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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)

**PROPOSED PURCHASE OF ALL THE OUTSTANDING UNLISTED WARRANTS
AND ISSUE OF NEW UNLISTED WARRANTS**

Proposed purchase of all the Outstanding Warrants and issue of New Warrants

The Board announces that on 15 April 2009, an offer has been conditionally made by the Company to each of the Existing Warrantheolders for the purchase of the relevant Outstanding Warrants held by it at a consideration of HK\$450,000 payable to each of the Existing Warrantheolders and each of the Existing Warrantheolders has accepted the offer to sell the relevant Outstanding Warrants held by it to the Company.

Completion of the sale and purchase of all the Outstanding Warrants is subject to the fulfillment of the conditions stated in the paragraph headed "Conditions of the sale and purchase of all the Outstanding Warrants" below.

The Board further announces that the Company entered into the Subscription Agreement with the Subscribers on 15 April 2009 pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to issue, the New Warrants at the total issue price of HK\$2,880,000.

The New Warrants confer rights to subscribe for new Shares at the Subscription Price of HK\$0.20 per Share, subject to adjustment, during the period of 36 months commencing from the date of issue of the New Warrants. Each New Warrant carries the right to subscribe for one new Share.

Completion of the Subscription Agreement is subject to the fulfillment of the conditions stated in the paragraph headed "Conditions of the Subscription Agreement" below. The new Shares falling to be allotted and issued upon the exercise of the subscription rights attached to the New Warrants will be issued under the General Mandate.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares which may fall to be allotted and issued upon exercise of the subscription rights attached to the New Warrants. No listing of the New Warrants will be sought on the Stock Exchange or other stock exchange.

PROPOSED PURCHASE OF ALL THE OUTSTANDING WARRANTS

OFFER LETTERS AND ACCEPTANCE LETTERS ALL DATED 15 APRIL 2009

Parties

- (1) Purchaser: the Company
- (2) Vendors: Ideal China International Limited, Growth Time Holdings Limited, Trade Magic Limited and Topfirm Limited

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Existing Warranholders and their respective ultimate beneficial owners are Independent Third Parties. Each of the Existing Warranholders has also confirmed to the Company that it is independent of, and not connected with, each of the other Existing Warranholders and the Subscribers.

Each of the Existing Warranholders is principally engaged in investment holding. Each of them presently holds 25% (or 60,000,000 units) of all the Outstanding Warrants.

Proposed sale and purchase of all the Outstanding Warrants

An offer has been conditionally made by the Company to each of the Existing Warranholders for the purchase of the relevant Outstanding Warrants held by it at a consideration of HK\$450,000 payable to each of the Existing Warranholders. Each of the Existing Warranholders has issued an acceptance letter to the Company agreeing to sell the relevant Outstanding Warrants held by it to the Company upon the terms and conditions as set out in the Offer Letter. Each Offer Letter contains the same terms and conditions as the other Offer Letters. All the Outstanding Warrants will be cancelled after completion of the Offer Letters and upon cancellation of all the Outstanding Warrants, the Existing Instrument will be terminated automatically.

Consideration

A consideration of HK\$450,000 in cash per offer under the Offer Letters or an aggregate of HK\$1,800,000 in cash.

The consideration was arrived at after arm's length negotiations and with reference to the premium received by the Company on each unit of the Outstanding Warrants.

The Directors (including the independent non-executive Directors) consider that the terms of the Offer Letters are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Conditions of the sale and purchase of all the Outstanding Warrants

The sale and purchase of the Outstanding Warrants is conditional upon the fulfillment of the following conditions:-

- (a) the receipt by the Company of the acceptance letters issued by all the Existing Warranholders to the Company agreeing to sell all the Outstanding Warrants to the Company; and

- (b) the compliance by the Company of all the relevant laws and regulatory requirements including but not limited to the Bermuda laws and the Listing Rules in relation to the proposed sale and purchase of all the Outstanding Warrants.

The Company will notify the Existing Warrantholders in writing when the above conditions have been fulfilled.

It is a condition that completion of the sale and purchase of all the Outstanding Warrants shall take place at the same time, so that in default of the performance of any obligations of any of the Existing Warrantholders, the Company shall not be obliged to complete the purchase as aforesaid (without prejudice to any further legal remedies).

PROPOSED ISSUE OF NEW WARRANTS

SUBSCRIPTION AGREEMENT DATED 15 APRIL 2009

Parties

- (1) Issuer: the Company
(2) Subscribers: Willfame Group Limited and Year Top Limited

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Subscribers and their respective ultimate beneficial owners are Independent Third Parties. Each of the Subscribers has also confirmed to the Company that it is independent of, and not connected with, the other Subscriber and each of the Existing Warrantholders.

Each of the Subscribers is principally engaged in investment holding. Each of them holds approximately 4.93% of the entire issued share capital of the Company as at the date of this announcement.

Based on the existing issued share capital of the Company, immediately upon the full exercise of the subscription rights attached to the New Warrants, it is expected that each of the Subscribers will become a substantial Shareholder each holding approximately 12.36% of the enlarged issued share capital of the Company.

Information on the New Warrants

A total number of 240,000,000 New Warrants is proposed to be issued. Upon the full exercise of the subscription rights attached to the New Warrants, a total of 240,000,000 Shares, representing (i) approximately 19.73% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.48% of the issued share capital as enlarged by the issue and allotment of the Shares upon the full exercise of the subscription rights attached to the New Warrants.

The New Warrants will be issued to the Subscribers upon completion of the Subscription Agreement in registered form and constituted by the New Instrument. The New Warrants will rank *pari passu* in all respects among themselves.

Each New Warrant carries the right to subscribe for one Share at the Subscription Price, subject to adjustments, and is issued at the Issue Price.

The subscription rights attached to the New Warrants can be exercised at any time during the period of 36 months commencing from the date of issue of the New Warrants.

The new Shares, when fully paid and allotted, will rank pari passu in all respects with the then Shares in issue on the date of allotment and issue of the relevant new Shares.

Save for the Outstanding Warrants and the share options granted under the share option scheme of the Company adopted in accordance with Chapter 17 of the Listing Rules, as at the date of this announcement, the Company does not have any options, warrants or similar rights to subscribe or purchase its equity securities in issue.

Issue Price and Subscription Price

The Issue Price is HK\$0.012 per unit of New Warrant payable in cash.

The Subscription Price is HK\$0.20 per Share, subject to adjustment based on the prescribed formulae as set out in the New Instrument creating the New Warrants upon the occurrence of any of the following normal adjustment events:

- (i) an alteration of the nominal amount of each Share by reason of any consolidation or subdivision;
- (ii) an issue (other than pursuant to a scrip dividend scheme in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution other than the issue of Shares credited as fully paid or partly paid out of profits or reserves and issued in lieu of a cash dividend being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders or a grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries;
- (iv) an offer of new Shares for subscription by way of rights, or a grant of options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price of the Shares on the date of the announcement of the terms of the offer or grant being made by the Company to the Shareholders (in which case the Subscription Price shall be adjusted by multiplying the Subscription Price in force immediately before the date of announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price, and the denominator is the number of Shares in issue on the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants);
- (v) an issue wholly for cash being made by the Company or any other company of securities (other than options granted pursuant to any employee incentive schemes of the Company) convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective

consideration per new Share initially receivable for such securities is less than 80% of the market price of the Shares on the date of the announcement of the terms of issue of such securities (in which case the Subscription Price shall be adjusted by multiplying the Subscription Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue of such securities plus the number of Shares which the total effective consideration receivable for the securities issued would purchase at such market price, and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price), or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration is less than 80% of such market price;

- (vi) an issue of Shares being made wholly for cash at a price less than 80% of the market price of the Shares on the date of the announcement of the terms of such issue (other than any issue of Shares pursuant to any employee incentive scheme of the Company) (in which case the Subscription Price shall be adjusted by multiplying the Subscription Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued); or
- (vii) the purchase and cancellation by the Company of Shares or securities convertible into Shares or any rights to acquire Shares (excluding any such purchase made on the Stock Exchange or any recognized stock exchange, being a stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price provided that the Directors shall have appointed an approved merchant bank to consider whether, for any reason whatever as a result of such purchases, an adjustment should be made to the Subscription Price fairly and appropriately to reflect the relative interests of the persons affected by such purchases by the Company and, if such approved merchant bank shall consider in its opinion that it is appropriate to make an adjustment to the Subscription Price, the Directors shall make an adjustment to the Subscription Price in such manner as such approved merchant bank shall certify to be, in its opinion, appropriate.

Every adjustment to the Subscription Price shall be certified by the auditors of the Company or an approved merchant bank. Save as disclosed above, there are no other events which may result in mandatory adjustment to the Subscription Price. After taking into account the adjustments (if any), the maximum number of Shares that may fall to be allotted and issued upon the exercise of the New Warrants will not exceed 240,000,000 Shares.

The Subscription Price represents (i) a premium of approximately 5.26% to the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 6.27% to the average closing price per Share of approximately HK\$0.1882 as quoted on the Stock Exchange for the five consecutive trading days prior to (but excluding) the Last Trading Day; and (iii) a premium of approximately 5.82% to the average closing price per Share of approximately HK\$0.189 as quoted on the Stock Exchange for the ten consecutive trading days prior to (and including) the Last Trading Day.

The aggregate of the Issue Price and Subscription Price represents (i) a premium of approximately 11.58% to the closing price of HK\$0.19 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 12.65% to the average closing price per Share of approximately HK\$0.1882 as quoted on the Stock Exchange for the five consecutive trading days prior to (but excluding) the Last Trading Day; and (iii) a premium of approximately 12.17% to the average closing price per Share of approximately HK\$0.189 as quoted on the Stock Exchange for the ten consecutive trading days prior to (and including) the Last Trading Day.

The Board considers that the Subscription Price and the aggregate of it with the Issue Price, taking into account the recent trading prices of the Shares and an exercise period of 36 months, are fair and reasonable, which are determined after arm's length negotiations between the Company and each of the Subscribers, and are in the interests of the Company and the Shareholders as a whole.

Transferability

The New Warrants are transferable in integral multiples of 100,000 New Warrants. Any transfer of the New Warrants to any connected person (as defined in the Listing Rules) of the Company shall be subject to the requirements of the Listing Rules from time to time.

Conditions of the Subscription Agreement

The subscription of the New Warrants is conditional upon the fulfillment of the following conditions :-

- (a) all the Outstanding Warrants having been duly purchased and cancelled by the Company in accordance with the terms and conditions of the Existing Instrument, its constitutional documents and all applicable laws and regulations applicable to the Company;
- (b) (i) the Application having been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares fall to be issued and allotted upon the exercise of the subscription rights attached to the New Warrants; and (ii) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject to conditions to which neither the Company nor the Subscribers shall reasonably object) the listing of, and permission to deal in, the Shares fall to be issued and allotted upon the exercise of the subscription rights attached to the New Warrants; and
- (c) the compliance by the Company of all the relevant laws and regulatory requirements including but not limited to the Bermuda laws and the Listing Rules in relation to the proposed sale and purchase of all the Outstanding Warrants, the entering into of the Subscription Agreement and the issue of the New Warrants.

Completion of the Subscription Agreement

Completion of the Subscription Agreement shall take place on or before 28 April 2009 or such later date as the Company and the Subscribers may agree, subject to (i) all the conditions referred to in the paragraph headed "Conditions of the Subscription Agreement" having been fulfilled and (ii) the Company having notified each of the Subscribers in writing of the same.

Rights for the holders of the New Warrants

The holders of the New Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the New Warrants. The holders of the New Warrants shall not have the right to participate in any distribution or further issue of securities made by the Company.

If an effective resolution is passed for the voluntary winding up of the Company and if such winding up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the holders of the New Warrants, or some person designated by them for such purpose, will be a party or in conjunction with which a proposal is made to such holders and is approved by special resolution passed by the holders of the New Warrants, the terms of such scheme of arrangement or (as the case may be) proposal will be binding on all holders of the New Warrants.

In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company during the subscription period, the Company shall give notice thereof to each holder of the New Warrants and, thereupon every such holder shall be entitled to, at any time up to close of business on the second business day before the general meeting convened for the purpose of passing the necessary resolution for the voluntary winding up of the Company, by irrevocable surrender of his New Warrant certificate(s) to the Company with the subscription form(s) duly completed, together with payment of the exercise moneys or the relative portion thereof, exercise the subscription rights represented by such New Warrant certificate to the extent specified in the subscription form(s) and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed Shareholders' meeting allot such number of Shares to such holder of the New Warrants which fall to be issued pursuant to the exercise of the subscription rights represented by such New Warrants.

Mandate to issue Shares

The General Mandate was granted to the Directors pursuant to an ordinary resolution of the Company passed at an annual general meeting on 15 April 2008 to allot and issue up to 20% of the aggregate nominal amount of the share capital of the Company in issue on that date.

The Shares to be allotted and issued upon the exercise in full of the subscription rights attached to the New Warrants will be allotted and issued under the General Mandate. The maximum of 240,000,000 Shares to be allotted and issued upon full exercise of the subscription rights attached to the New Warrants would utilise approximately 98.64% of the General Mandate. No part of the General Mandate has been utilised prior to the entering into of the Subscription Agreement.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which fall to be allotted and issued upon exercise of the subscription rights attached to the New Warrants. No listing of the New Warrants will be sought on the Stock Exchange or any other stock exchange.

REASONS FOR THE SUBSCRIPTION AGREEMENT AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in property investment, development and trading, securities investment and securities trading, and provision of financial services.

Given the subscription price of the Outstanding Warrants is HK\$0.42 (up to 21 October 2009) or HK\$0.45 (from 22 October 2009 to 21 October 2010) per Share, it is contemplated by the Board that it is highly unlikely that the Existing Warrantholders will exercise the subscription rights under the Outstanding Warrants. In view of the interest of the Subscribers to invest in the Company, the Board considers that the purchase, followed by the cancellation, of the Outstanding Warrants by the Company and the entering into of the Subscription Agreement would be a good opportunity to enable the Subscribers to invest in the Company so as to raise further funds for the Company without having an immediate dilution effect on the shareholdings of the existing Shareholders. Net proceeds, after deducting the consideration for the purchase of the Outstanding Warrants and the expenses under the Offer Letters and the Subscription Agreement, in the total sum of approximately HK\$1 million will be raised immediately upon completion of the Subscription Agreement. If and when the subscription rights attached to the New Warrants are exercised in full, further funds in the aggregate amount of up to approximately HK\$48 million will be raised.

The net proceeds raised from the issue of the Outstanding Warrants were approximately HK\$3,560,000 which had been utilized as general working capital of the Company. The proceeds arising from the subscription of the New Warrants are intended to be used to invest in some other suitable investment opportunities to be identified by the Company. No specific investment project has been identified as at the date of this announcement.

EFFECTS ON SHAREHOLDING

The effects of the exercise of the subscription rights attached to the New Warrants in full on the shareholding of the Company are as follows:-

Name of Shareholders	Existing		Upon the exercise of the subscription rights attached to the New Warrants in full	
	No. of Shares held	%	No. of Shares held	%
Thing On Group Limited (Note)	356,589,589	29.31	356,589,589	24.48
The Subscribers				
- Willfame Group Limited	60,000,000	4.93	180,000,000	12.36
- Year Top Limited	60,000,000	4.93	180,000,000	12.36
Public Shareholders	740,016,470	60.83	740,016,470	50.80
	<u>1,216,606,059</u>	<u>100.00</u>	<u>1,456,606,059</u>	<u>100.00</u>

Note: The entire issued share capital of Thing On Group Limited is beneficially owned by Mr. Wong Chung Tak, the Chairman of the Company.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

The Company did not raise any funds by issue of equity securities during the 12 months immediately preceding the date of this announcement.

DEFINITIONS

“Board”	the board of Directors;
“Business Day”	a day on which licensed banks are generally open for banking business in Hong Kong, other than Saturdays, Sundays and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a black rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon;
“Company”	Shenzhen High-Tech Holdings Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“Existing Instrument”	the deed poll constituting the Outstanding Warrants executed by the Company on 22 October 2007;
“Existing Warrantholders”	Ideal China International Limited, Growth Time Holdings Limited, Trade Magic Limited and Topfirm Limited;
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 15 April 2008, pursuant to which a maximum of 243,321,211 new Shares may fall to be allotted and issued at the date of this announcement;
“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;
“Independent Third Party(ies)”	party/parties who is/are independent of and not connected with the Company, its subsidiaries, their respective directors, chief executives or substantial shareholders or any of their respective associates;
“Issue Price”	HK\$0.012 per unit of New Warrant to be issued pursuant to the Subscription Agreement;

“Last Trading Day”	15 April 2009, being the last full trading day prior to the publication of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Instrument”	the deed poll constituting the New Warrants to be executed by the Company on completion of the Subscription Agreement;
“New Warrants”	a total number of 240,000,000 units of unlisted warrants to be issued by the Company at the Issue Price per unit, each of which entitles the holder thereof to subscribe for one Share at the Subscription Price at any time during the period of 36 months commencing from the date of issue of the New Warrants, subject to the terms and conditions set out in the New Instrument;
“Offer Letter(s)”	an offer letter dated 15 April 2009 issued by the Company to each of the Existing Warrantheolders containing an offer conditionally made by the Company to each of the Existing Warrantheolders to purchase the relevant Outstanding Warrants held by it;
“Outstanding Warrants”	a total number of 240,000,000 units of unlisted warrants issued by the Company, each of which entitles the holder thereof to subscribe for one Share at any time at the first subscription price of HK\$0.42 or the second subscription price of HK\$0.45 per share (as the case may be) at any time during the period of 36 months commencing from the date of issue of the Outstanding Warrants, subject to the terms and conditions set out in the Existing Instrument;
“Share(s)”	ordinary share(s) of HK\$0.20 each in the capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	Willfame Group Limited and Year Top Limited;
“Subscription Agreement”	the conditional subscription agreement dated 15 April 2009 and entered into between the Company and the Subscribers in relation to the subscription of the New Warrants;
“Subscription Price”	the subscription price of HK\$0.20 per Share (subject to adjustment) at which holder of the New Warrants may subscribe for the Shares for during the period of 36 months commencing from the date of issue of the New Warrants; and
“%”	per cent.

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

Hong Kong, 15 April 2009

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. Liu Sing Piu, Chris, Mr. Lee Kuo Ching, Stewart and Miss Chong Kally.