
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Wireless Technologies Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**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)

**PROPOSALS FOR BONUS ISSUE OF SHARES,
INCREASE IN AUTHORISED SHARE CAPITAL AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting (“EGM”) of the Company to be held at Crystal Room 2, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 8 October 2007 at 3:00 p.m. is set out on pages 8 to 10 of this circular.

A form of proxy for use by the shareholders of the Company at the EGM (or any adjournment thereof) is also enclosed. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the EGM or any adjourned meeting should you so wish.

18 September 2007

CONTENTS

	<i>Page</i>
Responsibility statement	1
Expected timetable	2
Definitions	3
Letter from the Board	4
Introduction	4
1. Proposed Bonus Issue	5
2. Proposed increase in authorised share capital of the Company	6
3. EGM	6
4. Actions to be taken	7
5. Procedures for demanding a poll.	7
6. Recommendation	7
Notice of EGM	8

Accompanying: Form of proxy for EGM

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

EXPECTED TIMETABLE

2007

Circular relating to, among others, the Bonus Issue to be dispatched on or before	Tuesday, 18 September
Last day of trading in Shares cum entitlements to the Bonus Issue.	Thursday, 27 September
First day of trading in Shares ex entitlements to the Bonus Issue	Friday, 28 September
Latest time for lodging transfer forms of Shares to qualify for entitlements to the Bonus Issue	4:30 p.m. on Tuesday, 2 October
Closure of register of members (both days inclusive)	From Wednesday, 3 October To Monday, 8 October
Latest time for lodging forms of proxy for the EGM	3:00 p.m. on Saturday, 6 October
Record date for determination of entitlements to the Bonus Issue	Monday, 8 October
EGM	3:00 p.m. on Monday, 8 October
Register of members re-opens	9:30 a.m. on Tuesday, 9 October
Dispatch of share certificates for Bonus Shares.	Monday, 29 October
First day of trading in Bonus Shares on the Stock Exchange	Tuesday, 30 October

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Bonus Issue”	issue of one Bonus Share for every one Share in issue to the Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of Bonus Issue by the Company as described herein
“Company”	China Wireless Technologies Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Crystal Room 2, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 8 October 2007 at 3:00 p.m., the notice of which is set out on pages 8 to 10 of this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 September 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong
“Record Date”	8 October 2007, being the date for determining the entitlement to the Bonus Issue
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holder(s) of issued shares of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Guo Deying (*Chairman and Chief Executive Officer*)

Mr. Jiang Chao

Non-executive Directors:

Ms. Yang Xiao

Ms. Ma Dehui

Independent non-executive Directors:

Dr. Huang Dazhan

Mr. Xie Weixin

Mr. Chan King Chung

Mr. Yang Xianzu

Registered office:

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman
KY1-1111, Cayman Islands

*Head office and principal place of
business in the PRC:*

8th Floor, Block B
High Tech Plaza
Tian An Cyberpark
Chegongmiao
Shenzhen
PRC

*Principal place of business
in Hong Kong:*

Room 1902, MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

18 September 2007

*To the Shareholders and, for information only,
the holders of share options of the Company,*

Dear Sir or Madam,

**PROPOSALS FOR BONUS ISSUE OF SHARES,
INCREASE IN AUTHORISED SHARE CAPITAL AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the EGM to enable you to make an informed decision on whether to vote for or against those resolutions.

LETTER FROM THE BOARD

At the EGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the Bonus Issue; and (ii) the increase in the authorised share capital of the Company.

1. PROPOSED BONUS ISSUE

The Board is pleased to announce that the Directors recommended the Bonus Issue to the Shareholders on the basis of one Bonus Share for every one Share in issue held on the Record Date. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount of about HK\$10,105,320 in the share premium account of the Company. Assuming that no further Shares will be issued and/or repurchased by the Company before the Record Date, 1,010,532,000 Bonus Shares will be issued pursuant to the Bonus Issue. The Bonus Shares will rank pari passu in all respects with the Shares and the Company will not allot any fractions of Bonus Shares.

Conditions of the Bonus Issue

The Bonus Issue is conditional, amongst other things, upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Bonus Issue;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) immediately following the date of the issue of the Bonus Shares, the Company shall be able to pay its debt as they fall due in the ordinary course of business.

Subject to fulfilment of the above conditions, certificates for the Bonus Shares are expected to be dispatched to the Shareholders by ordinary post at their own risk on or before 29 October 2007.

Reason for the Bonus Issue

The Board believes that the Bonus Issue is a return to the support of the Shareholders. The Bonus Issue will also allow the Shareholders to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account.

Closure of register of members

The register of members of the Company will be closed from 3 October 2007 to 8 October 2007, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the Bonus Issue, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the share registrar of the Company no later than 4:30 p.m. on 2 October 2007.

Overseas Shareholders

The Directors will seek advice from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to Overseas Shareholders.

LETTER FROM THE BOARD

Overseas Shareholders will not be allotted the Bonus Shares if the law of jurisdiction at which their registered addresses are located prohibit the Company from allotting Bonus Shares to them, or require the Company to comply with any requirements (such as the filing of any registration statement or prospectus or other special formalities) which the Directors consider to be impracticable. Instead, the Bonus Shares otherwise falling to be allotted to them will be sold in the market as soon as practicable after dealings in the Bonus Shares commence and the net proceeds of sale will be paid to the Shareholders affected. Where, however, the amount of the net proceeds payable to any particular Shareholder is less than HK\$100, the net proceeds will be paid to the Company instead for its own benefit and will not be paid to the Shareholders affected.

2. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Shares, of which 1,010,532,000 Shares were issued and fully paid or credited as fully paid. In order to accommodate future expansion and growth of the Group and facilitate the proposed Bonus Issue, the Directors propose to increase the existing authorised share capital of the Company to HK\$200,000,000 divided into 20,000,000,000 Shares by the creation of an additional 18,000,000,000 unissued Shares of HK\$0.01 each.

The proposed increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM, and no Shareholder is required to abstain from voting on such resolution.

Effect of the proposed increase in authorised share capital and shareholding structure of the Company after the Bonus Issue

The following table shows the authorised share capital of the Company as at the Latest Practicable Date and immediately before and after the proposed increase in the authorised share capital of the Company and the Bonus Issue, assuming that no further Shares will be issued and/or repurchased by the Company after the Latest Practicable Date:

	As at the Latest Practicable Date		Immediately after the proposed increase in authorised share capital of the Company		Immediately after the Bonus Issue	
	<i>Number of Existing Shares</i>	<i>HK\$</i>	<i>Number of Existing Shares</i>	<i>HK\$</i>	<i>Number of Existing Shares</i>	<i>HK\$</i>
Authorised	2,000,000,000	20,000,000	20,000,000,000	200,000,000	20,000,000,000	200,000,000
Total issued	1,010,532,000	10,105,320	1,010,532,000	10,105,320	2,021,064,000	20,210,640
Total unissued	989,468,000	9,894,680	18,989,468,000	189,894,680	17,978,936,000	179,789,360

3. EGM

A notice convening the EGM to be held at Crystal Room 2, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 8 October 2007 at 3:00 p.m., is set out on pages 8 to 10 of this circular.

LETTER FROM THE BOARD

4. ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the EGM is enclosed in this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Such form of proxy for use at the EGM is also published on the website of the Stock Exchange at www.hkex.com.hk. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjourned meeting should you so wish.

5. PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles, every resolution submitted to a general meeting shall be determined on a show of hands in the first instance by every Shareholder present in person (or being a corporation, is present by a duly authorised representative), or by proxy unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three Shareholders present in person or in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and holding the Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

6. RECOMMENDATION

The Directors consider that (i) the proposed Bonus Issue; and (ii) the proposed increase in the authorised share capital of the Company are in the interests of the Company and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of all resolutions set out in the EGM notice. The Directors intend to vote in favour of all of such resolutions in respect of their shareholdings in the Company, if any.

Yours faithfully,
For and on behalf of
CHINA WIRELESS TECHNOLOGIES LIMITED
Guo Deying
Chairman and Chief Executive Officer

NOTICE OF EGM



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)

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “Meeting”) of China Wireless Technologies Limited (the “Company”) will be held at Crystal Room 2, Basement 3, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 8 October 2007 at 3:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon (i) the listing sub-committee of the board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting or agreeing to grant listing of, and permission to deal in, the Bonus Shares (as hereinafter in paragraph (a) of this resolution defined) to be issued, pursuant to this resolution; and (ii) immediately following the date of the issue of Bonus Shares, the Company is able to pay its debt as they fall due in the ordinary course of business.

- (a) the amount standing to the credit of the share premium account of the Company as would be required to be applied in paying up in full at par new ordinary shares of HK\$0.01 each in the capital of the Company (the “Shares”), such Shares, credited as fully paid, to be allotted and distributed (subject as referred to in paragraph (b) below) among members of the Company whose names appear on the register of members of the Company on Monday, 8 October 2007 in the proportion of one new Share (the “Bonus Share”) for every existing Share then held, be capitalised and applied in such manner and the Directors be and are hereby authorised to allot and issue such Bonus Shares;
- (b) no fractional Bonus Shares shall be allotted to members of the Company and fractional entitlements (if any) will be aggregated and sold for the benefit of the Company;

NOTICE OF EGM

- (c) the Bonus Shares to be issued pursuant to paragraph (a) above shall rank pari passu in all respects with the existing issued and unissued Shares as at the date of issue of such Bonus Shares except that they will not rank for the bonus issue of shares mentioned in this resolution; and
- (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares referred to in paragraph (a) of this resolution, including but not limited to determining the amount to be capitalised out of the share premium account and the number of Bonus Shares to be allotted and distributed in the manner referred to in paragraph (a) of this resolution.”
2. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** the authorised share capital of the Company be and is hereby increased from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$200,000,000 divided into 20,000,000,000 Shares by the creation of an additional 18,000,000,000 Shares ranking pari passu in all respect with the existing issued and unissued Shares and that any one of the Directors or the secretary of the Company be authorised to prepare and execute all documents and to do all such other things as he/she considers to be necessary on behalf of the Company to give effect to the resolution set out above.”

By Order of the Board of
CHINA WIRELESS TECHNOLOGIES LIMITED
GUO DEYING

Chairman and Chief Executive Officer

Hong Kong, 18 September 2007

Notes:

1. The register of members of the Company will be closed from 3 October 2007 to 8 October 2007 (both days inclusive) during which period no transfer of share(s) will be effected. Members whose name appear on the register of members of the Company at the close of business on 2 October 2007 will be entitled to attend and vote at the Meeting.
2. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
3. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.

NOTICE OF EGM

4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time fixed for holding the extraordinary general meeting or adjournment thereof.

As at the date of this notice, the executive Directors are Mr. Guo Deying and Mr. Jiang Chao, the non-executive Directors are Ms. Yang Xiao and Ms. Ma Dehui and the independent non-executive Directors are Dr. Huang Dazhan, Mr. Xie Weixin, Mr. Chan King Chung and Mr. Yang Xianzu.