
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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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)

CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to the Independent Board Committee
And Independent Shareholders**



A letter from the Board is set out on pages 5 to 18 of this circular and a letter from the Independent Board Committee is set out on pages 19 to 20 of this circular. A letter from Get Nice Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 32 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at No. 2 Keyuan Road, Technology and Industry Park, Nanshan District, Shenzhen, PRC on 25 August 2008 at 9:30 a.m. is set out on pages 38 to 39 of this circular. If you are not able to attend the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time of meeting to the office of the Company's H Shares Registrar in Hong Kong, Hong Kong Registrars Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

11 July 2008

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DEFINITIONS

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

“Accounts”	means CGW Account and Kaifa Technology Account maintained by CEC Finance;
“Agreed Minimum Amount”	means agreed minimum deposit amount under the Kaifa Deposit Agreement and CGW Deposit Agreement, which is RMB100,000;
“Amoi Electronics”	means Amoi Electronics Co. Ltd. (夏新電子股份有限公司);
“Amoi Electronics Agreement”	means the framework agreement entered into between China Great Wall and Amoi Electronics in relation to the purchase of various computer components by China Great Wall from Amoi Electronics for the period from 1 January 2008 to 31 December 2008;
“associate(s)”	has the meaning ascribed thereto in the Listing Rules;
“Board”	means the board of Directors;
“CEC”	means China Electronic Corporation(中國電子信息產業集團公司), a company incorporated in the PRC, the sole shareholder of Great Wall Group and the ultimate controlling shareholder of the Company;
“CEC Finance”	means CEC Finance Co., Ltd (中國電子財務有限責任公司), a non-bank financial institute of CEC and a company incorporated in the PRC, owned as to 55.21 % by CEC;
“CGW Account”	means the account of China Great Wall held with CEC Finance;
“CGW Deposit”	means the fund being deposited by China Great Wall in the CGW Account from time to time;
“CGW Deposit Agreement”	means the deposit agreement entered into between China Great Wall and CEC Finance;
“China Great Wall”	means China Great Wall Computer (Shenzhen) Co. Ltd. (中國長城計算機深圳股份有限公司), a subsidiary of the Company whose A-shares of Shenzhen Great Wall are listed on the Shenzhen Stock Exchange;
“China Great Wall (HK)”	means 中國長城計算機 (香港) 控股有限公司;

DEFINITIONS

“China Great Wall (HK) Agreement”	means the framework agreement entered into between China Great Wall and China Great Wall (HK) in relation to the purchase of various computer components by China Great Wall from China Great Wall (HK) for the period from 1 January 2008 to 31 December 2008;
“Company”	means Great Wall Technology Co., Ltd (長城科技股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the Stock Exchange;
“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Deposit Agreements”	means CGW Deposit Agreement and Kaifa Deposit Agreement together;
“Deposit Annual Cap”	means the annual cap for the transactions to be undertaken under the Deposit Agreements;
“Directors”	means the directors of the Company;
“EGM”	means the extraordinary general meeting of the Company to be convened on 25 August 2008 for the purpose of considering and, if thought fit, approving the Purchase Agreements, the Sale Agreements and the Deposit Agreement and the transactions contemplated thereunder;
“Great Wall Group”	means China Great Wall Computer Group Corporation (中國長城計算機集團公司), a company incorporated in the PRC and wholly-owned by CEC, is a substantial shareholder holding 62.11% of the Company;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hunan Communications”	means 湖南長城信息金融設備有限責任公司;
“Hunan Communications Agreement”	means the framework agreement entered into between China Great Wall and Hunan Communication in relation to the sale of various computer products by China Great Wall to Hunan Communications for the period from 1 January 2008 to 31 December 2008;

DEFINITIONS

“Independent Board Committee”	means an independent committee of the Board comprising Li Sanli, Wang Qinfang and Kennedy Ying Ho Wong established to review and consider the transactions under the Purchase Agreements, the Sale Agreements and the Deposit Agreements;
“Independent Financial Adviser”	means Get Nice Capital Limited, a corporation licensed under the SFO for carrying out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial advisor to the Independent Board Committee and the Independent Shareholders in respect of the Purchase Agreements, Sale Agreements and Deposit Agreements;
“Independent Shareholders”	means Shareholders other than Great Wall Group and its associates;
“Kaifa Deposit”	means the fund being deposited by Kaifa Technology in the Kaifa Technology Account from time to time;
“Kaifa Technology Account”	means the account of Kaifa Technology held with CEC Finance;
“Kaifa Deposit Agreement”	means the deposit agreement entered into between Kaifa Technology and CEC Finance;
“Kaifa Technology”	means Shenzhen Kaifa Technology Co., Ltd (深圳長城開發科技股份有限公司), 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;
“Latest Practicable Date”	means 7 July 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;
“Purchase Agreements”	means the China Great Wall (HK) Agreement, Amoi Electronics Agreements, Shenzhen Huaming Agreement and Shenzhen Sandberry Agreement together;
“Purchase Annual Cap”	means the cap for the transactions to be undertaken under the Purchase Agreements for the year commencing 1 January 2008 and ending on 31 December 2008;

DEFINITIONS

“RMB”	means Renminbi, the lawful currency of the PRC;
“Sale Agreements”	means Hunan Communications Agreement and Wuhan Systems Agreement together;
“Sale Annual Cap”	means the cap for the transactions to be undertaken under the Sale Agreements for the year commencing 1 January 2008 and ending 31 December 2008;
“SFO”	means Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Shareholders”	means holders of the H shares in the capital of the Company;
“Shenzhen Huaming”	means 深圳市華明計算機有限公司;
“Shenzhen Huaming Agreement”	means the framework agreement entered into between China Great Wall and Shenzhen Huaming in relation to the purchase of various computer components by China Great Wall from Shenzhen Huaming for the period from 1 January 2008 to 31 December 2008;
“Shenzhen Sandberry”	means 深圳桑達百利電器有限公司;
“Shenzhen Sandberry Agreement”	means the framework agreement entered into between China Great Wall and Shenzhen Sandberry in relation to the purchase of various computer components by China Great Wall from Shenzhen Sandberry for the period from 1 January 2008 to 31 December 2008;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Transactions”	means the transactions contemplated under the Purchase Agreements, the Sale Agreements and the Deposit Agreements;
“Wuhan Systems”	means 武漢長軟華成系統有限公司;
“Wuhan Systems Agreement”	means the framework agreement entered into between China Great Wall and Wuhan Systems in relation to the sale of various computer products by China Great Wall to Wuhan Systems for the period from 1 January 2008 to 31 December 2008; and
“%”	means percentage.

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
Mr. Fu Qiang

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

11 July 2008

To the shareholders

Dear Sir and Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement of the Company dated 20 June 2008 in which the Company announced that, inter alia, on 20 June 2008:

- (a) each of Kaifa Technology and China Great Wall, both subsidiaries of the Company, entered into the Deposit Agreements with CEC Finance in connection with the deposit of the Kaifa Deposit and CGW Deposit respectively with CEC Finance for a period of three years;
- (b) China Great Wall entered into the Purchase Agreements in relation to the purchase of computer related products from each of China Great Wall (HK), Amoi Electronics, Shenzhen Huaming and Shenzhen Sandberry for a period of one year from 1 January 2008 to 31 December 2008; and
- (c) China Great Wall entered into the Sale Agreements in relation to the sale of computer related products to each of Hunan Communications and Wuhan Systems for a one year term from 1 January 2008 to 31 December 2008.

LETTER FROM THE BOARD

As CEC Finance, China Great Wall (HK), Amoi Electronics, Shenzhen Huaming, Shenzhen Sandberry, Hunan Communications and Wuhan Systems are connected persons of the Company, the transactions contemplated under the Purchase Agreements, Sale Agreements and Deposit Agreements constitute continuing connected transactions of the Company under the Listing Rules. As the relevant percentage ratios calculated in accordance with Chapter 14A of the Listing Rules for the transactions under each of the Purchase Agreements, the Sale Agreements and the Deposit Agreements exceed 2.5% and the total value of the transactions under each of the Purchase Agreements, the Sale Agreements and the Deposit Agreements is more than HK\$10,000,000, the Transactions are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with the details of the Purchase Agreements, Sale Agreements and Deposit Agreements, to set out recommendation of the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Purchase Agreements, Sale Agreements and Deposit Agreements and to give the Shareholders the notice of EGM and other information required by the Listing Rules.

DEPOSIT AGREEMENTS

(i) **Kaifa Deposit Agreement**

The principal terms of the Kaifa Deposit Agreement are as follows:

Date

20 June 2008

Parties

Kaifa Technology and CEC Finance

The Kaifa Deposit

Kaifa Technology agrees to open the Kaifa Technology Account with CEC Finance with an Agreed Minimum Amount. The annual cap, being the maximum principle amount to be deposited into the Kaifa Technology Account by Kaifa Technology together with interest thereon, shall not exceed RMB210,000,000 from time to time during the three years agreement period.

For the part of the Kaifa Deposit which is equal to or below the Agreed Minimum Amount, interest will be calculated pursuant to the savings deposit interest rate. For the part of the Deposit in excess of the Agreed Minimum Amount, the interest will be calculated pursuant to the agreed deposit interest rate as stipulated by the People's Bank of China from time to time. CEC Finance shall calculate the interests by date product computation method (日積數計算法) and pay the interest on a quarterly basis.

LETTER FROM THE BOARD

The Kaifa Deposit can be used for Kaifa Technology's current account transfer. If the Kaifa Deposit is below the Agreed Minimum Amount for three consecutive months or above, CEC Finance shall treat it as a normal settlement account and it shall no longer enjoy the agreed deposit preferential rates.

The Kaifa Deposit Agreement is for a term of three years and shall take effect immediately after approval from the Independent Shareholders at the EGM has been obtained. On the basis that approval from the Independent Shareholders is obtained at the EGM, the three years agreement period covered for the Kaifa Deposit Agreement will commence on 25 August 2008 and end on 24 August 2011.

Connection between the parties

Kaifa Technology is owned as to 49.64% by the Company but as the Company maintains management control over Kaifa Technology, it is considered a subsidiary of the Company. CEC Finance is owned as to 55.21% by CEC, the ultimate controlling shareholder of the Company indirectly holds 62.11% of the total issued shares of the Company through its wholly owned subsidiary Great Wall Group. CEC Finance is therefore a connected person of the Company and the transactions contemplated under the Kaifa Deposit Agreement constitute continuing connected transactions for the Company under the Listing Rules.

(ii) CGW Deposit Agreement

The principal terms of the CGW Deposit Agreement are as follows:

Date

20 June 2008

Parties

China Great Wall and CEC Finance

The CGW Deposit

China Great Wall agrees to open the CGW Account with CEC Finance with an Agreed Minimum Amount. The annual cap, being the maximum principle amount to be deposited into the CGW Account by China Great Wall together with interest thereon, shall not exceed RMB157,500,000 from time to time during the three years agreement period.

For the part of the CGW Deposit which is equal to or below the Agreed Minimum Amount, interest will be calculated pursuant to the savings deposit interest rate. For the part of the CGW Deposit in excess of the Agreed Minimum Amount, the interest will be calculated pursuant to the agreed deposit interest rate as stipulated by the People's Bank of China from time to time. CEC Finance shall calculate the interests by date product computation method (日積數計算法) and pay the interest on a quarterly basis.

LETTER FROM THE BOARD

The CGW Deposit can be used for China Great Wall's current account transfer. If the CGW Deposit is below the Agreed Minimum Amount for three consecutive months or above, CEC Finance shall treat it as a normal settlement account and it shall no longer enjoy the agreed deposit preferential rates.

The CGW Deposit Agreement is for a term of three years and shall take effect immediately after approval from the Independent Shareholders at the EGM has been obtained. On the basis that approval from the Independent Shareholders is obtained at the EGM, the three years agreement period covered for the CGW Deposit Agreement will commence on 25 August 2008 and end on 24 August 2011.

Connection between the parties

China Great Wall is owned as to 47.82% by the Company but as the Company maintains management control over China Great Wall, it is considered a subsidiary of the Company. As mentioned above, CEC is a connected person of the Company and therefore, the transactions contemplated under the CGW Deposit Agreement constitute continuing connected transactions for the Company under the Listing Rules.

(iii) Deposit Annual Cap

On the basis of the abovementioned annual caps for Kaifa Deposit Agreements and CGW Deposit Agreement, the Deposit Annual Cap shall not exceed RMB367,500,000.

PURCHASE AGREEMENTS

(i) China Great Wall (HK) Agreement

Date

20 June 2008

Parties

China Great Wall (HK) and China Great Wall

Principal Terms and Conditions

- (1) China Great Wall shall purchase various computer related products including main board and memory module from China Great Wall (HK) at market price. The prices for the above products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by China Great Wall to China Great Wall (HK) for product purchases from 1 January 2008 to 31 December 2008 will not exceed RMB850,000,000;

LETTER FROM THE BOARD

- (3) Payments to be made by China Great Wall to China Great Wall (HK) for the products ordered shall be made within such time and in such manner in accordance with normal market practice;
- (4) Each of the parties shall exercise their rights and comply with their obligations as stipulated in the relevant purchase orders. Should either party fail to comply with their obligations, the defaulting party shall indemnify the non-defaulting party for losses incurred;
- (5) The parties shall endeavour to resolve disputes through negotiation, failing which the parties may resort to legal proceedings;
- (6) The term of the agreement commences from 1 January 2008 and ends on 31 December 2008; and
- (7) The agreement is subject to approval of China Great Wall's shareholders (which has been obtained on 13 May 2008) and the Company having complied with the relevant Listing Rules requirements.

Connection between the parties

China Great Wall (HK) is a company controlled by CEC, the ultimate controlling shareholder of the Company, is therefore a connected person of the Company. The transactions between China Great Wall (HK) and China Great Wall, a subsidiary of the Company, therefore constitute connected transactions of the Company.

Annual Cap

The computer products purchased by China Great Wall from China Great Wall (HK) amounted to approximately RMB446,650,000 for year ended 31 December 2007. The annual cap for year ending 31 December 2008 of not exceeding RMB850,000,000 has been determined with reference to the projected growth in business and the widened scope of business for year 2008.

(ii) Amoi Electronics Agreement

Date

20 June 2008

Parties

Amoi Electronics and China Great Wall

Principal Terms and Conditions

- (1) China Great Wall shall purchase various computer related products including notebook computers' barebone from Amoi Electronics at market price. The prices for the above products shall be determined fairly, openly and in accordance with market practice;

LETTER FROM THE BOARD

- (2) The estimated total amount to be paid by China Great Wall to Amoi Electronics for product purchases from 1 January 2008 to 31 December 2008 will not exceed RMB10,000,000;
- (3) Payments to be made by China Great Wall to Amoi Electronics for the products ordered shall be made within such time and in such manner in accordance with normal market practice;
- (4) Each of the parties shall exercise their rights and comply with their obligations as stipulated in the relevant purchase orders. Should either party fail to comply with their obligations, the defaulting party shall indemnify the non-defaulting party for losses incurred;
- (5) The parties shall endeavour to resolve disputes through negotiation, failing which the parties may resort to legal proceedings;
- (6) The term of the agreement commences from 1 January 2008 and ends on 31 December 2008; and
- (7) The agreement is subject to approval of China Great Wall's shareholders (which has been obtained on 13 May 2008) and the Company having complied with the relevant Listing Rules requirements.

Connection between the parties

Amoi Electronics is a company controlled by CEC, the ultimate controlling shareholder of the Company, is therefore a connected person of the Company. The transactions between Amoi Electronics and China Great Wall, a subsidiary of the Company, therefore constitute connected transactions of the Company.

Annual Cap

The computer products purchased by China Great Wall from Amoi Electronics amounted to approximately RMB450,000 for year ended 31 December 2007. The annual cap for year ending 31 December 2008 of not exceeding RMB10,000,000 has been determined with reference to the projected growth in business and the launch of new products for year 2008.

(iii) Shenzhen Huaming Agreement

Date

20 June 2008

Parties

Shenzhen Huaming and China Great Wall

LETTER FROM THE BOARD

Principal Terms and Conditions

- (1) China Great Wall shall purchase various computer related products including triode from Shenzhen Huaming at market price. The prices for the above products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by China Great Wall to Shenzhen Huaming for product purchases from 1 January 2008 to 31 December 2008 will not exceed RMB1,500,000;
- (3) Payments to be made by China Great Wall to Shenzhen Huaming for the products ordered shall be made within such time and in such manner in accordance with normal market practice;
- (4) Each of the parties shall exercise their rights and comply with their obligations as stipulated in the relevant purchase orders. Should either party fail to comply with their obligations, the defaulting party shall indemnify the non-defaulting party for losses incurred;
- (5) The parties shall endeavour to resolve disputes through negotiation, failing which the parties may resort to legal proceedings;
- (6) The term of the agreement commences from 1 January 2008 and ends on 31 December 2008; and
- (7) The agreement is subject to approval of China Great Wall's shareholders (which has been obtained on 13 May 2008) and the Company having complied with the relevant Listing Rules requirements.

Connection between the parties

Shenzhen Huaming is a company controlled by CEC, the ultimate controlling shareholder of the Company, is therefore a connected person of the Company. The transactions between Shenzhen Huaming and China Great Wall, a subsidiary of the Company, therefore constitute connected transactions of the Company.

Annual Cap

The computer products purchased by China Great Wall from Shenzhen Huaming amounted to approximately RMB1,020,000 for year ended 31 December 2007. The annual cap for year ending 31 December 2008 of not exceeding RMB1,500,000 has been determined with reference to the projected growth in demand for monitors for year 2008.

LETTER FROM THE BOARD

(iv) Shenzhen Sandberry Agreement

Date

20 June 2008

Parties

Shenzhen Sandberry and China Great Wall

Principal Terms and Conditions

- (1) China Great Wall shall purchase various computer related products including monitors from Shenzhen Sandberry at market price. The prices for the above products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by China Great Wall to Shenzhen Sandberry for product purchases from 1 January 2008 to 31 December 2008 will not exceed RMB10,000,000;
- (3) Payments to be made by China Great Wall to Shenzhen Sandberry for the products ordered shall be made within such time and in such manner in accordance with normal market practice;
- (4) Each of the parties shall exercise their rights and comply with their obligations as stipulated in the relevant purchase orders. Should either party fail to comply with their obligations, the defaulting party shall indemnify the non-defaulting party for losses incurred;
- (5) The parties shall endeavour to resolve disputes through negotiation, failing which the parties may resort to legal proceedings;
- (6) The term of the agreement commences from 1 January 2008 and ends on 31 December 2008; and
- (7) The agreement is subject to approval of China Great Wall's shareholders (which has been obtained on 13 May 2008) and the Company having complied with the relevant Listing Rules requirements.

Connection between the parties

Shenzhen Sandberry is a company controlled by CEC, the ultimate controlling shareholder of the Company, is therefore a connected person of the Company. The transactions between Shenzhen Sandberry and China Great Wall, a subsidiary of the Company, therefore constitute connected transactions of the Company.

LETTER FROM THE BOARD

Annual Cap

The computer products purchased by China Great Wall from Shenzhen Sandberry amounted to approximately RMB1,900,000 for year ended 31 December 2007. The annual cap for year ending 31 December 2008 of not exceeding RMB10,000,000 has been determined with reference to the projected growth in monitors business and the widened scope of business for year 2008.

(v) Purchase Annual Cap

On the basis of the abovementioned projected maximum amount of products to be purchased from various parties under the Purchase Agreements, the Purchase Annual Cap will not exceed RMB871,500,000.

SALE AGREEMENTS

(i) Hunan Communications Agreement

Date

20 June 2008

Parties

Hunan Communications and China Great Wall

Principal Terms and Conditions

- (1) China Great Wall shall sell various computer related products including personal computers and monitors to Hunan Communications at market price. The prices for the above products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount of products to be sold by China Great Wall to Hunan Communications from 1 January 2008 to 31 December 2008 will not exceed RMB14,000,000;
- (3) Payments to be made by Hunan Communications to China Great Wall for the products ordered shall be made within such time and in such manner in accordance with normal market practice;
- (4) Each of the parties shall exercise their rights and comply with their obligations as stipulated in the relevant purchase orders. Should either party fail to comply with their obligations, the defaulting party shall indemnify the non-defaulting party for losses incurred;
- (5) The parties shall endeavour to resolve disputes through negotiation, failing which the parties may resort to legal proceedings;

LETTER FROM THE BOARD

- (6) The term of the agreement commences from 1 January 2008 and ends on 31 December 2008; and
- (7) The agreement is subject to approval of China Great Wall's shareholders (which has been obtained on 13 May 2008) and the Company having complied with the relevant Listing Rules requirements.

Connection between the parties

Hunan Communications is a company controlled by CEC, the ultimate controlling shareholder of the Company, is therefore a connected person of the Company. The transactions between Hunan Communications and China Great Wall, a subsidiary of the Company, therefore constitute connected transactions of the Company.

Annual Cap

The computer products sold by China Great Wall to Hunan Communications amounted to approximately RMB4,640,000 for year ended 31 December 2007. The annual cap for year ending 31 December 2008 of not exceeding RMB14,000,000 has been determined with reference to the projected growth in business for year 2008 and the sales volume of the products for the beginning of year 2008.

(ii) Wuhan Systems Agreement

Date

20 June 2008

Parties

Wuhan Systems and China Great Wall

Principal Terms and Conditions

- (1) China Great Wall shall sell various computer related products including personal computers and speakers to Wuhan Systems at market price. The prices for the above products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount of products to be sold by China Great Wall to Wuhan Systems from 1 January 2008 to 31 December 2008 will not exceed RMB40,000,000;
- (3) Payments to be made by Wuhan Systems to China Great Wall for the products ordered shall be made within such time and in such manner in accordance with normal market practice;
- (4) Each of the parties shall exercise their rights and comply with their obligations as stipulated in the relevant purchase orders. Should either party fail to comply with their obligations, the defaulting party shall indemnify the non-defaulting party for losses incurred;

LETTER FROM THE BOARD

- (5) The parties shall endeavour to resolve disputes through negotiation, failing which the parties may resort to legal proceedings;
- (6) The term of the agreement commences from 1 January 2008 and ends on 31 December 2008; and
- (7) The agreement is subject to approval of China Great Wall's shareholders (which has been obtained on 13 May 2008) and the Company having complied with the Listing Rules requirements.

Connection between the parties

Wuhan Systems is a company controlled by CEC, the ultimate controlling shareholder of the Company, is therefore a connected person of the Company. The transactions between Wuhan Systems and China Great Wall, a subsidiary of the Company, therefore constitute connected transactions of the Company.

Annual Cap

The computer products sold by China Great Wall to Wuhan Systems amounted to approximately RMB14,490,000 for year ended 31 December 2007. The annual cap for year ending 31 December 2008 of not exceeding RMB40,000,000 has been determined with reference to the projected production capacity and sales for year 2008.

(iii) Sale Annual Cap

On the basis of the abovementioned maximum amount of products to be sold to various parties under the Sale Agreements, the Sale Annual Cap will not exceed RMB54,000,000.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The deposit interest rates offered by CEC Finance under the Deposit Agreements are agreed deposit interest rate as stipulated by the People's Bank of China, which is the ceiling interest rate for savings deposits specified by the People's Bank of China. Therefore, the deposit interest rates on deposit offered by CEC Finance to each of Kaifa Technology and China Great Wall are comparable to those offered by other PRC commercial banks. Further, CEC Finance has agreed to waive all administrative charges in respect of transfer of fund to and from the Accounts. The Directors consider that the transactions contemplated under the Deposit Agreements are beneficial to Kaifa Technology and China Great Wall as they will facilitate the business operation of the members of the Group with other CEC members and will also save the administrative costs which would otherwise be paid to other PRC commercial banks providing the same services. The Company has not entered into any agreement with CEC Finance in the past.

The Directors consider that the Deposit Agreements have been negotiated at arm's length and on normal commercial terms, the caps are fair and reasonable and that the entering into the Deposit Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

By virtue of the Purchase Agreements, China Great Wall will be able to secure a steady supply of raw materials from the relevant supplying parties with whom China Great Wall has a working relationship, without incurring extra costs from purchasing them through third parties. The computer products purchased from China Great Wall (HK) are in particular difficult to source from third parties and are required for the business operations of China Great Wall. The transactions entered into under the Purchase Agreements will also enhance intra-Group relations.

By virtue of the Sale Agreements, China Great Wall can generate revenue from selling the relevant computer products to the relevant purchasing parties.

The Directors consider that the Purchase Agreements and Sales Agreements have been negotiated on an arm's length basis and are on normal commercial terms and in the ordinary course of business, the caps are fair and reasonable and the entering into the Purchase Agreements and the Sale Agreements and the transactions contemplated thereunder is in the best interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY

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

INFORMATION ON CHINA GREAT WALL

China Great Wall is principally engaged in the manufacture and trading of PC and PC peripheral products. China Great Wall is owned as to 47.82% by the Company and whose A-shares are listed on the Shenzhen Stock Exchange in the PRC. As the Company maintains management control over China Great Wall, it is considered a subsidiary of the Company.

INFORMATION ON KAIFA TECHNOLOGY

Kaifa Technology is specializing in the R&D, manufacture and sales of Head Stack Assembly (HSA), meter products, Fiscal Cash Register (FCR) products, memory products and electronic products. It is owned as to 49.64% by the Company and whose A shares are listed on the Shenzhen Stock Exchange in the PRC. As the Company maintains management control over Kaifa Technology, it is considered a subsidiary of the Company.

INFORMATION ON THE CONNECTED PARTIES

In relation to the Deposit Agreements

CEC Finance is a non-bank financial institute approved by the People's Bank of China to engage in the provision of financial services to the CEC group of companies, including taking of deposits, effecting fund transfers and settlement, providing loans, guarantee and factoring services etc within the CEC group of companies.

LETTER FROM THE BOARD

In relation to the Purchase Agreements

(i) *China Great Wall (HK)*

China Great Wall (HK) is principally engaged in commercial purchasing and sourcing activities, product storage and import and export of goods.

(ii) *Amoi Electronics*

Amoi Electronics is principally engaged in manufacture of various products including communication terminals, DVD players, LCD televisions and notebook computers.

(iii) *Shenzhen Huaming*

Shenzhen Huaming is principally engaged in research, development and sale of computer software and hardware products, exterior equipment, electronic components, system integration, network design and after-sale services.

(iv) *Shenzhen Sandberry*

Shenzhen Sandberry is principally engaged in the manufacture of generators, flyback transformers, coil products, measuring devices, communication components, switch-mode transformers and various electrical and plastic injection products.

In relation to the Sale Agreements

(v) *Hunan Communications*

Hunan Communications is principally engaged in the development, manufacture, sale and servicing of financial equipment, tax controlling products, commercial electronic products; the development of computer hardware and software products, system integration; manufacture and enhancement of electronic products and components.

(vi) *Wuhan Systems*

Wuhan Systems is principally engaged in development, research, provision of technical services and sale of electronic components, calculators, computer integration, meters and measuring devices.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios calculated in accordance with Chapter 14A of the Listing Rules for the transactions under each of the Purchase Agreements, the Sale Agreements and the Deposit Agreements exceed 2.5% and the total value of the transactions under each of the Purchase Agreements, the Sale Agreements and the Deposit Agreements is more than HK\$10,000,000, the Transactions are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

The Company does not have any prior transactions with any of the counterparties of each of the Purchase Agreements, the Sale Agreements and the Deposit Agreements which required aggregation for the purpose of Chapter 14A of the Listing Rules.

EGM

A notice convening the EGM to be held at No. 2 Keyuan Road, Technology and Industry Park, Nanshan District, Shenzhen, PRC on 25 August 2008 at 9:30am is set out on pages 38 to 39 of this circular.

Pursuant to Rule 13.94(4) of the Listing Rules, the votes of Independent Shareholders taken at the EGM for the approval of the Purchase Agreements, Sale Agreements and Deposit Agreements and the Transactions must be taken on poll and the results of which will be announced after the EGM.

Great Wall Group and its associates will abstain from voting on the resolutions to approve the Transactions at the EGM.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Purchase Agreements, Sale Agreements and Deposit Agreements and the transactions contemplated thereunder and the proposed annual caps under each of the Purchase Agreements, Sale Agreements and Deposit Agreements are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. The Independent Board Committee therefore recommends the Independent Shareholders to vote in favour of the resolutions to be proposed in the EGM to approve the Purchase Agreements, Sale Agreements and Deposit Agreements and the transactions contemplated thereunder and the proposed annual caps under each of the Purchase Agreements, Sale Agreements and Deposit Agreements.

ADDITIONAL INFORMATION

Your attention is drawn to the advice of the Independent Board Committee set out on pages 19 to 20 in this circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 21 to 32 in this circular.

Your attention is also drawn to the general information of the Group contained in Appendix I to this circular.

Yours faithfully,
By Order of the Board
Great Wall Technology Company Limited
Lu Ming
Chairman

LETTER FROM INDEPENDENT BOARD COMMITTEE

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)

Independent non-executive Directors:

Li Sanli
Wang Qinfang
Kennedy Ying Ho Wong

Registered address and head office:

No.2 Keyuan Road
Technology and Industry Park
Nanshan District
Shenzhen, PRC

To: the Independent Shareholders

11 July 2008

Dear Sir and Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to this circular dated 11 July 2008 issued by the Company to its Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in this circular shall have the same meanings when used in this letter.

As the Independent Board Committee, we have been appointed to advise the Independent Shareholders as to whether, in our opinion, the entering into the Purchase Agreements, Sale Agreements and Deposit Agreements and the transactions contemplated thereunder is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned. None of the members of the Independent Board Committee have any direct or indirect interest in the Transactions. In addition, Get Nice Capital Limited has been appointed as independent financial adviser to advise the Independent Board Committee in respect of the Transactions.

We wish to draw your attention to (i) the letters of advice from Get Nice Capital Limited as set out on pages 21 to 32 of this circular; and (ii) the letter from the Board as set out on pages 5 to 18 of this circular, which set out information relating to, and the reasons for and benefits of the Transactions.

As the Company's independent directors, we have discussed with the management of the Company the reasons for and benefits of the Transactions and the basis upon which their terms have been determined. We have considered the factors and reasons considered by, and the opinions and recommendations of, Get Nice Capital Limited as set out on pages 21 to 32 of this circular. We concur with the view of Get Nice Capital Limited that the entering into of the Purchase Agreements, Sale Agreements and Deposit Agreements and the transactions contemplated thereunder is in the interests of

LETTER FROM INDEPENDENT BOARD COMMITTEE

the Company and the Shareholders as a whole and the terms of which are fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions approving the Transactions and the Purchase Annual Cap, Sale Annual Cap and the Deposit Annual Cap to be proposed at the EGM.

Yours faithfully,
Independent Board Committee
Great Wall Technology Company Limited
Li Sanli
Wang Qinfang
Kennedy Ying Ho Wong

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter from Get Nice Capital Limited for the purpose of incorporation in this circular, in connection with its advice to the Independent Board Committee and the Independent Shareholders in relation to the Transactions:



10th Floor, Cosco Tower
Grand Millennium Plaza
183 Queen's Road, Central
Hong Kong

11 July 2008

*To the Independent Board Committee and the Independent Shareholders of
Great Wall Technology Company Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions, details of which are set out in the "Letter from the Board" (the "Board Letter") contained in the circular of the Company dated 11 July 2008 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

On 20 June 2008, each of Kaifa Technology and China Great Wall, both subsidiaries of the Company, entered into the Deposit Agreements with CEC Finance in connection with the deposit of the Kaifa Deposit and CGW Deposit respectively with CEC Finance for a period of three years. CEC Finance is owned as to 55.21% by CEC, the ultimate controlling shareholder of the Company indirectly holds 62.11% of the total issued shares of the Company through its wholly owned subsidiary Great Wall Group. CEC Finance is therefore a connected person of the Company. The transactions contemplated under the Deposit Agreements constitute continuing connected transactions of the Company under the Listing Rules.

On 20 June 2008, China Great Wall entered into the Purchase Agreements in relation to the purchase of computer related products from each of China Great Wall (HK), Amoi Electronics, Shenzhen Huaming and Shenzhen Sandberry (collectively, the "Suppliers"). On 20 June 2008, China Great Wall entered into the Sale Agreements in relation to the sale of computer related products to each of Hunan Communications and Wuhan Systems (collectively, the "Customers"). The transactions under the Purchase Agreements and the Sale Agreements are for a one year term from 1 January 2008 to 31 December 2008.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As China Great Wall (HK), Amoi Electronics, Shenzhen Huaming, Shenzhen Sandberry, Hunan Communications and Wuhan Systems are companies controlled by CEC, each of them is considered a connected person of the Company. The transactions contemplated under the Purchase Agreements and the Sale Agreements constitute continuing connected transactions of the Company under the Listing Rules.

As the relevant percentage ratios calculated in accordance with Chapter 14A of the Listing Rules for the transactions under each of the Purchase Agreements, the Sale Agreements and the Deposit Agreements exceed 2.5% and the total value of the transactions under each of the Purchase Agreements, the Sale Agreements and the Deposit Agreements is more than HK\$10,000,000, the Transactions are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In formulating our recommendation, we have relied on the statements, information, opinions and representations contained in the Circular and the information, facts and representations provided to us by the Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors or management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular. We are also not aware that any statements of belief, opinion and intention made by the Directors in the Circular were not reasonably made after due and careful enquiry and not based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and we have been advised by the Directors that no material facts have been omitted from the information and representations provided in and referred in the Circular.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company or any of its respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT

In arriving at our advice to the Independent Board Committee and the Independent Shareholders in respect of the Transactions under the Deposit Agreements, Purchase Agreements and the Sale Agreements, we have taken the following principal factors and reasons into consideration:

I. The Deposit Agreements

A. Background of the Deposit Agreements

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

LETTER FROM INDEPENDENT FINANCIAL ADVISER

On 20 June 2008, Kaifa Technology and China Great Wall, both subsidiaries of the Company, entered into the Kaifa Deposit Agreement and CGW Deposit Agreement with CEC Finance in connection with the deposit of the Kaifa Deposit and CGW Deposit respectively with CEC Finance for a period of three years.

Kaifa Technology is specializing in the R&D, manufacture and sales of Head Stack Assembly (HSA), meter products, Fiscal Cash Register (FCR) products, memory products and electronic products. It is owned as to 49.64% by the Company and whose A shares are listed on the Shenzhen Stock Exchange in the PRC. As the Company maintains management control over Kaifa Technology, it is considered a subsidiary of the Company.

China Great Wall is principally engaged in the manufacture and trading of PC and PC peripheral products. China Great Wall is owned as to 47.82% by the Company and whose A-shares are listed on the Shenzhen Stock Exchange. As the Company maintains management control over China Great Wall, it is considered a subsidiary of the Company.

CEC Finance is a non-bank financial institute approved by the People's Bank of China to engage in the provision of financial services to the CEC group of companies, including taking of deposits, effecting fund transfers and settlement, providing loans, guarantee and factoring services etc within the CEC group of companies.

The Company has not entered into any agreement with CEC Finance in the past.

B. Reasons of the Deposit Agreements

The Directors consider that the transactions contemplated under the Deposit Agreements are beneficial to Kaifa Technology and China Great Wall as they will facilitate the business operation of the members of the Group with other CEC members and will also save the administrative costs which would otherwise be paid to other PRC commercial banks providing the same services.

The Directors (including the independent non-executive Directors) consider that the Deposit Agreements have been negotiated at arm's length and on normal commercial terms, the caps are fair and reasonable and that the entering into the Deposit Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We envisage that with the close working relationship between the parties involved in the Deposit Agreements, Kaifa Technology and China Great Wall will be benefited from the reduction in the administrative costs and the enhancement in the administrative efficiency in carrying out their treasury activities under the Deposit Agreements.

Based on the above, we believe that the entering into the Deposit Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

C. Terms of the Deposit Agreements

In respect of the Kaifa Deposit pursuant to the Kaifa Deposit Agreement, Kaifa Technology agrees to open the Kaifa Technology Account with CEC Finance with an Agreed Minimum Amount. The annual cap, being the maximum principle amount to be deposited into the Kaifa Technology Account by Kaifa Technology together with interest thereon, shall not exceed RMB210,000,000 from time to time during the three years agreement period.

In respect of the CGW Deposit pursuant to the CGW Deposit Agreement, China Great Wall agrees to open the CGW Account with CEC Finance with an Agreed Minimum Amount. The annual cap, being the maximum principle amount to be deposited into the CGW Account by China Great Wall together with interest thereon, shall not exceed RMB157,500,000 from time to time during the three years agreement period.

For each of the part of the Kaifa Deposit and CGW Deposit which is equal to or below their respective Agreed Minimum Amount, interest will be calculated pursuant to the savings deposit interest rate. For the part of the Kaifa Deposit and CGW Deposit in excess of their respective Agreed Minimum Amount, the interest will be calculated pursuant to the agreed deposit interest rate as stipulated by the People's Bank of China from time to time. CEC Finance shall calculate the interests by date product computation method (日積數計算法) and pay the interest on a quarterly basis.

The Kaifa Deposit and CGW Deposit can be used for Kaifa Technology's and China Great Wall's current accounts transfer respectively. If the Kaifa Deposit and the CGW Deposit is below their respective Agreed Minimum Amount for three consecutive months or above, CEC Finance shall treat it as a normal settlement account and it shall no longer enjoy the agreed deposit preferential rates.

Both the Kaifa Deposit Agreement and the CGW Deposit Agreement are for a term of three years and shall take effect immediately after approval from the Independent Shareholders at the EGM has been obtained. On the basis that approval from the Independent Shareholders is obtained at the EGM, the three years agreement period covered for both of the Kaifa Deposit Agreement and the CGW Deposit Agreement will commence on 25 August 2008 and end on 24 August 2011.

As disclosed in the Board Letter, the deposit interest rates offered by CEC Finance under the Deposit Agreements are agreed deposit interest rate as stipulated by the People's Bank of China, which is the ceiling interest rate for savings deposits specified by the People's Bank of China. Therefore, the deposit interest rates on deposit offered by CEC Finance to each of Kaifa Technology and China Great Wall are comparable to those offered by other PRC commercial banks. Further, CEC Finance has agreed to waive all administrative charges in respect of transfer of fund to and from the Accounts.

In view of the above, we consider that the Deposit Agreements have been negotiated at arm's length and on normal commercial terms and therefore are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

D. Cap for the Deposit Agreements

The cap for the Deposit Agreements is RMB367,500,000 comprising the cap of RMB210,000,000 and RMB157,500,000 for the Kaifa Deposit and CGW Deposit respectively.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The cap for the Deposit Agreements accounts for (i) approximately 13.51% of the audited consolidated “cash and cash equivalents” of the Group as at 31 December 2007 amounting to RMB2,719,237,000; and (ii) approximately 5.30% of audited consolidated “total current assets” of the Group as at 31 December 2007 amounting to RMB6,937,025,000. On this basis, we are of the opinion that the credit exposure under the Deposit Agreement to CEC Finance is acceptable and therefore consider this cap is fair and reasonable.

E. Conclusion

In light of the above, we are of the view that the Deposit Agreements have been negotiated at arm’s length and on normal commercial terms, the caps are fair and reasonable and that the entering into the Deposit Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

II. THE PURCHASE AGREEMENTS

A. Background of the Purchase Agreements

Pursuant to the purchase agreements entered into between the China Great Wall and each of the Suppliers on 18 May 2007 (the “2007 Purchase Agreements”), China Great Wall has commenced the transactions under the Purchase Agreements since 2007. Shareholders are advised to refer to the Company’s announcement and circular dated 18 May 2007 and 4 June 2007 respectively for the details of the 2007 Purchase Agreements, which expired on 1 January 2008.

On 20 June 2008, China Great Wall entered into the Purchase Agreements in relation to the purchase of computer related products from each of the Suppliers for a one year term from 1 January 2008 to 31 December 2008. Some details of the Purchase Agreements are summarized as follows:

Agreement under the Purchase Agreements	Name of the Suppliers	Principal business activities of the Suppliers	Items to be purchased from the Suppliers	Total purchase not exceeding (RMB)
China Great Wall (HK) Agreement	China Great Wall (HK)	commercial purchasing and sourcing activities, product storage and import and export of goods	Various computer related products including main board and memory module	850,000,000
Amoi Electronic Agreement	Amoi Electronics	manufacture of various products including communication terminals, DVD players, LCD televisions and notebook computers	Various computer related products including notebook computers’ barebone	10,000,000

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Agreement under the Purchase Agreements	Name of the Suppliers	Principal business activities of the Suppliers	Items to be purchased from the Suppliers	Total purchase not exceeding (RMB)
Shenzhen Huaming Agreement	Shenzhen Huaming	research, development and sale of computer software and hardware products, exterior equipment, electronic components, system integration, network design and after-sale services	Various computer related products including triode	1,500,000
Shenzhen Sandberry Agreement	Shenzhen Sandberry	manufacture of generators, flyback transformers, coil products, measuring devices, communication components, switch-mode transformers and various electrical and plastic injection products	Various computer related products including monitors	10,000,000
			Total	<u><u>871,500,000</u></u>

B. Reasons of the Purchase Agreements

By virtue of the Purchase Agreements, China Great Wall will be able to secure a steady supply of raw materials from the relevant supplying parties with whom China Great Wall has a working relationship, without incurring extra costs from purchasing them through third parties. The computer products purchased from China Great Wall (HK) are in particular difficult to source from third parties and are required for the business operations of China Great Wall. The transactions entered into under the Purchase Agreements will also enhance intra-Group relations.

The Directors (including the independent non-executive Directors) consider that the Purchase Agreements have been negotiated on arm's length basis and are on normal commercial terms and in the ordinary course of business, the caps are fair and reasonable and that the entering into the Purchase Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We are of the same view of the Directors that with the amicable working relationship between China Great Wall and the Suppliers, (i) China Great Wall will secure the source of raw materials for production without incurring additional merchandizing costs; and (ii) better communication between China Great Wall and the Suppliers will ensure timely delivery of raw materials in reliable quality which in turn will enhance the efficiency of China Great Wall and its capability to meet tight production schedule. In this regard, we consider that the entering into of the Purchase Agreements will enhance the competitive edge of China Great Wall and therefore is in the interest of the Company and the Shareholders as a whole.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

C. Terms of the Purchase Agreements

Under the Purchase Agreements, the prices for the products to be purchased from each of the Suppliers shall be determined fairly, openly and in accordance with market practice. Payments to be made by China Great Wall to each of the Suppliers for the products ordered shall be made within such time and in such manner in accordance with normal market practice.

As disclosed in the Company's 2007 Annual Report, the Company's independent non-executive Directors have reviewed the transactions under the 2007 Purchase Agreements and confirmed that these transactions have been entered into:

1. in the ordinary and usual course of business of the Group;
2. either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
3. in accordance with the relevant agreements governing them (if applicable) on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In such case, we have reasonable grounds to believe that there is no preferential treatment to the transactions entered into between China Great Wall and each of the Suppliers under the 2007 Purchase Agreements and that the Company has proven record to comply with the terms of the 2007 Purchase Agreements.

In addition, the Purchase Agreements do not have the provisions of restricting China Great Wall from conducting transactions with any third parties for the purchase of the relevant products under the Purchase Agreements, we consider this could provide commercial flexibility to China Great Wall as it can enter into similar arrangement with any independent third party which China Great Wall considers to be appropriate, in the event China Great Wall might not be able to agree with any of or all the Suppliers on terms or pricing consideration.

Based on the above, we consider that the principal terms of the Purchase Agreements are on normal commercial terms and in the ordinary course of business. Accordingly, they are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

D. Annual Cap for the Purchase Agreements

The annual caps for the Purchase Agreements are summarized as below:

2007 Purchase Agreements/ Purchase Agreements	Actual purchase under the 2007 Purchase Agreements for the year ended 31 December 2007 (RMB)	Annual caps for the Purchase Agreements for the year ending 31 December 2008 not exceeding (RMB)	Basis for the determination of the annual caps for the Purchase Agreements
China Great Wall (HK) Agreement	446,650,000	850,000,000	with reference to the projected growth in business and the widened scope of business for year 2008
Amoi Electronic Agreement	450,000	10,000,000	with reference to the projected growth in business and the launch of new products for year 2008
Shenzhen Huaming Agreement	1,020,000	1,500,000	With reference to the projected growth in demand for monitors for year 2008
Shenzhen Sandberry Agreement	1,900,000	10,000,000	with reference to the projected growth in monitors business and the widened scope of business for year 2008
Total	<u>450,020,000</u>	<u>871,500,000</u>	

On the basis of the projected maximum amount of products to be purchased from various parties set out under the Purchase Agreements, the annual caps under the Purchase Agreements for the year commencing on 1 January 2008 and ending on 31 December 2008 will not exceed RMB871,500,000.

We have discussed with the management of the Company regarding the above basis for the determination of the annual caps for the Purchase Agreements and consider that such basis are construed in accordance with the projected growth in business of the Group for year 2008. On such basis, we are of the opinion that the basis for the determination of the annual caps for the Purchase Agreements is reasonable.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As set out in the annual report of the Company for the financial year ended 31 December 2007, the audited consolidated cost of sales of the Company for the financial year ended 31 December 2007 was approximately RMB22,357,157,000. The annual caps for the Purchase Agreements of RMB871,500,000 will account for approximately 3.90% of the audited consolidated cost of sales of the Company for the financial year ended 31 December 2007. We are of the view that the Company's risk of reliance on the supply of the various computer related products from the Suppliers is relatively low and therefore consider that the annual caps under the Purchase Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

E. Conclusion

In light of the above, we are of the view that the Purchase Agreements have been negotiated on an arm's length basis and are on normal commercial terms and in the ordinary course of business, the caps are fair and reasonable and that the entering into the Purchase Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

III. THE SALE AGREEMENTS

A. Background of the Sale Agreements

Pursuant to the sale agreements entered into between the China Great Wall and each of the Customers on 18 May 2007 (the "2007 Sale Agreements"), China Great Wall has commenced the transactions under the Sale Agreements since 2007. Shareholders are advised to refer to the Company's announcement and circular dated 18 May 2007 and 4 June 2007 respectively for the details of the 2007 Sale Agreements, which expired on 1 January 2008.

On 20 June 2008, China Great Wall entered into the Sale Agreements in relation to the sales of computer related products to each of the Customers for a one year term from 1 January 2008 to 31 December 2008. Some details of the Sale Agreements are summarized as follows:

Agreement under the Sale Agreements	Name of the Customers	Principal business activities of the Customers	Items to be sold to the Customers	Total sales not exceeding (RMB)
Hunan Communications Agreement	Hunan Communications	development, manufacture, sale and servicing of financial equipment, tax controlling products, commercial electronic products; the development of computer hardware and software products, system integration; manufacture and enhancement of electronic products and components	Various computer related products including personal computers and monitors	14,000,000

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Agreement under the Sale Agreements	Name of the Customers	Principal business activities of the Customers	Items to be sold to the Customers	Total sales not exceeding (RMB)
Wuhan Systems Agreement	Wuhan Systems	development, research, provision of technical services and sale of electronic components, calculators, computer integration, meters and measuring devices	Various computer related products including personal computers and speakers	40,000,000
			Total	<hr/> 54,000,000 <hr/>

B. Reasons of the Sale Agreements

By virtue of the Sale Agreements, China Great Wall can generate revenue from selling the relevant computer products to the Customers.

The Directors (including the independent non-executive Directors) consider that the Sale Agreements have been negotiated on arm's length basis and are on normal commercial terms and in the ordinary course of business, the caps are fair and reasonable and that the entering into the Sale Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We believe that with the amicable working relationship between China Great Wall and the Customers, China Great Wall can generate a steady stream of revenue without incurring additional marketing costs. In this regard, we consider that the entering into of the Sale Agreements will bring a positive impact on the financial performance of China Great Wall and therefore is in the interest of the Company and the Shareholders as a whole.

C. Terms of the Sale Agreements

Under the Sale Agreements, the prices for the products to be sold to each of the Customers shall be determined fairly, openly and in accordance with market practice. Payments to be made by each of the Customers for the products ordered shall be made within such time and in such manner in accordance with normal market practice.

Regarding to the transactions under the 2007 Sale Agreements, the Company's independent non-executive Directors have given the same confirmations as those transactions under the 2007 Purchase Agreements as set out in the section headed "Terms of the Purchase Agreements" of this letter above. In such case, we have reasonable grounds to believe that there is no preferential treatment to the transactions entered into between China Great Wall and each of the Customers under the 2007 Sale Agreements and that the Company has proven record to comply with the terms of the 2007 Sale Agreements.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

In addition, the Sale Agreements do not have the provisions of restricting China Great Wall from conducting transactions with any third parties for the selling of the relevant products under the Sale Agreements, we consider this could provide commercial flexibility to China Great Wall as it can enter into similar arrangement with any independent third party which China Great Wall considers to be appropriate, in the event China Great Wall might not be able to agree with any of or all the Customers on terms or pricing consideration.

Based on the above, we consider that the principal terms of the Sale Agreements are on normal commercial terms and in the ordinary course of business. Accordingly, they are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

D. Annual Cap for the Sale Agreements

The annual caps for the Sale Agreements are summarized as below:

2007 Sale Agreements/Sale Agreements	Actual sales under the 2007 Sale Agreements for the year ended 31 December 2007 (RMB)	Annual caps for the Sale Agreements for the year ending 31 December 2008 not exceeding (RMB)	Basis for the determination of the annual caps for the Sale Agreements
Hunan Communications Agreement	4,640,000	14,000,000	with reference to the projected growth in business for year 2008 and the sales volume of the products for the beginning of year 2008
Wuhan Systems Agreement	14,490,000	40,000,000	with reference to the projected production capacity and sales for year 2008
Total	<u>19,130,000</u>	<u>54,000,000</u>	

On the basis of the projected maximum amount of products to be sold to various parties set out under the Sale Agreements, the annual caps under the Sale Agreements for the year commencing on 1 January 2008 and ending on 31 December 2008 will not exceed RMB54,000,000.

We have discussed with the management of the Company regarding the above basis for the determination of the annual caps for the Sale Agreements and consider that such basis are construed in accordance with the projected growth in business of the Group for year 2008. On such basis, we are of the opinion that the basis for the determination of the annual caps for the Sale Agreements is reasonable.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As set out in the annual report of the Company for the financial year ended 31 December 2007, the audited consolidated revenue of the Company for the financial year ended 31 December 2007 was approximately RMB23,682,455,000. The annual caps for the Sale Agreements of RMB54,000,000 will account for approximately 0.23% of the audited consolidated revenue of the Company for the financial year ended 31 December 2007. We are of the view that the Company's risk of reliance on the selling of the various computer related products to the Customers is relatively low and therefore consider that the annual caps under the Sale Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

E. Conclusion

In light of the above, we are of the view that the Sale Agreements have been negotiated on an arm's length basis and are on normal commercial terms and in the ordinary course of business, the caps are fair and reasonable and that the entering into the Sale Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Based on the information and representations provided and opinions given by the Board and having taken into account the above principal factors and reasons, we are of the view that the Transactions under the Deposit Agreements, Purchase Agreements and the Sale Agreements and their respective annual caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions in connection with the Transactions under the Deposit Agreements, Purchase Agreements and the Sale Agreements at the EGM.

Yours faithfully,
For and on behalf of
Get Nice Capital Limited
Louis Yiu Gary Hung
Director Director

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, supervisors and the 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 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, supervisors 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 Great Wall Computer (<i>L</i>)	0.0183%
Mr. Tam Man Chi	1,113,878 shares of Great Wall Kaifa (<i>L</i>)	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>L</i>) (<i>Note</i>)	8.34%

Note: 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.

The letter “L” denotes a long position

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, supervisors and chief executives of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required 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 was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors, supervisors or chief executives of the Company had any interest, direct or indirect, in any asset which have been since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or lease to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors, supervisors or chief executive of the Company was materially interested in any contract or arrangement entered into by any member of the Group since 31 December 2007, being the date to which the latest published audited financial statements of the Company were made up, and which was significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors, supervisors and chief executives of the Company are aware, the following persons (not being a Director, supervisor or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall 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	449,349,900	–	99%

Since 18 August 2006, Great Wall Group 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.

	Position(s) in the Company	Position(s) in Great Wall Group
Mr. Lu Ming	chairman, president and director	president and director
Mr. Yang Jun	director	director and vice-president
Mr. Wu Kai Ming	vice-president	director

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or senior managers had any interest or position in the substantial shareholders of the Company, namely Great Wall Group and HKSCC Nominees Limited.

Save as disclosed above, so far as is known to the Directors, supervisor and chief executive of the Company, as at the Latest Practicable Date, no other person (other than the Directors, supervisors and chief executives of the Company), 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. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, the date to which the latest audited financial statements of the Group were made up.

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. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Your right to demand a poll on the resolutions proposed at the EGM is set out below. The chairman of the EGM will exercise his power under Article 77 of the Articles of Association to put each of the resolutions proposed at the EGM to the vote by way of a poll. Article 77 of the Articles of Association sets out the procedure by which shareholders of the Company may demand a poll:–

According to Article 77 of the Articles of Association, at a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or after the voting by a show of hands) a poll is demanded by:

- (a) the chairman of the meeting; or
- (b) at least two members present in person or by proxy and entitled to vote; or
- (c) any member of members present (including by proxy) representing alone or in aggregate not less than one-tenth of the total voting rights at the meeting.

Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolutions carried at the meeting.

The demand for a poll may be withdrawn by the person who made the demand.

8. EXPERT

- (a) The following sets out the qualifications of the expert which has given its opinion or advice as contained in this circular:

Name	Qualifications
Get Nice Capital Limited	A corporation licensed under the SFO to conduct type 6 (advising on corporate finance) regulated activities under the SFO

- (b) The Independent Financial Adviser does not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Company.
- (c) The Independent Financial Adviser does not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2007, the date to which the latest published audited financial statements of the Company were made up.

- (d) The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.
- (e) The letter and recommendation given by the Independent Financial Adviser are give as of the date of this circular for incorporation herein.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 2201, H.K. Worsted Mills Industrial Building, 31-39, Wo Tong Tsui Street, Kwai Chung, New Territories, Hong Kong during normal business hours from the date of this circular up and including 28 July 2008:

- (a) the letter from Independent Financial Adviser, the text of which is set out in this circular;
- (b) the Purchase Agreements;
- (c) the Sale Agreements; and
- (d) the Deposit Agreements.

10. 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 the 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 Ltd., 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.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Board of Directors of Great Wall Technology Company Limited (the “**Company**”) has resolved that an extraordinary general meeting (“**EGM**”) of the Company to be held at No. 2 Keyuan Road, Technology and Industry Park, Nanshan District, Shenzhen, PRC on 25 August 2008 at 9:30 a.m. to approve the following business:

ORDINARY RESOLUTIONS

1. To consider and approve the transactions contemplated under the Purchase Agreements and the proposed Purchase Annual Cap (as more particularly described in the circular dated 11 July 2008);
2. To consider and approve the transactions contemplated under the Sale Agreements and the proposed Sale Annual Cap (as more particularly described in the circular dated 11 July 2008); and
3. To consider and approve the transactions contemplated under the Deposit Agreements and the proposed Deposit Annual Cap (as more particularly described in the circular dated 11 July 2008).

By order of the Board

Great Wall Technology Company Limited

Lu Ming

Chairman

Shenzhen, PRC, 11 July 2008

Notes:

1. The Register of Members of the Company will be closed from 25 July 2008 to 25 August 2008 (both days inclusive), during which no transfer of shares in the Company will be registered.
2. Holders of the Company's shares whose names appear on the Register of Members of the Company on 25 August 2008 shall have the right to attend and vote at the EGM or any adjournment thereof.
3. In order to be entitled to attend and vote at the EGM and to qualify for the final dividend, persons holding the H Shares of the Company shall lodge share transfer documents and the relevant share certificates with the Company's H Shares registrar not later than 4:00 p.m. on 24 July 2008.

4. The address of the Company's H Share registrar for share transfer is: Hong Kong Registrars Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
5. A shareholder entitled to attend and vote at the EGM may appoint one or more proxies (whether he/she is a shareholder of the Company or not) to attend and vote instead of him/her. Each holder of H Shares (or his/her proxy) shall be entitled to one vote for each share held on any vote taken by poll. The completion and deposit of a form of proxy will not preclude any shareholder from attending and voting at the EGM or any adjournment thereof.
6. Shareholders intending to attend the EGM must notify the Company Secretary's office no later than 5 August 2008 with written confirmation together with the reply slip completed on the day or before, by person, by mail or by fax. The mentioned reply in writing does not affect a shareholder's right to attend and vote at EGM as stated in Note 2. The reply slip is enclosed herewith.
7. A proxy (or proxies) must be appointed in writing. Such instrument shall be signed by the person appointing the proxy (or proxies) or by his/her duly authorized attorney. If the form of proxy is signed by an attorney, the document appointing the attorney must be certified by a notary. To be valid, a notarially certified power of attorney or other authority (if any) and the form of proxy must be received by the Company's H Shares registrar, Hong Kong Registrars Ltd., Rooms 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong, 24 hours (excluding Saturday, Sunday and public holiday) prior to the commencement of the EGM. The form of proxy for use at the EGM is enclosed herewith.
8. The EGM is expected to last for half a day. The shareholders will be responsible for their own travel and accommodation expenses.

As at the date of this circular, the board of directors of the Company comprises:

Executive Directors:

Mr. Lu Ming (*Chairman*)
Mr. Tam Man Chi
Mr. Wang Jincheng
Mr. Yang Jun
Mr. Su Duan
Mr. Fu Qiang

Independent Non-executive Directors:

Mr. Li Sanli
Ms. Wang Qinfang
Mr. Kennedy Ying Ho Wong

Registered address and head office:

No. 2 Keyuan Road
Technology and Industry Park
Nanshan District
Shenzhen, PRC