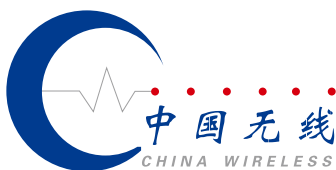


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## **CHINA WIRELESS TECHNOLOGIES LIMITED**

### **中國無線科技有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2369)**

### **ANNOUNCEMENT**

The Directors are pleased to announce that Yulong Shenzhen, an indirect wholly-owned subsidiary of the Company, entered into a project subsidization agreement with the Information Technology Development Fund on 20 September 2007 whereby Yulong Shenzhen is awarded a subsidy in the sum of RMB1,500,000 from the Information Technology Development Fund.

The Subsidy was granted by the Information Technology Development Fund for Yulong Shenzhen to develop and commercialize TD-SCDMA and GSM dual mode terminal devices which support the HSDPA protocol.

The Project Subsidization Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The directors (the “**Directors**”) of China Wireless Technologies Limited (the “**Company**”) are pleased to announce that Yulong Computer Telecommunications Scientific (Shenzhen) Co., Ltd (“**Yulong Shenzhen**”), an indirect wholly-owned subsidiary of the Company, entered into a project subsidization agreement (the “**Project Subsidization Agreement**”) with the Information Technology Development Fund Office of the Ministry of Information Industry (信息產業部電子發展基金管理辦公室) (the “**Information Technology Development Fund**”) on 20 September 2007 whereby Yulong Shenzhen is awarded a subsidy in the sum of RMB1,500,000 (the “**Subsidy**”) from the Information Technology Development Fund.

The Information Technology Development Fund is co-managed by the Ministry of Finance and Ministry of Information Industry of the People’s Republic of China. The purpose of the fund is to promote the research and development and commercialization of new products in the Information Technology sector in China. The Subsidy was granted by the Information Technology Development Fund to Yulong Shenzhen to develop and commercialize Time Division-Synchronous Code Division Multiple Access (“**TD-SCDMA**”) and Global System for Mobile Communications (“**GSM**”) dual mode terminal devices which support the High-Speed Downlink Packet Access (“**HSDPA**”) protocol (the “**New Product**”).

Under the Project Subsidization Agreement, Yulong Shenzhen will receive the Subsidy according to a schedule to be determined by the Information Technology Development Fund. After the completion of the project, it is expected that Yulong Shenzhen would have invested RMB15,000,000 in the project. Sophisticated production of the New Products would have been developed with commercialized production of 40,000 units of the New Products per annum. The intellectual property rights of the results of the project belong to Yulong Shenzhen. The Directors believe that the award of the Subsidy is a significant achievement of the Group.

The Project Subsidization Agreement does not constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

By Order of the Board  
**China Wireless Technologies Limited**  
**GUO DEYING**  
*Chairman*

Hong Kong, 3 October 2007

*As at the date of this announcement, the executive Directors of the Company 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.*