
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Great Wall Technology Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GWT

長城科技股份有限公司

Great Wall Technology Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0074)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF SHARES IN CITIC SECURITIES CO., LTD**

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules;
“Board”	means the board of Directors of the Company;
“CEC”	means 中國電子信息產業集團公司(China Electronics Corporation) which holds 100% of Great Wall Group;
“CGC”	means中國長城計算機深圳股份有限公司(China Great Wall Computer Shenzhen Company Limited), a joint stock limited company incorporated in the PRC with limited liability, whose A shares are listed on the Shenzhen Stock Exchange in the PRC, a subsidiary of the Company, currently held as to 47.82% by the Company and as to the remaining 52.18% by the public.
“CITIC”	means CITIC Securities Co., Ltd. a company whose shares are listed and traded on the Shanghai Stock Exchange in the PRC;
“Company”	means 長城科技股份有限公司 (Great Wall Technology Company Limited), a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the Stock Exchange;
“Directors”	means the directors of the Company;
“Disposal”	means the sale of 4,994,339 tradable shares in CITIC by Great Wall Kaifa at the market prices on the market of Shanghai Stock Exchange in the PRC during the period from 2 March 2007 to 27 December 2007 (both dates inclusive);
“Great Wall Kaifa”	means 深圳長城開發科技股份有限公司 (Shenzhen Kaifa Technology Co., Ltd), a joint stock limited company incorporated in the PRC with limited liability, whose A shares are listed on the Shenzhen Stock Exchange in the PRC, a subsidiary of the Company, currently held as to 49.64% by the Company;
“Great Wall Group”	means China Great Wall Computer Group Company, a state-owned enterprise established under the laws of the PRC, the controlling shareholder of the Company currently holding approximately 62.11% of the issued shares of the Company;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Latest Practicable Date”	means 21 January 2008, being the latest practicable date for ascertaining certain information referred to in this circular prior to printing of this circular;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	means the People’s Republic of China;
“RMB”	means Renminbi yuan, the lawful currency of the PRC;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.

LETTER FROM THE BOARD

GWT

長城科技股份有限公司 Great Wall Technology Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0074)

Directors:

Mr. Lu Ming (*Chairman*)

Mr. Tam Man Chi

Mr. Wang Jincheng

Mr. Yang Jun

Mr. Su Duan

Registered address and head office:

No. 2 Keyuan Road

Technology and Industry Park

Nanshan District

Shenzhen, PRC

Independent non-executive Directors:

Mr. Li Sanli

Ms. Wang Qinfang

Mr. Kennedy Ying Ho Wong

24 January 2008

To the shareholders

Dear Sir and Madam,

DISCLOSEABLE TRANSACTION DISPOSAL OF SHARES IN CITIC SECURITIES CO., LTD

INTRODUCTION

Reference is made to the announcement dated 9 January 2008 issued by the Company in respect of the disposal of 4,994,339 CITIC shares by Great Wall Kaifa during the period from 2 March 2007 to 27 December 2007. Great Wall Kaifa is owned as to 49.64% by the Company but as the Company maintains management control over Great Wall Kaifa, it is considered a subsidiary of the Company.

The Disposal constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules. The Disposal became a discloseable transaction of the Company on 20 November 2007 when Great Wall Kaifa disposed of 3,370,339 tradable shares in CITIC during the period from 2 March 2007 to 20 November 2007 and the applicable percentage ratios under Chapter 14 of the Listing Rules first exceeds 5% but not exceed 25%. Since 1 January 2006, Great Wall Kaifa has disposed of in aggregate 13,774,923 CITIC shares for a consideration of RMB594,824,686. The consideration in aggregate does not exceed 25% of the applicable percentage ratios under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with further information relating to, among others, details of the Disposal.

LETTER FROM THE BOARD

THE DISPOSAL

Disposal

Detailed transaction records of the Disposal are set out below.

Transaction date	No. of shares sold	Sales proceeds (RMB)	Average disposal price per share (RMB)
2007.03.02	81,000	2,914,590	35.98
2007.03.06	45,000	1,674,812	37.22
2007.03.07	653,657	25,888,738	39.61
2007.03.08	760,000	31,663,840	41.66
2007.03.09	420,000	18,205,500	43.35
2007.03.12	275,000	11,569,686	42.07
2007.03.13	143,000	6,300,690	44.06
2007.03.14	49,600	2,072,500	41.78
2007.03.15	34,800	1,453,412	41.76
2007.03.16	23,000	937,000	40.74
2007.03.19	31,000	1,274,528	41.11
2007.03.20	2,000	80,900	40.45
2007.03.21	41,000	1,699,278	41.45
2007.03.22	61,425	2,573,927	41.90
2007.03.27	16,000	668,742	41.80
2007.03.29	161,000	6,896,800	42.84
2007.04.02	37,000	1,695,675	45.83
2007.04.03	20,000	933,800	46.69
2007.04.04	5,000	236,000	47.20
2007.04.05	65,000	3,175,850	48.86
2007.04.06	12,000	619,000	51.58
2007.04.26	10,000	533,250	53.33
2007.04.27	20,000	1,098,850	54.94
2007.04.30	116,000	6,633,162	57.18
2007.05.08	63,548	3,902,066	61.40
2007.05.25	24,000	1,553,900	64.75
2007.05.28	93,000	6,046,559	65.02
2007.05.29	5,000	324,950	64.99
2007.06.13	10,000	621,000	62.10
2007.06.18	75,000	4,730,865	63.08
2007.10.16	10,309	1,139,565	110.54
2007.10.17	4,000	453,080	113.27
2007.10.18	3,000	315,580	105.19
2007.12.04	6,000	520,100	86.68
2007.12.05	62,000	5,544,948	89.43

LETTER FROM THE BOARD

Transaction date	No. of shares sold	Sales proceeds (RMB)	Average disposal price per share (RMB)
2007.12.07	41,460	3,708,125	89.44
2007.12.11	186,620	16,953,926	90.85
2007.12.12	202,920	17,833,884	87.89
2007.12.13	161,078	13,528,115	83.98
2007.12.14	86,000	7,263,178	84.46
2007.12.17	128,800	10,459,886	81.21
2007.12.18	154,900	12,465,892	80.48
2007.12.19	163,400	13,300,572	81.40
2007.12.20	100,589	8,388,706	83.40
2007.12.21	68,411	5,753,519	84.10
2007.12.24	51,822	4,586,946	88.51
2007.12.25	74,000	6,546,148	88.46
2007.12.26	27,100	2,392,315	88.28
2007.12.27	108,900	9,769,320	89.71
	<hr/>	<hr/>	<hr/>
Total	4,994,339	288,903,675	57.85

The Disposal was carried out on the open market of the Shanghai Stock Exchange in the PRC. The Directors are not aware of the identity(ies) of the counterparty(ies) of the Disposal but to the best of their knowledge, information and belief and after having made all reasonable enquiry, the counterparty(ies) is/are third parties independent of the Company and is/are not connected persons (as defined in the Listing Rules) of the Company.

Following the Disposal, Great Wall Kaifa ceased to hold any shares of CITIC.

Consideration

The total consideration in cash from the Disposal was approximately RMB288,903,675. The net profit realised by Great Wall Kaifa from the Disposal will be accounted for in the financial results of Great Wall Kaifa for year 2007, which is currently estimated to be approximately RMB280,000,000. The book value of the CITIC shares being disposed under the Disposal was approximately RMB8,701,637. The net profit is calculated by deducting the original share prices and transaction levies from the selling prices of the shares sold in the market.

The net profit (before taxation) attributable to the 4,994,339 CITIC shares under the Disposal for the year ended 31 December 2006 and 31 December 2007 was RMB599,374 and RMB134,002 respectively, being dividend income received from CITIC by Great Wall Kaifa in respect of such CITIC shares. Apart from the profits realized from the Disposal as disclosed herein, the Board considers that the Disposal will not be expected to have any material impact on the future earnings of the Group. As a result of the Disposal, there will be an increase in cash in the Group of RMB288,903,675 and a decrease in investment securities of a book value of approximately RMB8,701,637.

LETTER FROM THE BOARD

INFORMATION ON CITIC

CITIC is principally engaged in securities underwriting and sponsorship, proprietary trading, asset management and securities dealing. Based on the latest published annual report of CITIC for the year ended 31 December 2006 which were prepared under the PRC GAAP, the consolidated net profit before taxation and extraordinary items of CITIC for the two financial years ended 31 December 2005 and 2006 were approximately RMB379,498,515 and RMB3,249,908,479 respectively, and the consolidated net profit after taxation and extraordinary items of CITIC for the two financial years ended 31 December 2005 and 2006 were approximately RMB400,041,573 and RMB2,371,040,864 respectively.

SHAREHOLDING STRUCTURE OF GREAT WALL KAIFA

Great Wall Kaifa is owned as to 49.64% by the Company but as the Company maintains management control over Great Wall Kaifa, it is considered a subsidiary of the Company. The A shares of Great Wall Kaifa are listed on the Shenzhen Stock Exchange in the PRC. The remaining 50.36% of the shareholding of Great Wall Kaifa is held by Broadata (H.K.) Limited as to 8.34%; Merrywide Limited as to 1.53%; Force-Dragon Holdings Inc. as to 0.94% and publicly held as to 39.55%.

Broadata (H.K.) Limited is a company incorporated in Hong Kong, and its nature of business is general trading. Flash Bright Investment Limited holds 67.96% interest in Broadata (H.K.) Limited. Mr. Tam Man Chi, a Director, and his spouse hold a 100% interest in Flash Bright Investment Limited.

Merrywide Limited is a company incorporated in Hong Kong, and its nature of business is import and export. Force-Dragon Holdings Inc. is a company incorporated in Hong Kong and is an investment holding company.

The Company confirms that Merrywide Limited and Force-Dragon Holdings Inc. are independent third parties and not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

BUSINESS OF THE GROUP AND GREAT WALL KAIFA

The Group principally engaged in the development, manufacture, sale and research and development of personal computer (“PC”), PC peripheral products, hard disk drives (“HDD”), HDD related products, broadband network services, network transmission, add-on products and software and system related products and services.

Great Wall Kaifa is principally engaged in the manufacture, sale and research and development of HDD magnetic heads, remote control meter, tax-control products, memory module, video heads and automation equipments.

REASON FOR THE DISPOSAL

The Board (including independent non-executive directors) considers that the Disposal represents a good opportunity for Great Wall Kaifa to divest and to realize profit from its investment in CITIC.

LETTER FROM THE BOARD

The Board (including independent non-executive directors) is of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and its shareholders as a whole.

USE OF PROCEEDS

The net proceeds of approximately RMB288,903,675 from the Disposal will be used as Great Wall Kaifa's general working capital.

ADDITIONAL INFORMATION

Your attention is also drawn to the general information as set out in the Appendix to this circular.

Yours faithfully.

For and on behalf of the Board
Great Wall Technology Company Limited
Lu Ming
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

Directors, supervisors and chief executive officers

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executives of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company (the “Model Code”) were as follows:

Personal Interests

Name of Director	Number of shares held	Approximate percentage of total registered share capital of the relevant entity
Mr. Lu Ming	83,952 shares of CGC	0.0183%
Mr. Tam Man Chi	1,113,878 shares of Great Wall Kaifa	0.12%

Corporate Interests

Name of Director	Number of shares held	Approximate percentage of total registered share capital of the relevant entity
Mr. Tam Man Chi	73,389,587 shares of Great Wall Kaifa (<i>Note 1</i>)	8.34%

Note 1: Broadata (HK) Limited (“Broadata”) held approximately 8.34% of these shares. Flash Bright Investment Limited held 67.96% shares in Broadata. Mr. Tam Man Chi and his spouse held in aggregate 100% equity shares in Flash Bright Investment Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors, the following persons had interests or short positions in the shares and underlying shares of the Company which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, were as follows:

Long position in the shares and underlying shares of the Company

Name of Shareholder	Class of shares	Number of shares held	Shareholding percentage of issued state-owned legal person shares	Shareholding percentage of issued H shares
Great Wall Group	State-owned legal person shares	743,870,000	100%	–
HKSCC Nominees Limited	H shares	449,177,900	–	98.97%

Since 18 August 2006, China Great Wall Computer Group Company has been wholly owned by CEC which in turn, has become the ultimate controlling shareholder of the Company by holding 62.11% of the Company's total issued share capital.

Save as disclosed above, so far as is known to the Directors, chief executive officers and supervisors of the Company, as at the Latest Practicable Date, no other person, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, and/or, who was, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. COMPETING INTERESTS

Each of the Directors has confirmed that he/she and their respective associates (as defined under the Listing Rules) do not have any interests in a business apart from the Group's business, which competes or is likely to compete, either directly or indirectly with the Group's business.

5. LITIGATION

Note dispute and loan dispute between CGC and Sichuan Yintong Computer System Co. Ltd.

CGC was involved in a note dispute and loan dispute with Sichuan Yintong Computer System Co. Ltd. ("Yintong") and Chengdu Commercial Bank ("Chengdu Bank"). By its civil case judgment (2000) Chuan Jing Chu Zi 17, the Sichuan Higher People's Court has ruled in favour of CGC. However, since Chengdu Bank, which had a joint guarantee liability related to the subject matter of the case, has raised objections in relation to the proceedings and other matters and made an application for re-trial, the Sichuan Higher People's Court has suspended the enforcement of the said judgment by its verdict (2001) Chuan Jing Jian Zi 53 on 3 February 2001. On 17 December 2003, the Sichuan Higher People's Court issued the Urgent Notice Regarding the Trial and Enforcement of Cases in Relation to the Rectification of Investment and Trust Companies by the Provincial Government (Chuan Gao Fa [2003] 486). The notice stipulated that prior to 30 June 2004, there would be no acceptance, trial or enforcement regarding cases in which any of five financial institutions, including Chengdu Bank, was/were the debtors.

By the civil case judgment (2005) Min Er Zhong 181 dated 17 March 2006, the Supreme Court of the PRC reserved Sichuan Higher People's Court's civil case judgment (2000) Chuan Jing Chu Zi 17 and made the decision final.

In accordance with the final judgment rendered by the Supreme Court of the PRC on a dispute on bills and debts between CGC, Yintong and Chengdu Bank (civil case judgment (2005) Min Er Zhong Zi No. 181), on 21 June 2006, CGC received from Chengdu Bank a total payment of RMB34,199,781.03, which was broken down into RMB33,630,650 and RMB569,131.03, being payment of the principal and the costs of the case respectively. In June 2007, Chengdu Bank made a payment to CGC of RMB17,086,558.57 as interest in relation to the case. CGC received such payment on 11 June 2007.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors, proposed Directors or supervisors of the Company had any existing or proposed service contracts with the Company (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

7. GENERAL

- (a) The company secretary and qualified accountant of the Company is Mr. Siu Yuchun, a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Certified Chartered Accountants in United Kingdom. Mr. Siu also holds a Bachelor degree in economics from Acadia University, Canada and a Master degree in business administration from Dalhousie University, Canada.
- (b) The Company's H shares registrar and transfer office is Hong Kong Registrars, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The registered address of the Company is No. 2, Keyuan Road, Technology & Industry Park, Nanshan District, Shenzhen, the PRC.
- (d) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.