

**CHINA WIRELESS TECHNOLOGIES' WHOLLY-OWNED SUBSIDIARY YULONG RECEIVES RMB 2 MILLION
SUBSIDY FROM MINISTRY OF INFORMATION INDUSTRY
TO DEVELOP OPERATING SYSTEM & SMARTPHONES FOR INDUSTRY APPLICATIONS
BREAKS TECHNOLOGICAL MONOPOLY OF US AND EUROPEAN MANUFACTURERS
HELPS GOVERNMENT UPGRADE INFORMATION SYSTEM**

(Hong Kong, 3 July 2005) – China Wireless Technologies Limited (“China Wireless Technologies” or the “Group”) (stock code: 2369), China’s leading developer and marketer of wireless system solutions and wireless terminals, announced that the Ministry of Information Industry (“MII”) has granted its wholly-owned subsidiary, Yulong Computer Telecommunications Scientific (Shenzhen) Co., Ltd. (“Yulong”), a RMB 2 million subsidy for the contribution it has made in helping the government to upgrade its information system. The subsidy is also intended for the development of operating system and smartphones for industry applications.

The subsidy will mainly be used to further develop and commercialize the operating system and GSM/GPRS/CDMA smartphones on the Linux platform. The operating system and smartphones to be developed will be able to accommodate mobile business software application and allow users to switch between the GPRS and CDMA network. The project will also involve the development of smartphones that support audio and visual applications on IP, and 3G multimedia smartphones that allow high-speed access to the Internet and support data-processing and secure on-line transaction on the mobile IP platform.

Mr. Guo Deying, Chairman of China Wireless Technologies, said, “We are very excited and highly encouraged by MII’s grant. It endorses China Wireless Technologies’ past contribution to assisting the different government departments such as the industry and commerce administrations, the public security bureaus and securities houses to adopt the mobile office and mobile administration. We have also helped the government to accelerate the upgrade of information system, enabling the Group to become a key enterprise supported by MII.”

Mr. Guo said, “Currently, with core telecommunication technologies largely owned by foreign manufacturers, domestic players have to pay costly royalties to use those technologies. Meanwhile, the dominance of foreign technology in the country also jeopardizes the state security. China Wireless Technologies will hence share its research results of the multimedia smartphone technology with its industry allies so as to break the technological monopoly of the US and European manufacturers. We believe such sharing will facilitate enormous economic benefits.”

The MII grants research and development subsidies to a number of outstanding information technology companies annually to foster the growth of the sector. To qualify for the subsidy grant, the candidates have to be highly regarded in engaging research and development in the relevant arena that promises to bring immense social benefits.

About China Wireless Technologies Limited

Established in 1993, China Wireless Technologies is a leading supplier of total wireless data solutions. Leveraging its expertise and knowledge in wireless communication, the Group provides integrated solutions, from back-end system to wireless intelligent terminals with proprietary operating system, for the telecom, public security and securities sectors, and different industrial and

commercial enterprises.

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