and such parties shall not take any action to hinder such

pursuit. If QXM notifies the other parties that QXM's board has not elected to

pursue such business opportunity or has not made such notification within thirty

(30) days of the initial notification of the opportunity, then the other parties

may, subject to the other provisions of this Agreement, pursue such opportunity

or refer such opportunity to a third party.

ARTICLE 4 MISCELLANEOUS

4.1 This Agreement shall operate for the benefit of and be binding on the

successors in title and permitted assigns of each party hereto.

4.2 This Agreement constitutes the full and entire Agreement and understanding

between the parties with regard to the subject matter contained herein. This

Agreement supersedes all prior agreements and understandings between the parties

with respect to such subject matter. No party shall be liable or bound to any

other in any manner by any representations, warranties, covenants and agreements

except as specifically set forth herein.

4.3 If any term or other provision of this Agreement is invalid, illegal or

incapable of being enforced by any law or public policy, all other terms and

provisions of this Agreement shall nevertheless remain in full force and effect

for so long as the economic or legal substance of the transactions contemplated

hereby is not affected in any manner materially adverse to any party. Upon such

determination that any term or other provision is invalid, illegal or incapable

of being enforced, the parties hereto shall negotiate in good faith to modify

this Agreement so as to effect the original intent of the parties as closely as

possible in an acceptable manner in order that the transactions contemplated

hereby are consummated as originally contemplated to the greatest extent

possible.

4.4 All notices, requests, claims, demands and other communications hereunder

shall be in writing and shall be given or made by delivery in person or by mail

to the following addresses, or any other addresses or fax numbers informed by

the parties to the other parties in writing five (5) days before such notice,

request, claim, demand or other communication is sent:

If to QXM:

Qiao Xing Mobile Communication Co. Ltd.,

c/o CEC Telecom Co., Ltd.

10th Floor CEC Building,

6 Zhongguancun South Street,

Beijing, PRC, 100086

If to Xing or Mr. Wu or HZQX:

Qiao Xing Science Industrial Park

Tang Quan, Huizhou City,

Guangdong, PRC, 516023

4.5 This Agreement may be executed in any number of counterparts, each of

which shall be an original, but all of which together shall constitute one

instrument.

4.6 This Agreement shall be governed by and construed for all purposes under

and in

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accordance with the laws of the PRC.

4.7 In the event that any of Xing, HZQX or Mr. Wu or any family member of

Mr. Wu develops, carries on, participates in, engages in, or is involved in any

businesses or activities that QXM considers to be a breach of this Agreement,

QXM may notify the relevant party or parties in writing and request them to

terminate their engagement in such businesses or activities. Immediately upon

receiving such written request, the relevant party or parties shall suspend such

businesses or activities as requested by QXM, even if they disagree with QXM's

interpretation of this Agreement, in which case they may seek to resolve such

dispute or disputes in accordance with Article 4.8 of this Agreement. Such

businesses or activities shall remain suspended until resolution of such dispute

or disputes and may only be resumed in accordance with the decision of the

arbitration tribunal or unless otherwise agreed between QXM and the relevant

party or parties. Nothing in this Article 4.7 shall prejudice any other rights

of QXM under this Agreement.

4.8 Any dispute arising out of or in connection with this Agreement shall be

settled through friendly consultation among the parties hereto. The claiming

party shall promptly notify the other party/ies in a dated notice that a dispute

has arisen and describe the nature of the dispute. Each party shall nominate a

representative from among its independent directors to participate in the

consultation. If no settlement can be reached through such consultation within

fifteen (15) days after the date of such notice of dispute, the dispute shall be

finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules

in force at the time of such dispute. The appointing authority shall be the Hong

Kong International Arbitration Center (the "HKIAC"). There shall be only one (1)

arbitrator. The place of arbitration shall be in Hong Kong at the HKIAC. Any

such arbitration shall be administered by HKIAC in accordance with the HKIAC

Procedures for Arbitration in force at the date of this Agreement including such

additions to the UNCITRAL Arbitration Rules as are therein contained. The award

of the arbitration tribunal shall be final and binding upon the parties hereto

and may be enforced in any court of competent jurisdiction.

4.9 The rights which each of the parties have under this Agreement shall not

be prejudiced or restricted by any indulgence or forbearance extended to another

party. No waiver by any party in respect of a breach shall operate as a waiver

in respect of any subsequent breach.

4.10 This Agreement shall not be varied or cancelled, unless the variation or

cancellation is expressly agreed in writing by all the parties, which shall

include the written consents from the majority of the independent directors of

each of QXM and Xing.

4.11 The parties hereto, in addition to being entitled to exercise all rights

granted by law, including recovery of damages, will be entitled to seek specific

performance of their rights under this Agreement. Each of the parties agrees

that monetary damages would not be adequate compensation for any loss incurred

by reason of a breach by it of the provisions of this Agreement.

4.12 This Agreement shall be valid and effective from the date of the completion

of the initial public offering of the ordinary shares of QXM and shall remain

valid until the date on which Xing or Mr. Wu or any family member of Mr.Wu does

not directly or indirectly own any shares of QXM, or unless otherwise terminated

through the written agreement of the parties hereto.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of

the date first written above.

INC.

By:

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Name:

Title:

QIAO XING MOBILE

COMMUNICATION CO., LTD.

By:

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Name:

Title:

HUI ZHOU QIAO XING

COMMUNICATION INDUSTRY, LTD.

By:

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Name:

Title: