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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

Pursuant to the Facility Letter endorsed with acceptance by the Borrower and the Guarantor on 20 July 2011, the Lender agreed to provide the Loan to the Borrower on the terms and conditions as set out in the Facility Letter, the principal terms and conditions of which are set out in this announcement.

The entering into of the Facility Letter constitutes a discloseable transaction on the part of the Company under the Listing Rules.

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FACILITY LETTER

- Date : The Facility Letter was issued by the Lender on 19 July 2011 and endorsed with acceptance by the Borrower and the Guarantor on 20 July 2011 (the “**Date of the Facility Letter**”)
- Lender : Cathay Holdings Limited, a direct wholly-owned subsidiary of the Company
- Borrower : the Borrower
- Guarantor : the Guarantor

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Borrower, the Guarantor and their respective associates are Independent Third Parties and are not connected persons (as defined under the Listing Rules) of the Company as at the date of this announcement.

Principal terms of the Facility Letter

Amount of the Loan : a principal sum in the amount of HK\$130,000,000 which is to be made available to the Borrower for a single drawdown in whole within one month from the Date of the Facility Letter.

Drawdown Date : the date when the Loan is drawn down, which is scheduled for 21 July 2011 (the “**Drawdown Date**”) according to the notice of drawing dated 20 July 2011 issued by the Borrower to the Lender.

Interest : The Borrower shall pay interest (as well before as after judgment) on the Loan in advance on a monthly basis at the rate of two percent (2%) per month (equivalent to 24% per annum). Interest on the Loan shall accrue daily and shall be calculated on the basis of the actual number of days elapsed and on the basis of a 365-day year.

If default is made by the Borrower in payment upon the due date of any part of the Loan, interest or other amounts payable by the Borrower under the Facility Letter, the Borrower shall pay interest on all overdue sums from the due date until payment in full (as well before as after judgment) at the above rate of interest.

Repayment Date : The date falling twenty four (24) months from the Drawdown Date. If the Repayment Date is not a business day, it shall be brought forward to the preceding business day.

Repayment : The Borrower shall repay the entire Loan, so far as is not otherwise prepaid under the provisions of the Facility Letter, together with all interests accrued thereon and remain outstanding by one lump sum on the Repayment Date.

The Lender shall have the overriding right to demand at any time the immediate payment by the Borrower of all principal amounts outstanding under the Loan together with interest accrued or to be accrued thereon and all fees, costs, charges, expenses, disbursements or other payments of whatsoever nature liable to be reimbursed or payable by the Borrower to the Lender under the Facility Letter and the Security Documents to which the Borrower is a party.

Security : The Loan and all sums payable under the Facility Letter are to be secured by the Security Documents to be provided by the Borrower and the Guarantor on the Drawdown Date.

Prepayment : The Borrower may at any time prepay to the Lender the whole or part of the Loan by giving prior irrevocable written notice of not less than two (2) months to the Lender.

Any partial prepayment shall be of an amount not less than HK\$1,000,000 and in whole multiples thereof.

Apart from payment of all accrued interest (if any), the Borrower shall pay a sum in the amount of HK\$5,200,000 if total prepayment is made within 14 months from the Drawdown Date and a sum in an amount equal to 4% of the amount prepaid if partial prepayment is made within 14 months from the Drawdown Date.

Guarantee : The Guarantor shall guarantee, unconditionally and irrevocably, to the Lender, as principal obligor and not merely as surety, the due, full, punctual and complete performance and observance by the Borrower of all of its obligations and liabilities under the Facility Letter and the Security Documents by executing the Deed of Guarantee.

Conditions of the grant of the Loan

The grant of the Loan is conditional upon, among others, the following principal conditions having been fulfilled:-

1. the receipt by the Lender of :-
 - (i) the duplicate of the Facility Letter, duly countersigned by the Borrower and the Guarantor;
 - (ii) the duly executed Security Documents dated no later than the Drawdown Date;
 - (iii) the due passing of all necessary resolutions of the board of directors and the sole shareholder of the Borrower approving and authorizing the signing and/or execution of the Facility Letter and the Security Documents to which the Borrower is a party;
 - (iv) evidence proving and confirming the directors and shareholder of the Borrower (including the due appointment of nominee of the Lender to the board of directors of the Borrower with effect from the Drawdown Date); and
 - (v) a certificate of good standing of the Borrower issued by the Registrar of Corporate Affairs of the British Virgin Islands;
2. the receipt by the Lender of legal opinions issued by the Lender's legal counsels on the Facility Letter and the Security Documents in the form and substance to the satisfaction of the Lender; and
3. no event of default shall have occurred on or before the Drawdown Date.

As at the date of this announcement, save for the above conditions (1)(i), (1)(iii) and (1)(v) which have been fulfilled, all the other conditions are remained outstanding.

Information on the Borrower

The Borrower is a company incorporated in the British Virgin Islands with limited liability and to the best of the Directors' knowledge and belief after making reasonable enquiries its principal activity is investment holding.

Reasons for the entering into of the Facility Letter

The Group is principally engaged in property investment and trading, securities trading and provision of financial services.

The Lender is a licensed money lender and its principal activity is provision of loan.

Entering into of the Facility Letter is conducted in the ordinary and usual course of business of the Group which provides interest income to the Group and the terms of which are entered on normal commercial terms.

The Directors (including the independent non-executive Director) consider that the Facility Letter is entered into upon normal commercial terms following arm's length negotiations between the parties to the Facility Letter and that the conditions and terms of the Facility Letter are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

GENERAL

As the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Loan exceeds 5% but less than 25%, the entering into of the Facility Letter constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement, but not the Shareholders' approval requirement, under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings when used herein:-

“associate(s)”	has the meanings ascribed to it under the Listing Rules
“Board”	the board of Directors
“Borrower”	a company incorporated in the British Virgin Islands with limited liability, being the borrower under the Facility Letter and is an Independent Third Party
“Company”	Shenzhen High-Tech Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	has the meanings ascribed to it under the Listing Rules
“Deed of Guarantee”	a deed of guarantee to be provided by the Guarantor in favour of the Lender guaranteeing the payment and discharge of, inter alia, the Loan and interest thereon in accordance with the terms of the Facility Letter
“Directors”	directors of the Company
“Facility Letter”	a conditional term loan facility letter issued by the Lender on 19 July 2011 and endorsed with acceptance by the Borrower and the Guarantor on 20 July 2011 setting forth the terms and conditions for the grant of the Loan by the Lender to the Borrower
“First Share Charge”	a deed of mortgage to be executed by the Guarantor as mortgagor and the Borrower as borrower in favour of the Lender mortgaging a total of 50,000 shares of par value US\$1.00 each in the issued capital of the Borrower as

	security for the Loan and all amounts due under the Facility Letter
“Group”	the Company and its subsidiaries
“Guarantor”	an individual who is an Independent Third Party and also the ultimate beneficial owner of the Borrower as at the Date of the Facility Letter
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected person
“Lender”	Cathay Holdings Limited, a direct wholly-owned subsidiary of the Company, and a licensed money lender to carry on the business of money lending
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a term loan in the principal sum of HK\$130,000,000 to be made available by the Lender to the Borrower on and subject to the terms and conditions of the Facility Letter
“Repayment Date”	the date falling twenty four (24) months from the Drawdown Date
“Second Legal Charge”	a second legal charge/mortgage to be executed by the Borrower as mortgagor in favour of the Lender charging a property located in southern district in Hong Kong Island by way of second legal charge/mortgage as security for the Loan and all amounts due under the Facility Letter
“Security Documents”	the Second Legal Charge, the First Share Charge and the Deed of Guarantee
“Shares”	ordinary shares of HK\$0.20 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 20 July 2011

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