

CHINA WIRELESS TECHNOLOGIES RECEIVES VC FUNDING TO EXPAND BUSINESS IN WIRELESS DATA COMMUNICATIONS MARKET IN CHINA

JAFCO Asia invests in China's rapid growing wireless sector

Shenzhen, China, September 29, 2003 - China Wireless Technologies Limited ("CWT"), a total solution provider in the wireless telecommunication space including wireless infrastructure system solutions, back-end information platform solutions and front-end wireless terminals, today announced that the privately held company has received venture funding from Asia's leading venture capital firm JAFCO Investment (Asia Pacific), through its JAFCO Asia Technology Fund.

The investment will enable CWT to expand its business of the CoolPad series wireless smart terminals for 2.5G networks by developing the wireless solutions and distribution networks, and to scale-up its R&D and product development.

"Founded in Shenzhen in 1993 by an ex-professor at Shenzhen University, Yulong Telecom("Yulong"), a fully-owned subsidiary of CWT, develops wireless data transmission equipments, wireless telecommunication systems, information platform for wireless communication operators, and wireless data terminals. Yulong sold these hardware and software products to telecom operators to provide mobile voice and value-added wireless data services. It delivers a total solution including back-end operation support system and front-end terminals for mobile operators to generate additional revenues from its mobile network infrastructure.

"We invest in Yulong because of Yulong's core competency in wireless communication system and telecom software design, wireless terminal product development, as well as its well-established customer base and track record with major telecom operators," said Vincent Chan, Director and Executive Vice President of JAFCO Asia. "Yulong strives to become a leading wireless data communication and information solution provider in China. The deregulation and further opening-up of China's telecom sector would bring more business opportunities to technology solution providers like Yulong, who has in-depth knowledge about operators' requirements from both the back-end operating support and information platforms, and the front-end wireless terminals."

"We are pleased and excited by the support we have received from a top-tier investor," said Guo Deying, Founder and CEO of China Wireless Technologies Limited. "We envision the market opportunity of developing wireless data terminals that would exploit the benefits of much higher data transmission rates offered by 2.5G and 3G networks, as well as the much powerful and content-rich back-end information platforms deployed by us. We believe that JAFCO could add tremendous value to our business because of their strong connections in the industry as well as in Japan.

CWT has nearly 10 years of experience to provide wireless data communication solutions including both hardware and software, and after sales services to wireless data communication operators in China. The company has strong emphasis on quality control to make sure that all of the products satisfy their pre-set quality standards before delivering to customers. CWT also has sales and marketing network across China and 24-hour customer service. Yulong was accredited as the "Shenzhen Hi-tech Enterprise" by the Shenzhen Science and Technology Council.

About China Wireless Technologies Limited

China Wireless Technologies Limited ("CWT"), a holding company incorporated in the Cayman Island with a fully-owned subsidiary called Yulong Telecom which is founded in 1993, is a total wireless data telecommunication and information solution provider in China. Based on its core technologies in RF wireless transmission, real-time telecom protocol control system, IP-based data communication as well as embedded operating system software development, it has developed various but synergistic products covering wireless data transmission infrastructure system solutions, backend information platform and wireless terminal device. CWT has about 300 employees; the company is headquartered in Shenzhen, and has offices in more than 20 major cities throughout China.

About JAFCO Asia

JAFCO Co., Ltd., the parent company of JAFCO Asia, was established in 1973 and obtained a listing on the Japan OTC Market in 1987. It was listed on the Tokyo Stock Exchange in January 2001. Currently, it is the largest venture capital manager in Japan with an aggregate of approximately US\$3 billion under management worldwide. It operates 5 offices in Japan with over 100 investment professionals. Its investment focus ranges from IT venture investments, non-technology venture investments, management buyouts to bio-technology investments.

JAFCO Asia was founded 13 years ago with 5 offices and over 25 professionals in the Asian region. It manages seven private equity funds with an aggregate of over US\$800 million under management. In January 2001, JAFCO Asia completed the closing of its seventh fund, JAFCO Asia Technology Fund L.P., at US\$178 million. This fund focuses primarily on seed, early-stage, first and second institutional round technology investments. JAFCO Asia was ranked top 10 most active venture capital firms in 2002 in the PRC by Digital Fortune (published by International Data Group), China Venture Capital Journal and Zero to IPO Limited respectively. For more information, please visit www.jafcoasia.com.

JAFCO America was established in early 1980s. It was ranked as one of the most successful U.S. venture capital firms in 1999 by Forbes Magazine and was 5th overall in terms of total return based

on post-IPO performance. It was ranked 8th in Red Herring magazine's "Top 25 VC Firms of 2000". It currently manages approximately US\$750 million and operates 2 offices

Globally, the Group has invested in over 2,612 companies, of which 695 have been listed on various stock markets.

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