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# CHINA WIRELESS TECHNOLOGIES LIMITED

中國無線科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

## CLARIFICATION ANNOUNCEMENT

This announcement is issued pursuant to Rules 13.09 and 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement (“**Original Announcement**”) of China Wireless Technologies Limited (the “**Company**”) dated 5 January 2006 regarding the placing of existing shares of the Company (“**Shares**”), subscription of new Shares and resumption of trading. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as defined in the Original Announcement.

The board of directors of the Company wishes to clarify that the total issued share capital of the Company as at the date of the Original Announcement and the date hereof is 450,000,000 instead of 441,000,000 as inadvertently stated in the Original Announcement as a result of the exercise of share options (“**Share Options**”) by certain option holders subscribing for a total of 9,000,000 Shares pursuant to the share option scheme (“**Share Option Scheme**”) of the Company in late December 2005 and early January 2006. Accordingly, the Subscription Shares of 40,000,000 Shares represent (i) approximately 8.89% of the existing issued share capital of the Company; and (ii) approximately 8.16% of the issued share capital of the Company as enlarged by the Subscription.

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The shareholding structure of the Company immediately before and after the Placing and the Subscription is summarised as follows: *(Note 1)*

Name of Shareholders	Existing no. of shares held		No. of shares held after Placing but before Subscription (Note 2)		No. of shares held after Placing and Subscription (Note 3)	
	Approximate %	Approximate %	Approximate %	Approximate %	Approximate %	Approximate %
Vendor & its associates						
Vendor <i>(Note 4)</i>	207,792,812	46.18%	167,792,812	37.29%	207,792,812	42.41%
Wintech Consultants Limited <i>(Note 5)</i>	18,000,000	4.00%	18,000,000	4.00%	18,000,000	3.67%
Sub-total	<u>225,792,812</u>	<u>50.18%</u>	<u>185,792,812</u>	<u>41.29%</u>	<u>225,792,812</u>	<u>46.08%</u>
JAFCO Asia Technology Fund	39,079,188	8.68%	39,079,188	8.68%	39,079,188	7.98%
Public	185,128,000	41.14%	185,128,000	41.14%	185,128,000	37.78%
Placees		0.00%	40,000,000	8.89%	40,000,000	8.16%
Total	<u>450,000,000</u>	<u>100%</u>	<u>450,000,000</u>	<u>100%</u>	<u>490,000,000</u>	<u>100%</u>

*Note 1: Assuming no Shares are issued as a result of the exercise of options pursuant to the share option scheme of the Company between the date of the Placing and the Subscription*

*Note 2: Assuming the maximum number of 40,000,000 Placing Shares have been placed*

*Note 3: Assuming the maximum number of 40,000,000 Subscription Shares have been subscribed*

*Note 4: The entire issued share capital of the Vendor is held by Barrie Bay Limited. Barrie Bay Limited is acting as the trustee of the Barrie Bay Unit Trust. The Barrie Bay Unit Trust is a unit trust of which 9,999 units are held by HSBC International Trustee Limited, which is acting as the trustee of the Barrie Bay Trust and the remaining 1 unit is held by Ms. Yang Hua. The Barrie Bay Trust is a discretionary trust set up by Mr. Guo Deying ("Mr. Guo"), an executive Director and Ms. Yang Xiao ("Ms Yang"), the spouse of Mr. Guo and a non-executive Director, and the discretionary objects of which include the children of Mr. Guo and Ms. Yang who are under 18 years old. Each of Mr. Guo and Ms. Yang is taken to be interested in the 207,792,812 shares held by the Vendor as each of them is a settlor of the Barrie Bay Trust and by virtue of the interests of their children under the Barrie Bay Trust.*

*Note 5: Mr. Guo is taken to be interested in the 18,000,000 shares held by Wintech Consultants Limited as he is interested in the entire issued share capital of Wintech Consultants Limited. In addition, Mr. Jiang Chao, an executive director, is taken to be interested in the 18,000,000 shares held by Wintech Consultants Limited as he is one of the discretionary objects under the China Wireless Employee Benefit Trust, a discretionary trust established for the benefit of the employees of the Group.*

This announcement is made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board  
**China Wireless Technologies Limited**  
**Jiang Chao**  
*Director*

Hong Kong, 6 January 2006

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Guo Deying and Mr. Jiang Chao; two non-executive Directors, namely, Ms. Yang Xiao and Ms. Ma Dehui and three independent non-executive Directors, namely, Dr. Huang Dazhan, Mr. Xie Weixin and Mr. Chan King Chung.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained herein, the omission of which would make any statement in the announcement misleading.*