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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)

ANNOUNCEMENT DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

Pursuant to the Auction Confirmation Letter dated 21 February 2006, Yulong Shenzhen, an indirect wholly-owned subsidiary of the Company and which is a wireless solution and equipment provider in the PRC, confirmed the acquisition of the Property and for which Yulong Shenzhen had successfully bid at the Auction and agreed to pay the Consideration of the Property of RMB99,000,000 plus an auction service charge payable to the Auctioneer of RMB1,490,000. The Property was acquired by Yulong Shenzhen for itself and on behalf of Pusheng pursuant to the Joint Bid Agreement whereby agreed that Yulong Shenzhen will bid for the Property and if successful, Yulong Shenzhen and Pusheng will contribute 75% and 25% of the price of the Property and other related expenses respectively and to obtain ownership of the Property in such proportion.

On 20 February 2006, Yulong Shenzhen participated in and won the Auction of the Property held in public in Shenzhen.

The acquisition of part interest in the Property by Yulong Shenzhen by way of auction constitute a discloseable transaction of the Company under the Listing Rules. A circular containing details of the acquisition of the Property will be sent to shareholders of the Company as soon as practicable.

THE AUCTION CONFIRMATION LETTER

On 21 February 2006, Yulong Shenzhen, an indirect wholly-owned subsidiary of the Company and which is a wireless solution and equipment provider in the PRC, and the Auctioneer signed the Auction Confirmation Letter, pursuant to which Yulong Shenzhen confirmed the acquisition of the Property for which Yulong Shenzhen had successfully bid at the Auction and agreed to pay the Consideration for the Property plus an auction service charge payable to the Auctioneer of RMB1,490,000.

Details of the Auction Confirmation Letter are as follows:

Date of signing : 21 February 2006

Parties : Entrusting party : 廣東省深圳市中級人民法院 (Guangdong Province Shenzhen City Intermediate Level People's Court)
Winning bidder : Yulong Shenzhen
Auctioneer : 深圳市土地房產交易中心 (Shenzhen Property Transaction Centre)

Property : Address : land use rights of Lot No. T401-0091, North District, Hi-New Technology Industrial Park, Shenzhen and buildings thereon
Gross floor area : 32,894.8 sq. m.
There are four buildings on the Property with a total construction area of 64,607 sq. m. and the same are sold on an "as is" basis.

Consideration and other charges : RMB99,000,000, which was the bidding price of Property offered by Yulong Shenzhen and accepted by the Auctioneer at the Auction. The Auction was held in public and conducted by way of show of hands.

The Consideration plus an auction service charge of RMB1,490,000 will be payable in cash within three business days from the date of signing of the Auction Confirmation Letter.

In addition, there was an unpaid land use charge of RMB444,572 in respect of the Property for the period from January 2004 to December 2005.

The auction service charge of RMB1,490,000, the unpaid land use charge of RMB444,572 owed by the previous owner and the land use charge of approximately RMB20,000 (subject to final determination by 深圳市國土資源和房產管理局 (Shenzhen Municipal Bureau of Land Resources and Housing Management)) payable by Yulong Shenzhen, shall also be borne by Yulong Shenzhen and Pusheng in the respective proportion as agreed in the Joint Bid Agreement. No land premium is payable for the acquisition of the Property. The Board confirmed that if there are other charges, the Company will comply with the requirements of the Listing Rules.

THE JOINT BID AGREEMENT

On 16 February 2006, Yulong Shenzhen and Pusheng entered into the Joint Bid Agreement, pursuant to which the parties agreed that Yulong Shenzhen and Pusheng will contribute 75% and 25% of the price of the Property and other related expenses respectively and will obtain ownership of the Property in such proportion, i.e. Yulong Shenzhen will obtain ownership of 24,671 sq. m. of the gross floor area of the Property with a construction area of 48,466 sq. m. of the three buildings situated thereon whilst Pusheng will obtain ownership of the remaining 8,223.7 sq. m. of the gross floor area of the Property with a construction area of 16,152 sq. m. of the remaining building situated thereon. Yulong Shenzhen and Pusheng will separately apply to obtain title certificate(s) for the respective part of the Property and the building(s) thereon. Pursuant to the Joint Bid Agreement, it was agreed between the parties that Yulong

Shenzhen will not make a bid if the price of the Property exceeds RMB130,000,000. The parties considered that such price to be reasonable considering various factors including the strategic location of the site in the Hi-New Technology Industrial Park, the Property's development potential and its inherent value to the enhancement of the Group's overall corporate image.

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are provision of wireless solution and equipment in the PRC.

INFORMATION ON OTHER PARTIES

Pusheng and its ultimate beneficial owners are Independent Third Parties. The principal activities of Pusheng are import and export, research and development of hi-tech electronic products in the PRC.

The Auctioneer is a company whose principal business is real property agency and convening of auctions relating to real property.

The entrusting party of the Property is the Guangdong Province Shenzhen City Intermediate Level People's Court.

CONFIRMATION OF THE DIRECTORS

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiry, Pusheng, the Auctioneer and their respective ultimate beneficial owners are Independent Third Parties.

SOURCE OF FUNDING

Yulong Shenzhen is responsible for 75% of the total Consideration of RMB99,000,000, i.e. RMB74,250,000, which will be financed by two existing bank loans of RMB20,000,000 and RMB40,000,000 taken out by Yulong Shenzhen on April 2005 and December 2005 respectively (under both of which no security was given) and the balance will be paid by Yulong Shenzhen from its internal resources.

REASONS FOR THE JOINT BID AND THE ACQUISITION

Due to expansion of business, the existing office of the Group has almost reached its maximum capacity and the Group has been seeking opportunities to expand or relocate its office. In addition, the Board considers that relocating to the Hi-New Technology Industrial Park will raise the profile and the overall corporate image of the Group. It is intended that the interest in the Property acquired by Yulong Shenzhen pursuant to the Joint Bid Agreement and the Auction Confirmation Letter will be occupied by the Group for office use. The said 75% interests in the Property will be treated as fixed assets of and booked in the Group accounts accordingly.

The Board is of the view that it is more cost-efficient to bid for the Property with the backing of a third party who would take up part of the interests in the Property since the Board considers that the business development of the Group in the foreseeable future would not warrant the acquisition and occupation of the whole of the Property by the Group.

The Board considers the terms of the Joint Bid Agreement and the Auction Confirmation Letter are fair and reasonable and the acquisition of part interests of the Property is made in the best interest of the shareholders of the Company.

GENERAL

The acquisition of part interests in the Property constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing details of such acquisition will be sent to shareholders of the Company as soon as possible.

DEFINITIONS

“Auction”	the public auction held by the Auctioneer in Shenzhen on 20 February 2006 on which, among others, the Property was put up for auction;
“Auctioneer”	深圳市土地房產交易中心 (Shenzhen Property Transaction Centre);
“Auction Confirmation Letter”	a letter dated 21 February 2006 entered into between Yulong Shenzhen and the Auctioneer which confirmed and set out and the terms of the Auction;
“Board”	the board of Directors;
“Company”	China Wireless Technologies Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange;
“Consideration”	RMB99,000,000, being the consideration of the Property;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“Independent Third Party”	an independent third party not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates, as defined in the Listing Rules;
“JointBid Agreement”	an agreement dated 16 February 2006 entered into between Yulong Shenzhen and Pusheng pursuant to which the parties agreed to bid for the Property subject to the terms and conditions therein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	land use rights of Lot No. T401-0091, North District, Hi-New Technology Industrial Park, Shenzhen and buildings thereon;
“Pusheng”	深圳市普晟經貿有限公司 (Shenzhen Pusheng Trading Limited);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Yulong Shenzhen” 宇龍計算機通信科技(深圳)有限公司 (Yulong Computer Telecommunications Scientific (Shenzhen) Co., Ltd.)

“sq. m.” square metre(s);

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, 23 February 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.