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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)

CONTINUING CONNECTED TRANSACTIONS

(1) FRAMEWORK PURCHASE AGREEMENTS

(2) FRAMEWORK SALE AGREEMENTS

CONTINUING CONNECTED TRANSACTIONS

On 20 November 2012, CGCSZ, a subsidiary of the Company, entered into framework agreements with each of Changhai Technology, China Electronics Shenzhen, Zhonglian Electronics, Jingyu Electronics, Panda Home Appliances and CEC in respect of the purchase of electronic and computer related products by CGCSZ from the respective parties. And, Great Wall Kaifa, a subsidiary of the Company, entered into framework agreements with each of CEC, Panda Crystal, Zhenhua Electronics and China Electronic Appliance in relation to the purchase of electronic and computer related products by Great Wall Kaifa from the respective parties.

On 20 November 2012, CGCSZ entered into framework agreements with each of Changhai Technology, Great Wall Software, Xiangjihuaixing, Hunan Communications, China Electronic Systems Engineering and CEC in relation to the sale of electronic and computer related products by CGCSZ to the respective parties. And, Great Wall Kaifa entered into a framework agreement with CEC in relation to the sale of electronic products by Great Wall Kaifa from CEC.

The term of the Framework Purchase Agreements and Framework Sale Agreements is for one year from 1 January 2013 to 31 December 2013.

LISTING RULES IMPLICATIONS

CGCSZ and Great Wall Kaifa are subsidiaries of the Company. The CEC Entities are companies controlled by CEC, the ultimate controlling shareholder of the Company indirectly holding 62.11% of the total issued shares of the Company through its wholly owned subsidiary Great Wall Group. Therefore, each of CEC and the CEC Entities is a connected person of the Company and the Purchase Transactions and the Sale Transactions constitute continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios calculated in accordance with the Listing Rules for the Purchase Transactions and for the Sale Transactions exceed 5.0% and both the Purchase Caps and the Sale Caps exceed HK\$10,000,000, both the Purchase Transactions and the Sale Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Purchase Transactions and the Sale Transactions. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

GENERAL

The Company will convene an EGM for the purpose of considering and approving the Purchase Transactions and Sale Transactions. A circular containing, among other things, details of the Purchase Transactions and the Sale Transactions is expected to be despatched to the Shareholders by no later than 11 December 2012.

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

FRAMEWORK PURCHASE AGREEMENTS

(i) Changhai Technology Agreement

Date

20 November 2012

Parties

Changhai Technology and CGCSZ

Principal Terms and Conditions (in respect of purchase of products from Changhai Technology)

- (1) CGCSZ shall purchase wire and power supply products from Changhai Technology at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by CGCSZ to Changhai Technology for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB210,000,000;
- (3) Payments for the products ordered shall be made within such time and in such manner in accordance with normal market practice;

- (4) Each party shall exercise its rights and comply with its obligations as stipulated in the relevant purchase orders. Should either party fails to comply with its obligations, the defaulting party shall indemnify the non-defaulting party for losses incurred;
- (5) The term of the agreement commences from 1 January 2013 and ends on 31 December 2013; and
- (6) The agreement is subject to approval of the Company and the shareholders of CGCSZ.

Annual Cap

The wire and power supply products purchased by CGCSZ from Changhai Technology amounted to RMB85,664,400 for the nine months ended 30 September 2012 and the projected purchase amount for year ending 31 December 2012 is RMB127,000,000. The annual cap for the year ending 31 December 2013 of not exceeding RMB210,000,000 has been determined with reference to the projected demand for wire and power supply products for year 2013, the strategic shift of production base to Guilin Changhai from Shenzhen due to the increasing labor costs in the latter area, the planned addition of two production lines for each of the wire products and power supply products in 2013 by Changhai Technology, the projected unit price of the said products and the projected percentage of the total amount of the said products to be purchased from Changhai Technology.

(ii) China Electronic Shenzhen Agreement

Date

20 November 2012

Parties

China Electronic Shenzhen and CGCSZ

Principal Terms and Conditions

- (1) CGCSZ shall purchase tablet computers and other electronic products from China Electronic Shenzhen at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by CGCSZ to China Electronic Shenzhen for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB94,500,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The tablet computers and other electronic products purchased by CGCSZ from China Electronic Shenzhen amounted to RMB6,230,000 for the nine months ended 30 September 2012. These products are mainly for overseas customers. The annual cap for the year ending 31 December 2013 of not exceeding RMB94,500,000 has been determined with reference to the overseas order for the previous period and the projected unit price of the said products.

(iii) Zhonglian Electronics Agreement

Date

20 November 2012

Parties

Zhonglian Electronics and CGCSZ

Principal Terms and Conditions

- (1) CGCSZ shall purchase power supply products from Zhonglian Electronics at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by CGCSZ to Zhonglian Electronics for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB5,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The power supply products purchased by CGCSZ from Zhonglian Electronics amounted to RMB9,179,300 for the nine months ended 30 September 2012 and the projected purchase amount for year ending 31 December 2012 is RMB46,800,000. The difference between the actual purchases for the nine months ended 30 September 2012 and the projected purchases for year 2012 was due to the adjustment in the business strategy of monitors business. The annual cap for the year ending 31 December 2013 of not exceeding RMB5,000,000 has been determined with reference to the business plan for the production of monitors and the projected demand for power supply products for year 2013.

(iv) Jingyu Electronics Agreement

Date

20 November 2012

Parties

Jingyu Electronics and CGCSZ

Principal Terms and Conditions

- (1) CGCSZ shall purchase capacitors from Jingyu Electronics at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by CGCSZ to Jingyu Electronics for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB3,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement..

Annual Cap

The capacitors purchased by CGCSZ from Jingyu Electronics amounted to RMB1,441,700 for the nine months ended 30 September 2012 and the projected purchase amount for year ending 31 December 2012 is RMB2,150,000. The annual cap for the year ending 31 December 2013 of not exceeding RMB3,000,000 has been determined with reference to the projected increase in demand for capacitors in anticipation of an improving market condition in 2013, the projected supply of new capacitors by Jingyu Electronics in 2013, the projected unit price of the said products and the projected percentage of the total amount of the said products to be purchased from Jiangyu Electronics for year 2013.

(v) Panda Home Appliance Agreement

Date

20 November 2012

Parties

Panda Home Appliance and CGCSZ

Principal Terms and Conditions

- (1) CGCSZ shall purchase televisions from Panda Home Appliance at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;

- (2) The estimated total amount to be paid by CGCSZ to Panda Home Appliance for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB2,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The televisions purchased by CGCSZ from Panda Home Appliances amounted to RMB829,600 for the nine months ended 30 September 2012 and the projected purchase amount for year ending 31 December 2012 is RMB6,000,000. The difference between the actual purchases for the nine months ended 30 September 2012 and the projected purchases for year 2012 was because the demand from customers had been less than originally expected. The annual cap for the year ending 31 December 2013 of not exceeding RMB2,000,000 has been determined with reference to the projected demand for televisions for 2013 after communication with the customers and the projected unit price of the said products for year 2013.

(vi) CEC (CGCSZ) Agreement

Date

20 November 2012

Parties

CEC and CGCSZ

Principal Terms and Conditions (in relation to purchase of products from CEC)

- (1) CGCSZ Group shall purchase electronic products and raw materials etc. from CEC and its group companies at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by CGCSZ Group to CEC and its group companies for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB10,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The electronic products and raw materials purchased by CGCSZ Group from CEC and its group companies amounted to RMB175,600 for the nine months ended 30 September 2012 and the projected purchase amount for year ending 31 December 2012 is RMB10,000,000. The annual cap for the year ending 31 December 2013 of not exceeding RMB10,000,000 has been determined with reference to the estimated sporadic purchases transactions between CGCSZ Group and CEC and its group companies.

(vii) CEC (Kaifa) Agreement

Date

20 November 2012

Parties

CEC and Great Wall Kaifa

Principal Terms and Conditions (in relation to purchase of products from CEC)

- (1) Great Wall Kaifa Group shall purchase electronic products from CEC and its group companies at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by Great Wall Kaifa Group to CEC and its group companies for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB5,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The annual cap for the year ending 31 December 2013 of not exceeding RMB5,000,000 has been determined with reference to the projected demand for electronic products, the projected unit price of the said products and the projected percentage of the total amount of the said products to be purchased from CEC and its group companies for year 2013.

(viii) Panda Crystal Agreement

Date

20 November 2012

Parties

Panda Crystal and Great Wall Kaifa

Principal Terms and Conditions

- (1) Great Wall Kaifa shall purchase electronic components from Panda Crystal at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by Great Wall Kaifa to Panda Crystal for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB6,300,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The electronic components purchased by Great Wall Kaifa from Panda Crystal amounted to RMB210,000 for the nine months ended 30 September 2012 and the projected purchase amount for year ending 31 December 2012 is RMB1,680,000. The difference between the actual purchases for the nine months ended 30 September 2012 and the projected purchases for year 2012 was due to the drop in business volume of ammeters, in which the products are mainly used for, in the domestic market in 2012. The annual cap for the year ending 31 December 2013 of not exceeding RMB6,300,000 has been determined with reference to the projected increase in demand for the products with the introduction of a new GPRS (General Packet Radio Service) business by Great Wall Kaifa, the projected unit price of the said products and the projected percentage of the total amount of the said products to be purchased from Panda Crystal for year 2013.

(ix) Zhenhua Electronics Agreement

Date

20 November 2012

Parties

Zhenhua Electronics and Great Wall Kaifa

Principal Terms and Conditions

- (1) Great Wall Kaifa shall purchase electronic components from Zhenhua Electronics at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by Great Wall Kaifa to Zhenhua Electronics for product purchases from 1 January 2013 to 31 December 2013 shall not exceed RMB5,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The electronic components purchased by Great Wall Kaifa from Zhenhua Electronics amounted to RMB2,726,900 for the nine months ended 30 September 2012 and the projected purchase amount for year ending 31 December 2012 is RMB5,200,000. The difference between the actual purchases for the nine months ended 30 September 2012 and projected purchases for year 2012 was due to the drop in business volume of ammeters, in which the products are mainly used for, in the domestic market in 2012. The annual cap for the year ending 31 December 2013 of not exceeding RMB5,000,000 has been determined with reference to the projected increase in demand for the products with the picking up of domestic ammeter business in 2013, the projected unit price of the said products and the projected percentage of the total amount of the said products to be purchased from Zhenhua Electronics for year 2013.

(x) China Electronic Appliance Agreement

Date

20 November 2012

Parties

China Electronic Appliance and Great Wall Kaifa

Principal Terms and Conditions

- (1) Great Wall Kaifa shall purchase electronic components from China Electronic Appliance at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount to be paid by Great Wall Kaifa to China Electronic Appliance for product purchases for the year 2013 shall not exceed RMB403,200; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The annual cap for the year ending 31 December 2013 of not exceeding RMB403,200 has been determined with reference to the projected demand for electronic components for year 2013, the projected unit price of the said products and the projected percentage of the total amount of the said products to be purchased from China Electronic Appliance.

Purchase Caps

On the basis of the projected maximum amount of products to be purchased from various parties set out under the Framework Purchase Agreements, the annual caps under the Purchase Agreements for the year ending 31 December 2013 is RMB341,203,200.

General

The Framework Purchase Agreements only set out the overriding and major terms of the transactions to be carried out by the relevant parties. Details of the terms and conditions (including the payment mode and payment terms) for the transactions contemplated under the Framework Purchase Agreements will be dealt with in the purchase orders to be placed by the relevant purchaser, which will be in line with the then market practice.

FRAMEWORK SALE AGREEMENTS

(i) Changhai Technology Agreement

Date

20 November 2012

Parties

Changhai Technology and CGCSZ

Principal Terms and Conditions (in respect of the sale of products to Changhai Technology)

- (1) CGCSZ shall sell computers, peripherals and accessories to Changhai Technology at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount of products to be sold by CGCSZ to Changhai Technology from 1 January 2013 to 31 December 2013 shall not exceed RMB190,000,000;
- (3) Payments for the products ordered shall be made within such time and in such manner in accordance with normal market practice;
- (4) Each party shall exercise its rights and comply with its obligations as stipulated in the relevant purchase orders. Should either party fails to comply with its obligations, the defaulting party shall indemnify the non-defaulting party for losses incurred;
- (5) The term of the agreement commences from 1 January 2013 and ends on 31 December 2013; and
- (6) The agreement is subject to approval of the Company and the shareholders of CGCSZ.

Annual Cap

The computers, peripherals and accessories sold by CGCSZ to Changhai Technology amounted to approximately RMB80,156,200 for the nine months ended 30 September 2012 and the projected sales amount for year ending 31 December 2012 is RMB160,000,000. The difference between the actual sales for the nine months ended 30 September 2012 and the projected sales for year 2012 was due to the failure of Changhai Technology to meet its sales target in various projects in 2012 which resulted in less order for products from Changhai Technology than expected during the period. The annual cap for the year ending 31 December 2013 of not exceeding RMB190,000,000 has been determined with reference to (i) the projected increase in demand for the products by Changhai Technology as a result of its increased production capacity following the addition of two production lines for each of the wire products and power source products in 2013; and (ii) the procurement plan provided by Changhai Technology.

(ii) Great Wall Software Agreement

Date

20 November 2012

Parties

Great Wall Software and CGCSZ

Principal Terms and Conditions

- (1) CGCSZ shall sell computers, peripherals and accessories etc. to Great Wall Software at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount of products to be sold by CGCSZ to Great Wall Software from 1 January 2013 to 31 December 2013 shall not exceed RMB90,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The computers, peripherals and accessories etc. sold by CGCSZ to Great Wall Software amounted to approximately RMB10,655,100 for the nine months ended 30 September 2012. The annual cap for the year ending 31 December 2013 of not exceeding RMB90,000,000 has been determined having considered that CGCSZ can cooperate with Great Wall Software to submit tenders for government procurement contracts and the large order from such contracts if CGCSZ wins the tender bid.

(iii) Xiangjihuaxing Agreement

Date

20 November 2012

Parties

Xiangjihuaxing and CGCSZ

Principal Terms and Conditions

- (1) CGCSZ shall sell computers, peripherals and accessories to Xiangjihuaxing at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount of products to be sold by CGCSZ to Xiangjihuaxing from 1 January 2013 to 31 December 2013 shall not exceed RMB90,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The computers, peripherals and accessories sold by CGCSZ to Xiangjihuaxing amounted to approximately RMB10,499,800 for the nine months ended 30 September 2012 and the projected sales amount for year ending 31 December 2012 is RMB80,000,000. The difference between the actual sales for the nine months ended 30 September 2012 and the projected sales for year 2012 was due to the drop in domestic demand during the period which has resulted in a substantial drop in the sales of Xiangjihuaxing and thus the volume of purchases from Xiangjihuaxing was much lower than expected. The annual cap for the year ending 31 December 2013 of not exceeding RMB90,000,000 has been determined with reference to the projected growth in Xiangjihuaxing's business in 2013.

(iv) Hunan Communications Agreement

Date

20 November 2012

Parties

Hunan Communications and CGCSZ

Principal Terms and Conditions

- (1) CGCSZ shall sell computers, peripherals, accessories, printers and consumables to Hunan Communications at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;

- (2) The estimated total amount of products to be sold by CGCSZ to Hunan Communications from 1 January 2013 to 31 December 2013 shall not exceed RMB75,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The computers, peripherals, accessories, printers and consumables sold by CGCSZ to Hunan Communications amounted to approximately RMB21,907,700 for the nine months ended 30 September 2012 and the projected sales for the year ending 2012 is RMB80,000,000. The difference between the actual sales for the nine months ended 30 September 2012 and the projected sales for year 2012 was due to (i) the not so favourable general industry conditions which resulted in a drop in the sales of Hunan Communications; (ii) the drop in CGCSZ's sales of monitors resulted from the adjustment in the business strategy of monitor business; and (iii) Hunan Communications had postponed its purchase of main frame products, laser printers and consumables because of the upgrading of products by CGCSZ and the delay in certain of Hunan Communications' projects. The annual cap for the year ending 31 December 2013 of not exceeding RMB75,000,000 has been determined with reference to the projected increase in the purchases from Hunan Communications following the upgrading of products, the sale of laser printers to Hunan Communications for installation to self-service banking terminal equipments and the sale of monitors and computer parts etc. in 2013.

(v) China Electronic System Engineering Agreement

Date

20 November 2012

Parties

China Electronic System Engineering and CGCSZ

Principal Terms and Conditions

- (1) CGCSZ shall sell tablet computers and large-screen wall to China Electronic System Engineering at market price. The prices for the said products shall be determined fairly, openly and in accordance with market practice;
- (2) The estimated total amount of products to be sold by CGCSZ to China Electronic System Engineering from 1 January 2013 to 31 December 2013 shall not exceed RMB20,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The annual cap for the year ending 31 December 2013 of not exceeding RMB20,000,000 has been determined with reference to the projected demand of the products from China Electronic System Engineering for 2013 and the projected percentage of the total amount of the said products to be purchased by it from CGCSZ.

(vi) CEC (CGCSZ) Agreement

Date

20 November 2012

Parties

CEC and CGCSZ

Principal Terms and Conditions (in relation to the sale of products to CEC)

- (1) CGCSZ Group shall sell computers and digital products to CEC and its group companies 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 CGCSZ Group to CEC and its group companies from 1 January 2013 to 31 December 2013 shall not exceed RMB20,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The computers and digital products sold by CGCSZ Group to CEC and its group companies amounted to approximately RMB279,100 for the nine months ended 30 September 2012 and the projected sales amount for year ending 31 December 2012 is RMB20,000,000. The annual cap for the year ending 31 December 2013 of not exceeding RMB20,000,000 has been determined with reference to CEC group's occasional purchases of products from CGCSZ Group.

(vii) CEC (Kaifa) Agreement

Date

20 November 2012

Parties

CEC and Great Wall Kaifa

Principal Terms and Conditions (in relation to the sale of products to CEC)

- (1) Great Wall Kaifa Group shall sell electronic products to CEC and its group companies 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 Great Wall Kaifa Group to CEC and its group companies from 1 January 2013 to 31 December 2013 shall not exceed RMB18,000,000; and
- (3) The remaining principal terms and conditions are the same as those mentioned above in (3) to (6) of Changhai Technology Agreement.

Annual Cap

The annual cap for the year ending 31 December 2013 of not exceeding RMB18,000,000 has been determined with reference to CEC group's business, the potential business cooperation on LED lighting products and memory products between Great Wall Kaifa and CEC group in 2013 and thus the demand for the products in year 2013.

Sale Caps

On the basis of the projected maximum amount of products to be sold to various parties set out under the Framework Sale Agreements, the annual caps under the Sale Agreements for the year ending on 31 December 2013 is RMB503,000,000.

General

The Framework Sale Agreements only set out the overriding and major terms of the transactions to be carried out by the relevant parties. Details of the terms and conditions (including the payment mode and payment terms) for the transactions contemplated under the Framework Sale Agreements will be dealt with in the purchase orders to be placed by the relevant purchaser, which will be in line with the then market practice.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

By virtue of the Framework Purchase Agreements, CGCSZ and Great Wall Kaifa will be able to secure a steady supply of computer related products and components from the relevant supplying parties with whom CGCSZ and Great Wall Kaifa have a working relationship, without incurring extra costs from purchasing them through third parties. Besides, the terms offered by the supplying parties are competitive as compared with other suppliers. The transactions entered into under the Framework Purchase Agreements will also enhance intra-Group relations.

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

The Directors (excluding the independent non-executive Directors who will form their view upon receiving the advice from the Independent Financial Adviser) considers that the terms of the Framework Purchase Agreements (including the Purchase Caps) and the Framework Sales Agreements (including the Sale Caps) have been negotiated on an arm's length basis, are on normal commercial terms in the ordinary course of business and fair and reasonable and the entering into the Framework Purchase Agreements and Framework Sale Agreements and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interests in the Framework Purchase Agreements and the Framework Sale Agreements and the transactions contemplated thereunder and none of them was required to abstain from voting on the Board resolutions approving the aforesaid transactions.

INFORMATION ON CGCSZ, GREAT WALL KAIFA AND THE GROUP

CGCSZ

CGCSZ is principally engaged in the manufacture and trading of PC and PC peripheral products. CGCSZ is owned as to 53.92% by the Company and 2.7% by Great Wall Kaifa. The A-shares of CGCSZ are listed on the Shenzhen Stock Exchange in the PRC.

GREAT WALL KAIFA

Great Wall Kaifa is principally engaged in development, production, management computer software and hardware systems and peripheral equipment, communications equipment, electronic instruments and components, connectors and raw materials, production, management computers and electronic toys, household goods; financial computer software model production and design, precision tooling CAD/CAM technology, energy-saving automation and intelligent motor control system automation, office automation equipment, laser equipment, optical products and Gold systems, optical communication systems and information technology development and network system installation, business machines, set-top boxes, meter products, network multimedia product development, design, production, sales and service; financial terminal equipment development, design, production, sales, technical services, aftersales service and system integration as well as import and export business. The A-shares of Great Wall Kaifa are listed on the Shenzhen Stock Exchange in the PRC.

THE GROUP

The Group is principally engaged in the development, manufacture, sale and research and development of PC and information terminal products, storage products, power supply products, monitoring terminal, LCD TV products and EMS business.

INFORMATION ON THE CONNECTED PARTIES

Changhai Technology

Changhai Technology is principally engaged in the production, sales, research and development of communication equipments, computers and their components, monitors and office automation equipments; and the development of and provision of services for computer software.

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.

CEC

CEC is principally engaged in the development, manufacture, sale and servicing of commercial electrical components, electrical meters, electronic equipment, electrical devices, specialized electrical equipment and accessories, the repair and sale of consumer electrical appliances, the research, development and design of software, storage and component devices, systems management, as well as engineering projects relating to electronic application systems, building services, communications, environmentally-friendly technology, and real estate development.

Zhonglian Electronics

Zhonglian Electronics is principally engaged in the development, production and sale of inverter and transformers, sale of electronic components, parts and products the provision of technology consultancy services and import business.

Jingyu Electronics

Jiangyu Electronics is principally engaged in the production of capacitance products.

Panda Crystal

Panda Crystal is principally engaged in development, production and sale of quartz crystal resonator and other electronic products.

Panda Home Appliances

Panda Home Appliances is principally engaged in the design, production and sale of televisions, radio, recorder, DVD players, amplifier, home theater, small home appliances.

Xiangjihuaxiang

Xiangjihuaxiang is principally engaged in the development, production and sale of computer, office automation and supporting intelligent instruments, monitoring system and supporting equipments and the provision of related services and the undertaking of computer network project.

Zhenhua Electronics

Zhenhua Electronics is principally engaged in development, production and sales of discrete semi-conductor devices and the related electronic components.

China Electronic Appliance

China Electronic Appliance is principally engaged in the sale of home appliances, electronic components, electronic equipments, lighting appliances, computers and computer accessories etc.

Great Wall Software

Great Wall Software is principally engaged in technology development, transfer of technology, computer technology training and the provision of technical services and advice.

China Electronic Systems Engineering

China Electronic Systems Engineering is principally engaged in sale of materials for the production of electronic products, the undertaking of electronic system engineering and mechanical and electrical projects and the provision of the related installation and consultation services.

China Electronics Shenzhen

China Electronics Shenzhen is principally engaged in products (own products and as agent for others' products) and technology import and export business.

LISTING RULES IMPLICATIONS

CGCSZ and Great Wall Kaifa are subsidiaries of the Company. The CEC entities are companies controlled by CEC, the ultimate controlling shareholder of the Company indirectly holding 62.11% of the total issued shares of the Company through its wholly owned subsidiary Great Wall Group. Therefore, each of CEC and the CEC Entities is a connected person of the Company and the Purchase Transactions and the Sale Transactions constitute continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios calculated in accordance with Chapter 14A of the Listing Rules for the Purchase Transactions and for the Sale Transactions exceed 5.0% and both the Purchase Caps and the Sale Caps exceed HK\$10,000,000, both the Purchase Transactions and the Sale Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Purchase Transactions and the Sale Transactions. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

GENERAL

The Company will convene an EGM for the purpose of considering and approving the Purchase Transactions and Sale Transactions. A circular containing, among other things, details of the Purchase Transactions and the Sale Transactions, is expected to be despatched to the Shareholders by no later than 11 December 2012.

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CEC”	China Electronic Corporation (中國電子信息產業集團有限公司), a state-owned company incorporated in the PRC, the sole shareholder of Great Wall Group and the ultimate controlling shareholder of the Company
“CEC (CGCSZ) Agreement”	the framework agreement dated 20 November 2012 and entered into between CGCSZ and CEC in relation to (i) the sale of computers and digital products by CGCSZ to CEC and its group companies and (ii) the purchase of electronic products and raw materials by CGCSZ from CEC and its group companies for the period from 1 January 2013 to 31 December 2013

“CEC (Kaifa) Agreement”	the framework agreement dated 20 November 2012 and entered into between Great Wall Kaifa and CEC in relation to (i) the sale of electronic products by Great Wall Kaifa Group to CEC and its group companies and (ii) the purchase of electronic products by Great Wall Kaifa Group from CEC and its group companies for the period from 1 January 2013 to 31 December 2013
“CEC Entities”	Changhai Technology, China Electronics Shenzhen, Zhonglian Electronics, Jingyu Electronics, Panda Home Appliances, Panda Crystal, Zhenhua Electronics, China Electronic Appliance, Great Wall Software, Xiangjihuaixing, Hunan Communications and China Electronic Systems Engineering
“CGCSZ”	China Great Wall Computer (Shenzhen) Co., Ltd. (中國長城計算機深圳股份有限公司), a joint stock 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
“CGCSZ Group”	CGCSZ and its subsidiaries
“Changhai Technology”	Guilin Changhai Technology Co., Ltd.* (桂林長海科技有限責任公司)
“Changhai Technology Agreement”	the framework agreement dated 20 November 2012 and entered into between CGCSZ and Changhai Technology in relation to (i) the purchase of wire and power supply products by CGCSZ from Changhai Technology; and (ii) the sale of computers, peripherals and accessories from CGCSZ to Changhai Technology for the period from 1 January 2013 to 31 December 2013
“China Electronic Appliance”	China Electronic Appliance Shenzhen Co., Ltd.* (中國電子器材深圳有限公司)
“China Electronic Appliance Agreement”	the framework agreement dated 20 November 2012 and entered into between Great Wall Kaifa and China Electronic Appliance in relation to the purchase of electronic components by Great Wall Kaifa from China Electronic Appliance for the period from 1 January 2013 to 31 December 2013

“China Electronic Shenzhen”	China Electronic Shenzhen Company* (深圳中電投資股份有限公司)
“China Electronic Shenzhen Agreement”	the framework agreement dated 20 November 2012 and entered into between CGCSZ and China Electronic Shenzhen in relation to the purchase of tablet computers and other electronic products by CGCSZ from China Electronic Shenzhen for the period from 1 January 2013 to 31 December 2013
“China Electronic Systems Engineering”	China Electronic Systems Engineering Corp.* (中國電子系統工程總公司)
“China Electronic Systems Engineering Agreement”	the framework agreement dated 20 November 2012 and entered into between CGCSZ and China Electronic Systems Engineering in relation to the sale of tablet computers and large-screen wall by CGCSZ to China Electronic Systems Engineering for the period from 1 January 2013 to 31 December 2013
“Company”	Great Wall Technology Company Limited (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 Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Purchase Transactions (including the Purchase Caps) and the Sale Transactions (including the Sale Caps)
“EMS”	electronic manufacturing services
“Framework Purchase Agreements”	Changhai Technology Agreement, China Electronic Shenzhen Agreement, Zhonglian Electronics Agreement, Jingyu Electronics Agreement, Panda Home Appliance Agreement, CEC (CGCSZ) Agreement, CEC (Kaifa) Agreement, Panda Crystal Agreement, Zhenhua Electronics Agreement and China Electronic Appliance Agreement together

“Framework Sales Agreements”	Changhai Technology Agreement, Great Wall Software Agreement, Xiangjihuaqing Agreement, Hunan Communication Agreement, China Electronic System Engineering Agreement, CEC (CGCSZ) Agreement and CEC (Kaifa) Agreement together
“Great Wall Group”	China Great Wall Computer Group Corporation* (中國長城電腦集團公司), a company incorporated in the PRC and wholly-owned by CEC, a substantial Shareholder holding 62.11% of the Company
“Great Wall Kaifa”	Shenzhen Kaifa Technology Co., Ltd. (深圳長城開發科技股份有限公司), a joint stock 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
“Great Wall Kaifa Group”	Great Wall Kaifa and its subsidiaries
“Great Wall Software”	Great Wall Computer Software and Systems Co., Ltd.* (長城計算機軟件與系統有限公司)
“Great Wall Software Agreement”	the framework agreement dated 20 November 2012 and entered into between CGCSZ and Great Wall Software in relation to the sale of computers, peripherals and accessories etc. by CGCSZ to Great Wall Software for the period from 1 January 2013 to 31 December 2013
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunan Communications”	Hunan Great Wall Information Financial Instrument Co., Ltd.* (湖南長城信息金融設備有限責任公司)
“Hunan Communications Agreement”	the framework agreement dated 20 November 2012 and entered into between CGCSZ and Hunan Communications in relation to the sale of computers, peripherals, accessories, printers and consumables by CGCSZ to Hunan Communications for the period from 1 January 2013 to 31 December 2013

“Independent Financial Adviser”	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 adviser to the Independent Board Committee and the Independent Shareholders in respect of the Purchase Transactions and Sale Transactions
“Independent Shareholders”	Shareholders other than Great Wall Group and its associates
“Jingyu Electronics”	Shenzhen Jingyu Electronics Co., Ltd.* (深圳京裕電子有限公司)
“Jingyu Electronics Agreement”	the framework agreement dated 20 November 2012 and entered into between CGCSZ and Jingyu Electronics in relation to the purchase of capacitors by CGCSZ from Jingyu Electronics for the period from 1 January 2013 to 31 December 2013
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Panda Crystal”	Nanjing China Electronics Panda Crystal Technology Corporation* (南京中電熊貓晶體科技有限公司)
“Panda Crystal Agreement”	the framework agreement dated 20 November 2012 and entered into between Panda Crystal and Great Wall Kaifa in relation to the purchase of electronic components by Great Wall Kaifa from Panda Crystal for the period from 1 January 2013 to 31 December 2013
“Panda Home Appliances”	Nanjing CEC Panda Home Appliances Co., Ltd.* (南京中電熊貓家電有限公司)
“Panda Home Appliances Agreement”	the framework agreement dated 20 November 2012 and entered into between Panda Home and CGCSZ in relation to the purchase of televisions by CGCSZ from Panda Home Appliances for the period from 1 January 2013 to 31 December 2013
“PC”	personal computer

“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Purchase Caps”	the maximum annual aggregate value for the Purchase Transactions for the period from 1 January 2013 to 31 December 2013
“Purchase Transactions”	the purchase transactions contemplated under the Framework Purchase Agreements (including the Purchase Caps)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Caps”	the maximum annual aggregate value for the Sale Transactions for the period from 1 January 2013 to 31 December 2013
“Sale Transactions”	the sale transactions contemplated under the Framework Sale Agreements (including the Sale Caps)
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiangjihuaxing”	Changsha Xiangjihuaxiang Computer Co., Ltd.* (長沙湘計華湘計算機有限公司)
“Xiangjihuaxing Agreement”	the framework agreement dated 20 November 2012 and entered into between CGCSZ and Xiangjihuaxing in relation to the sale of computers, peripherals and accessories by CGCSZ to Xiangjihuaxing for the period from 1 January 2013 to 31 December 2013
“Zhenhua Electronics”	China Zhenhua Group Yongguang Electronics Co., Ltd.* (中國振華集團永光電子有限公司)
“Zhenhua Electronics Agreement”	the framework agreement dated 20 November 2012 and entered into between Great Wall Kaifa and Zhenhua Electronics in relation to the purchase of electronic components by Great Wall Kaifa from Zhenhua Electronics for the period from 1 January 2013 to 31 December 2013

“Zhonglian Electronics” Shenzhen Data-power Electronics Co., Ltd (深圳市中電熊貓中聯數源電子有限公司)

“Zhonglian Electronics Agreement” the framework agreement dated 20 November 2012 entered into between CGCSZ and Zhonglian Electronics in relation to the purchase of power supply products by CGCSZ from Zhonglian Electronics for the period from 1 January 2013 to 31 December 2013

By Order of the Board
Liu Liehong
Chairman

Shenzhen, PRC, 20 November 2012

As at the date of this announcement, the Board comprises six executive directors, namely Liu Liehong, Lu Ming, Tam Man Chi, Yang Jun, Su Duan and Du Heping; and three independent non-executive directors, namely Yao Xiacong, James Kong Tin Wong and Zeng Zhijie.

* *For identification purpose only*