

Dear Shareholders,

The year 2006 was the first year of the Eleventh Five-Year-Plan of China, and an extraordinary year for Great Wall Technology as well. Thanks to the care, guidance and support of governments at various levels, domestic and foreign shareholders, all quarters of society, and our customers in general, we conducted a legal and regulatory compliant operation, submitted to supervision consciously and fulfilled development in a prudent and coordinated manner.

We faced tough times during the reporting period owing to intensifying competition, rising raw material prices, a weakening of our human resource cost advantages and falling commodity prices. With a proactive approach to meet our challenges, we improved our operating results with an advanced administrative system and a positive and aggressive customer strategy. On this basis, internally, we pursued a prudent and stringent risk management policy, stepped up cost control and focused on scientific input and independent innovation; and, externally, we further deepened our international cooperative relationships and strengthened our market expansion momentum. We made new strides in four major business areas, namely computer core components, computer manufacturing, software and system integration and broadband and value-added services. We maintained a fast and continuous growth in business, and achieved satisfactory and rapid development.

During the Reporting Period, the Group recorded a 33.46 % increase in sales revenue. In 2006, the Group participated, for the first time, in the "Assessment for the Top Chinese 100 Electronics Enterprises for Quality", and was ranked No. 14 among the top 100 electronics enterprises, and fifth in export volume. In the 2006 Assessment for the Top 500 Manufacturing Enterprises, we were ranked No. 104. Five member enterprises of the Group were named by the Shenzhen Municipal Government of the Guangdong Province as among the top 100 enterprises as well as large taxpayers.

We shall continue our unrelenting efforts to build our innovative conglomerate characterized by "core technology, high-end manufacturing, and renowned brands" in the coming year, so as to generate stable and continuing investment return for shareholders, and to make great strides in development.

On behalf of the Board, I would like to take this opportunity to offer sincere thanks to management members and the Group's staff for their efforts and sacrifice during the past year. Lastly, I would like to thank the financial institutions, shareholders and investors for their trust and support.

Chen Zhaoxiong
Chairman

Shenzhen, China
20 April, 2007

