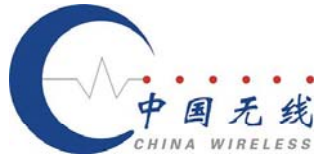


【for immediate release】



CHINA WIRELESS TECHNOLOGIES ANNOUNCES 2006 ANNUAL RESULTS

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NEW SMARTPHONE SALES BOOSTS TURNOVER BY 81% TO HK\$ 641 MILLION

Financial summary (audited)

	For the year ended 31 December		Change
	2006	2005	
	HK\$'000	HK\$'000	
Turnover	640,855	353,995	↑81.0%
Gross profit	239,996	124,115	↑93.4%
Profit attributable to shareholders	53,684	50,876	↑5.5%
Basic earnings per share (HK cents)	10.79	12.66	↓14.8%
Gross profit margin(%)	37.4	35.1	↑2.3ppt
Net profit margin(%)	8.4	14.4	↓6ppt

(Hong Kong, 12 April 2007) – China Wireless Technologies Limited (“China Wireless Technologies” or the “Company”) (stock code: 2369), China’s leading provider of integrated wireless data solutions and smartphones, today announced its annual results for the year ended 31 December 2006.

The Company recorded remarkable growth in results during the year under review as new models of smartphones drove sales. Turnover increased by 81.0% to about HK\$641 million. Smartphone sales surged 93.7% to about HK\$631 million. Gross profit rose 93.4% to about HK\$240 million. Profit attributable to shareholders increased by 5.5% to about HK\$ 53.68 million. Basic and diluted earnings per share were HK 10.79 cents and HK 10.54 cents respectively. The Board recommended payment of a final dividend of HK 3 cents per share and giving ten new shares for every ten existing shares.

Mr. Guo Deying, Chairman of China Wireless Technologies, said, “In the year under review, the smartphone business grew rapidly because the Company enhanced its efforts and commitment in product development, marketing and export. It succeeded in extending the product range from high-end smartphones to the mid-market model, and building “Coolpad” into a well-known brand. The Company’s plan to enter overseas markets also came off.”

During the year, the Company launched six new models of smartphones with proprietary operation system, including two CDMA-GSM smartphones, one GSM-GSM smartphone, one PHS-GSM smartphone and two CDMA smartphones. These products were custom-made for various industries and are compatible with the telecommunication networks of different telecom carriers, including China Unicom and China Telecom.

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On the basis of the high-end model, “Coolpad 728” dual-mode smartphone, the Company developed and launched “Coolpad 728B” with additional functions such as bluetooth connectivity and name card scanning to satisfy the needs of business executives. The Company also launched the medium-priced Coolpad 288 dual-mode smartphone to serve the wider market, helping to popularize the “Coolpad” smartphones.

For the year ended 31 December 2006, the smartphones sales grew 94% to about HK\$631 million. It also accounted for 98% of turnover, compared with the 92% in 2005. Revenue from sales of wireless system solutions was about HK\$10.2 million in 2006, accounting for 2% of turnover.

The Company’s technical innovations also boosted its gross profit margin to 37.4% in 2006 from 35.1% in 2005. Net profit margin fell from 14.4% in 2005 to 8.4% in 2006 as the Company doubled its efforts in research and development as well as marketing. The moves increased expenses.

To enhance its capability for developing quality products with competitive price, the Company expanded its research and development team, and actively cooperated with well-known information technology companies such as Texas Instruments, Qualcomm, Microsoft and Datang Telecom Technology. To prepare for China’s future market for third-generation (3G) telecom products, the Company developed a TDSCDMA-GSM dual-mode smartphone and tested the new product on a TDSCDMA trial network during the year. The new model is expected to be introduced to the market in the second half of 2007. As the prospect of the state finalizing its policies on the 3G telecom market gets more certain, the Company believes the demand for 3G coverage systems and integrated 3G wireless data solutions will emerge. As a result, the TDSCDMA-GSM dual-mode smartphone could become a growth driver for the Company.

In its bid to consolidate market leadership, the Company plans to launch 12 new models of smartphone in 2007, targeting different customers and telecom operators in different countries. Ten of the new models will be for 2.5G telecom networks, including three for overseas markets. The other two will be TDSCDMA models for China’s future 3G telecom market.

As part of the plan on future development, the Company will actively cooperate with China Mobile, notably testing the Company’s GSM-GSM dual-mode smartphone and TDSCDMA-GSM dual mode model on the telecom carrier’s network. It believes it would be able to secure orders from China Mobile for its GSM-GSM dual-mode models in the first half of 2007. Meanwhile, the Company will continue to strengthen its relationship with China Unicom, and will actively recruit more distributors to help enlarge its customer base.

Mr. Guo concluded, “To enhance the competitive strength of its products, the Company will continue to strengthen its capability for research and development and double its efforts in marketing and building the “Coolpad” brand. As a pioneer in developing 3G wireless solutions, China Wireless Technologies enjoys first mover advantage in China’s market. We will continue to work hard in developing both domestic and overseas markets to generate good returns for our shareholders.”

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About China Wireless Technologies Limited

Established in 1993, China Wireless Technologies is a leading developer and supplier of wireless data total solutions. Leveraging its expertise and knowledge in wireless communication, the Group 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.

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China Wireless Technologies Limited
Audited consolidated income statement
For the year ended 31 December 2006

	2006 (HK\$'000)	2005 (HK\$'000)
Turnover	640,855	353,995
Cost of sales	(400,859)	(229,880)
Gross profit	239,996	124,115
Other income and gains	17,336	13,801
Selling and distribution costs	(86,372)	(39,427)
Administrative expenses	(106,830)	(34,909)
Other expenses	(991)	(283)
Finance costs	(9,455)	(2,979)
Profit before tax	53,684	60,318
Tax	0	(9,442)
Profit for the year	53,684	50,876
Dividends		
Interim	4,982	4,000
Proposed final	14,957	9,964
Earnings per share		
Basic (HK cents)	10.79	12.66
Diluted (HK cents)	10.54	12.55