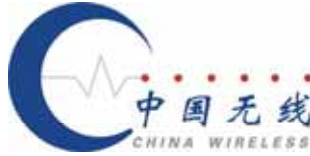


【 For immediate release 】



CHINA WIRELESS TECHNOLOGIES' WHOLLY-OWNED SUBSIDIARY RECEIVES RMB 2 MILLION SUBSIDY FROM MII TO DEVELOP CHINA'S 3G TELECOM MARKET

(Hong Kong, 17 May 2007) – China Wireless Technologies Limited (“China Wireless Technologies” or the “Group”) (stock code: 2369), China’s leading one-stop wireless data solution and smartphone provider, announced that the Ministry of Information Industry (“MII”) has granted its wholly-owned subsidiary, Yulong Computer Telecommunications Scientific (Shenzhen) Co., Ltd. (“Yulong”) a RMB2 million subsidy for developing TD-SCDMA 3G smartphone operating system and software solution. The grant represents government recognition of the Group’s contribution to helping the country to build its information system and reflects its important role in the development of TD-SCDMA 3G technology.

The subsidy will mainly be used to develop TD-SCDMA chips, a proprietary operating system for TD-SCDMA chip-enabled smartphones and a related supporting software framework. The project aims at commercializing the TD-SCDMA smartphone software solution and providing support to China’s TD-SCDMA technology development. To prepare for China’s future market for third-generation (3G) telecom products, the Company developed a TD-SCDMA-GSM dual-mode smartphone and tested the new product on a TD-SCDMA trial network during the year. The new model is expected to be introduced to the market in the second half of 2007.

Mr. Guo Deying, Chairman of China Wireless Technologies, said, “We are very much encouraged that we are granted a subsidy from MII again. The subsidy represents not only government recognition of the Group’s achievement in developing 3G technology, but also the country’s determination to develop a 3G network. We have been developing 3G smartphones and 3G wireless data solutions based on WCDMA, CDMA2000 and TD-SCDMA standards. The MII subsidy will give us more resources to prepare for our entry into the market for telecom products that operate on China’s own proprietary 3G system platform.”

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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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