

For illustrative purpose only, the pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules is set out here to provide the investors with further information to assess the financial performance of the Group and to illustrate the financial position of the Group after completion of the Share Offer.

The pro forma financial information is derived according to a number adjustments. Although reasonable care has been exercised in preparing the said information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the actual financial performance of the Group during the Track Record Period and the year ending 31 December 2004.

#### A. UNAUDITED ADJUSTED NET TANGIBLE ASSETS

The following statement of the Group's unaudited adjusted net tangible assets is based on the Group's audited combined net assets as at 31 May 2004 as shown in the accountants' report, the text of which is set forth in Appendix I to this prospectus, adjusted as follows:—

	Audited combined net tangible assets of the Group as at 31 May 2004 <i>(note 1)</i> RMB\$'000	Estimated net proceeds from the New Issue (assuming that the Over-allotment Option is not exercised) RMB\$'000	Unaudited adjusted net tangible assets RMB\$'000	Unaudited adjusted net tangible assets value per Share <i>(note 2)</i>
Based on the Offer				
Price of HK\$0.79 per Share	108,284	70,800	179,084	RMB44.8 cents
Based on the Offer				
Price of HK\$0.87 per Share	108,284	79,100	187,384	RMB46.9 cents

Note:—

1. Audited combined net tangible assets of the Group was calculated by deducting the product development cost of approximately RMB8,350,000 from the Group's net assets of approximately RMB116,634,000 as at 31 May 2004.
2. The unaudited adjusted net tangible asset value per Share is arrived at after the adjustments referred to in this section and on the basis of 400,000,000 Shares in issue and to be issued as mentioned herein but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option and any options that may be granted under the Share Option Scheme or which may be allotted and issued or purchased by the Company pursuant to the general mandates for the allotment and issue or purchase of Shares described under "Written resolutions of all the shareholders of the Company passed on 21 November 2004" in Appendix VI to this prospectus.
3. The Group did not incorporate any revaluation surplus or deficit in its financial statements. It is the Group's accounting policy to state its fixed assets at cost less accumulated depreciation and any impairment loss in accordance with the Statement of Standard Accounting Practice No. 17, rather than at revalued amounts. The impairment reviews performed by the Company as at 31 May 2004 did not indicate the need to book any impairment loss for its fixed assets. There was a revaluation surplus of the

Group's land and building of approximately RMB4.4 million (approximately HK\$4.2 million) as at 31 May 2004. Had the revaluation surplus been incorporated in the Group's financial statements there would be an increase in the annual depreciation charge of the buildings of approximately RMB0.2 million (approximately HK\$0.19 million).

## B. UNAUDITED PRO FORMA FULLY DILUTED FORECAST EARNINGS PER SHARE

Forecast consolidated profit after taxation  
but before extraordinary items for the year  
ending 31 December 2004 (*Note 1*). . . . . not less than RMB46 million

Pro forma forecast earnings per Share  
— fully diluted (*Note 2*) . . . . . RMB11.5 cents

*Notes:—*

1. The forecast consolidated profit after taxation but before extraordinary items for the year ending 31 December 2004 is extracted from the section headed "Financial information — Profit forecast" in the prospectus. The bases and assumptions on which the above profit forecast for the year ending 31 December 2004 has been prepared are summarised in Appendix III to the prospectus.

The forecast of the consolidated profit after taxation but before extraordinary items of the Group for the year ending 31 December 2004 prepared by the Directors is based on the audited results for the five months ended 31 May 2004, unaudited management accounts for the five months ended 31 October 2004 and a forecast of the results of the Group for the remaining two months ending 31 December 2004. The Directors are not aware of any extraordinary items which have arisen or are likely to arise during the year ending 31 December 2004. The forecast has been prepared on the basis of the accounting policies consistent in all material aspects with those currently adopted by the Group as summarised in the accountants' report, the text of which is set forth in Appendix I to the prospectus.

2. The calculation of the unaudited pro forma forecast earnings per Share on a full diluted basis is based on the forecast consolidated profit after taxation but before extraordinary items of the Group for the year ending 31 December 2004 and a total of 400,000,000 Shares in issue/and on the basis of a total of 400,000,000 Shares in issue and expected to be issued immediately following completion of the Share Offer and the Capitalisation Issue but does not take into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any options that may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of the Shares referred to under "Written resolutions of all the shareholders of the Company passed on 21 November 2004" in Appendix VI to this prospectus.

**COMFORT LETTER ON PRO FORMA FINANCIAL INFORMATION RELATING TO THE PRO  
FORMA FORECAST EARNINGS PER SHARE AND THE ADJUSTED NET TANGIBLE  
ASSETS**

15th Floor  
Hutchison House  
10 Harcourt Road  
Central  
Hong Kong

30 November 2004

The Directors  
China Wireless Technologies Limited

Dear Sirs,

We report on the unaudited pro forma statement of adjusted net tangible net assets and unaudited pro forma forecast earnings per share (the “Pro Forma Financial Information”) set out under the paragraph headed “Unaudited adjusted net tangible assets” and “Profit forecast” in the section headed “Financial information” in the prospectus of the Company dated 30 November 2004 (the “Prospectus”) in connection with the placing and public offer of 132,000,000 shares of the Company to be listed on the Main Board of the Stock Exchange of Hong Kong (the “Share Offer”), which has been prepared by the Company solely for illustrative purposes to provide information about how the estimated net proceeds of the Share Offer might have affected the combined net assets of the Company and its subsidiaries (the “Group”) as at 31 December 2003. The basis of preparation of the Pro Forma Financial Information is set out in Section A of Appendix II of the Prospectus.

**Responsibilities**

It is the responsibility solely of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

It is our responsibility to form an opinion, as required by the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**Basis of opinion**

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 “Reporting on pro forma financial information pursuant to the Listing Rules” issued by the Auditing Practices Board in the United Kingdom, where applicable. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

Our work did not constitute an audit or review made in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants, and accordingly, we do not express any such audit or review assurance on the Pro Forma Financial Information.

The Pro Forma Financial Information has been prepared in accordance with the basis set out in Section A of Appendix II of the Prospectus for illustrative purposes only and, because of its nature, it may not be indicative of:—

- the earnings per share of the Company and its subsidiaries (the “Group”) for any future periods; or
- the financial position of the Group at any future dates.

**Opinion**

In our opinion:—

- a. the Pro Forma Financial Information has been properly compiled on the basis stated;
- b. such basis is consistent with the accounting policies of the Company, and
- c. the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed pursuant to Paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully  
**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong