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**SHENZHEN HIGH-TECH HOLDINGS LIMITED**

**深圳科技控股有限公司**

*(Incorporated in Bermuda with limited liability)*

*(Stock Code: 106)*

**DISCLOSEABLE TRANSACTION  
AND  
SUBSCRIPTION OF NEW SHARES  
UNDER GENERAL MANDATE**

**Discloseable Transaction**

The Board is pleased to announce that the Company entered into the Agreement on 5 July 2007 with the Vendor, pursuant to which the Company agreed to purchase and the Vendor agreed to sell the Sale Share and the Loan at a consideration of HK\$28,500,000 which will be satisfied by cash.

Pursuant to the Agreement, the Company undertakes with Glory Faith that after Completion, it will advance the Shareholder's Loan to Glory Faith which will be used as balance payment for the acquisition of the Property by Glory Faith and payment of other related costs. Glory Faith entered into the MOA on 13 June 2007 for the acquisition of the Property.

Completion of the Acquisition is subject to the fulfillment or waiver of the conditions set out below.

The Acquisition together with the provision of Shareholder's Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further details of the Acquisition will be despatched to the Shareholders as soon as practicable.

**Subscription of Shares under General Mandate**

The Board also announces that the Company entered into the Subscription Agreement with the Subscriber on 5 July 2007 for the subscription by the Subscriber 96,600,000 Shares at HK\$0.53 per Subscription Share.

The Subscription Price of HK\$0.53 represents (i) a discount of approximately 18.46% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the date of the announcement; (ii) a discount of approximately 17.45% to the average closing price per Share of approximately HK\$0.642 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement; and (iii) a discount of approximately 21.83% to the average closing price per Share of approximately HK\$0.678 as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of this announcement.

The Subscription Agreement is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

## **DISCLOSEABLE TRANSACTION**

### **The Agreement**

Date: 5 July 2007

Purchaser: the Company

Vendor: Lucy Tin Chua

The Vendor is an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or their respective associates as defined under the Listing Rules. The Vendor, through Year Top Limited, subscribed for 110,000,000 Shares of the Company, details of which have been set out in the Company's announcement dated 7 June 2007. The Vendor, through Year Top Limited, is a shareholder of the Company holding 110,000,000 Shares as at the date of this announcement.

Pursuant to the Agreement, the Vendor has agreed to sell, and the Company agreed to purchase the Sale Share and the Loan pursuant to the terms and conditions thereof.

### **Sale Share and the Loan**

The Loan is an interest free unsecured loan in the sum of HK\$15,505,694.

The Sale Share represents the entire issued share capital of Glory Faith.

### **Consideration**

The Consideration is HK\$28,500,000 (comprising of HK\$12,994,306 as the consideration for the Sale Share and HK\$15,505,694 as the consideration for the Loan) which is arrived at after arm's length negotiations between the Vendor and the Company with reference to the professional valuation of the Property at a valuation of not less than HK\$175,000,000, which shall be satisfied by the Company in cash and funded by internal resources of the Company.

### **Completion**

Completion, which is conditional upon all the conditions set out in the section headed "Conditions" below have been fulfilled or waived by the Company, shall take place on or before the third business day after the Agreement becoming unconditional or such later date as the parties to the Agreement may agree in writing prior to the Completion.

After Completion, Glory Faith will become a wholly-owned subsidiary of the Company.

Furthermore, under the Agreement, the Company undertakes to Glory Faith that upon Completion, it shall advance the Shareholder's Loan to Glory Faith which will be used as balance payment for the acquisition of the Property by Glory Faith and payment of other related costs in the amount of approximately HK\$140 million.

### **Conditions**

Completion is conditional upon the fulfillment or waiver of the following conditions:

- (a) the passing by the board of directors of the Company a resolution approving the Agreement and the transactions contemplated thereunder;
- (b) all necessary consents being obtained; and

(c) the Company notifying the Vendor in writing that it is satisfied upon inspection and investigation as to the results of its searches and the replies to its enquiries with regard to the Property.

If the above conditions are not fulfilled or waived by the Company on or before 15 July 2007 or such other date as shall be agreed by the parties in writing, the Agreement shall be null and void and of no effect.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in property investment and trading.

## **INFORMATION ON GLORY FAITH**

Glory Faith, a company incorporated in the British Virgin Islands on 10 January 2007, is an investment holding company wholly owned by the Vendor.

Glory Faith has submitted a form of tender on 4 June 2007 for the purchase of the Property at a price of HK\$155,000,000 and has paid a tender payment of HK\$9,000,000 upon signing of the tender, and has entered into the Memorandum of Agreement (“MOA”) on 13 June 2007 and has paid a further deposit of HK\$6,500,000 upon signing of the MOA. Completion of the purchase of the Property by Glory Faith shall take place on or before 31 August 2007. The Property will be acquired with the lease for a term of seven months commencing from 1 September 2007 to 31 March 2008 at a monthly rental of HK\$630,000.

As at the date of the Agreement, Glory Faith has not recorded any revenue and recorded a net loss of HK\$5,694.00 and a net asset deficit of Glory Faith amounts to approximately HK\$5,686.20.

## **Reasons for the Acquisition**

The Board considers that given the Property is located in the prime office area and with convenience traffic. The Property is currently on lease and will become vacant in April 2008. The Property will be used by the Group for investment purpose.

With the recent upturn in Hong Kong’s economy, the Directors consider that the Acquisition is a good investment opportunity for the Group and believe that it will benefit from the anticipated growth in value of the Property while expanding the Group’s portfolio of investment properties in Hong Kong and providing a steady income stream for the Group.

The Directors are of the view that the Acquisition is in the interests of the Company and the terms of acquisition in the Agreement are in normal commercial terms and arrived at arm’s length negotiation, which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **Listing Rules Implication**

The Acquisition together with the provision of Shareholder’s Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

A circular containing further details of the Acquisition will be dispatched to the Shareholders.

## **SUBSCRIPTION OF SHARES UNDER GENERAL MANDATE**

### **The Subscription Agreement dated 5 July 2007**

#### *Parties*

- (1) the Company
- (2) the Subscriber

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner, Mr. Ong Benedict, are independent of and not connected with any of the Directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates and are not connected persons of the Company.

The Subscriber is an investment holding company wholly owned by Mr. Ong Benedict.

#### *The Subscription Shares*

96,600,000 Shares, representing approximately 8.45% of the existing issued Shares of the Company and approximately 7.79% of the issued Shares of the Company as enlarged by the Subscription Shares.

The Subscription Shares will be issued under the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 25 May 2007. The Directors have the authority to issue up to 206,624,411 Shares (that is, 20% of the existing issued share capital of the Company). 110,000,000 Shares have been issued pursuant to the said general mandate and the remaining balance as at the date of this announcement is 96,624,411 Shares.

#### *The Subscription Price*

The Subscription Price is HK\$0.53 per Share.

The Subscription Price was agreed after arm's length negotiations and with reference to the prevailing market price of the Shares and represents (i) a discount of approximately 18.46% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the date of the announcement; (ii) a discount of approximately 17.45% to the average closing price per Share of approximately HK\$0.642 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement; and (iii) a discount of approximately 21.83% to the average closing price per Share of approximately HK\$0.678 as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of this announcement.

#### *Condition*

The Subscription Agreement is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

#### *Completion*

Completion of the Subscription Agreement is expected to take place on or before 20 July 2007.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Group is principally engaged in property investment and trading.

The net proceeds arising from the Subscription in the amount of approximately HK\$51.1 million are intended to be utilized to advance the Shareholder's Loan.

After taking into consideration the expenses to be incurred in the Subscription, the net proceeds per Subscription Share is approximately HK\$0.529 per Share.

## GENERAL

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

## EFFECTS ON SHAREHOLDING

The effects of the Subscription on the shareholding of the Company are as follows:-

Name of Shareholders	Existing		Upon completion of the Subscription	
	No. of Shares	%	No. of Shares	%
Thing On Group Limited <i>(Note i)</i>	230,537,589	20.17	230,537,589	18.60
Juvy Ngo Ting <i>(Note ii)</i>	136,956,521	11.98	136,956,521	11.05
Shenzhen Investment Holding Corporation <i>(Note iii)</i>	79,971,298	7.00	79,971,298	6.45
Lucy Tin Chua <i>(Note iv)</i>	110,000,000	9.62	110,000,000	8.87
The Subscriber	-	-	96,600,000	7.79
Public shareholders	<u>585,656,651</u>	<u>51.23</u>	<u>585,656,651</u>	<u>47.24</u>
	<u>1,143,122,059</u>	<u>100.00</u>	<u>1,239,722,059</u>	<u>100.00</u>

Notes:

- (i) The entire issued share capital of Thing On Group Limited is beneficially owned by Mr. Wong Chung Tak, Chairman of the Company.
- (ii) These Shares are held through Willfame Group Limited and Winner Come Holdings Limited, which are wholly and beneficially owned by Ms. Juvy Ngo Ting.
- (iii) The interests in these Shares includes 63,954,513 Shares held by Great Mind Holdings Group Limited, which Shenzhen Investment Holding Corporation has deemed interests in the said Shares.
- (iv) These Shares are held through Year Top Limited which is wholly and beneficially owned by Ms. Lucy Tin Chua.

## FUND RAISING ACTIVITY BY THE COMPANY DURING THE PAST 12 MONTHS

The Company completed the subscription of 110,000,000 shares of HK\$0.20 each at the subscription price of HK\$0.62 per share on 21 June 2007, and raised a net proceed of approximately HK\$68 million. Up to the date of this announcement, no part of the proceeds has been utilized. The proceeds will be utilised by the Company as the Consideration for the Acquisition and part of the Shareholder's Loan.

Save as disclosed above, the Company has not conducted any other fund raising activity in the 12 months immediately preceding the date of this announcement.

## DEFINITIONS

“Acquisition”	the acquisition of the Sale Share and the Loan from the Vendor by the Company
“Agreement”	the conditional agreement for sale and purchase dated 5 July 2007 and entered into between the Vendor and the Company in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday) on which licensed banks in Hong Kong are officially open for business
“Company”	Shenzhen High-Tech Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	the completion of the Agreement
“Consideration”	the consideration for the Acquisition pursuant to the Agreement in the amount of HK\$28,500,000 which shall be satisfied by cash
“Directors”	the directors of the Company
“Glory Faith”	Glory Faith Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Loan”	the total amount of indebtedness due and owing by Glory Faith to the Vendor by way of shareholder’s loan advanced by the Vendor to Glory Faith in the sum of approximately HK\$15,505,694
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property situated at 20 <sup>th</sup> Floor of World-Wide House, No.19 Des Voeux Road Central, Hong Kong
“Sale Share”	1 ordinary share of US\$1.00 each in Glory Faith representing the entire issued share capital of Glory Faith
“Shareholder(s)”	holder(s) of Shares
“Shareholder’s Loan”	the shareholder loan to be advanced by the Company to Glory Faith after Completion to fund the acquisition cost of the Property and other related expenses
“Shares”	ordinary shares of HK\$0.2 each in the share capital of the Company

“Subscriber”	Excel Aim Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Subscription”	the subscription of 96,600,000 new Shares pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement between the Company and the Subscriber dated 5 July 2007 in relation to the Subscription
“Subscription Price”	HK\$0.53 per Subscription Share
“Subscription Shares”	96,600,000 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Ms. Lucy Tin Chua
“%”	per cent.

By order of the Board  
**Shenzhen High-Tech Holdings Limited**  
**Chan Yuen Ying Stella**  
*Company Secretary*

Hong Kong, 5 July 2007

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wong Chung Tak and Mr. Tse Kam Fai, one non-executive Director, namely Mr. Wong Ngo, Derick, and three independent non-executive Directors, namely Mr. Lee Kuo Ching, Stewart, Mr. Liu Sing Piu, Chris, and Miss Chong Kally.*