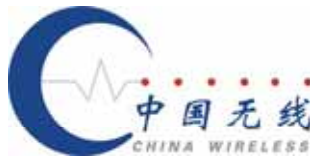


[FOR IMMEDIATE RELEASE]



CHINA WIRELESS TECHNOLOGIES ANNOUNCES 2006 INTERIM RESULTS

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NET PROFIT SURGES 91% TO HK\$62.3 MILLION ON SALES OF NEW MODELS OF SMARTPHONE

Financial summary (Unaudited)

	For the six months ended 30 June		change
	2006	2005	
	HK\$ '000	HK\$ '000	
Turnover	434,307	172,396	151.9%
Gross profit	158,553	64,147	147.2%
Profit attributable to shareholders	62,285	32,626	90.9%
Gross profit margin	36.5%	37.2%	↓0.7ppt
Net profit margin	14.3%	18.9%	↓4.6ppt

(Hong Kong, 31 August 2006) – 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 interim results for six months ended 30 June 2006.

China Wireless Technologies’ turnover rose 151.9% year on year to about HK\$434.31 million in the period under review on the back of sales of new models of smartphones. Profit attributable to shareholders surged 90.9% year on year to approximately HK\$62.29 million. Diluted earnings per share were about HK\$0.123. The Board of Directors recommended the payment of an interim dividend of HK\$0.01 per share.

Mr. Guo Deying, Chairman of China Wireless Technologies, said, “During the period under review, we continued to provide innovative products such as new models of multi-mode smartphones and custom-made wireless data solutions to satisfy the needs of various industries and individual users in the high-end market. The moves boosted our earnings.”

The Company introduced four new models of 2.5G smartphones with proprietary operating systems of different modes, including one GSM-GSM model, one PHS-GSM model and two CDMA models. The products are tailored for various industries and telecom operators including China Unicom, China Telecom, China Netcom and China Mobile. The products are also sold to the overseas markets.

The launch of the new products boosted the Company's smartphone sales to approximately 100,000 units in the first half of 2006 from 45,000 units in the same period of last year.

Smartphone sales surged 167.5% year on year to about HK\$428.95 million for the six months ended 30 June 2006. The proportion of smartphone sales in the Company's turnover rose to 99% in the first half of 2006 from the 93% for the same period in 2005. Revenue from the sales of wireless system solutions totaled about HK\$5.36 million, or 1% of turnover during the period under review.

Gross profit margin slightly decreased to 36.5% in the first half of 2006 from 37.2% for the same period of 2005 because sales of wireless system solutions, which have higher gross profit margins, decreased in terms of both sales and proportion in turnover when compared with the same period of last year.

Net profit margin fell to 14.3% in the first half of 2006 from 18.9% in the same period of 2005 because the expenses on research and development increased substantially. The Company stepped up efforts to develop 3G smartphones and 3G wireless data solutions based on the standards of TDSCDMA, CDMA2000 and WCDMA. More research and development staff was hired.

In the period under review, the Company successfully developed one TDSCDMA-GSM dual mode smartphone to pave the way for its inroads into China's prospective market for 3G telecom products. The newly developed model was tested on the TDSCMDA trial network.

China Wireless Technologies will reinforce its market position by launching more innovative products. It has planned to introduce five to six new models of smartphone in the second half of 2006. The new products will include two CDMA-GSM dual-mode models, two CDMA models to suit China Unicom's network and one PHS-GSM dual-mode model tailored for the networks of China Telecom and China Netcom.

The Company also plans to launch one new TDSCDMA-GSM dual-mode smartphone for the TDSCDMA network to capture the business opportunities in China's prospective market for 3G telecom products. As China is poised to launch its policies on the 3G telecommunication, the country's demand for 3G coverage system and 3G wireless data total solutions is expected to emerge. The Company will continue its endeavor in the development of smartphones and wireless data solution for the 3G network. In addition, the Group also successfully developed TDSCDMA 3G coverage system in anticipation of the launch of the TDSCDMA network.

The Company will also double its efforts in marketing its own "Coolpad" brand after it has recently obtained licenses to produce both GSM and CDMA mobile phones from the National Development and Reform Commission.

Mr. Guo concluded, "As a pioneer of 3G wireless solution, China Wireless Technologies will enjoy a first-comer advantage in China's prospective market for 3G telecom products, and will strive to bring a good return to its 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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