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If you have sold or transferred all your shares in Shenzhen High-Tech Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

DISCLOSEABLE TRANSACTION

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Property
“Agreement”	the agreement dated 13 February 2004 entered into between the Purchaser and the Vendor in relation to sale and purchase of the Property
“Board”	the board of Directors of the Company
“Company”	Shenzhen High-Tech Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
“Conditions”	the conditions as set out in the paragraph headed “Conditions of the Agreement”
“Consideration”	the total consideration of RMB294,680,520 (equivalent to approximately HK\$278,000,000) to be paid by the Purchaser to the Vendor for the Property
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guarantors”	Shun Fung (H.K.) Group Limited and Ho Kan Kong
“Latest Practicable Date”	16 March 2004, being the latest practicable date for ascertaining information referred to in this circular prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Property”	the 3 residential buildings located in Shun Jing Yuan with a total gross floor area of 16,371.14 sq. m., Blocks 2, 11 and 14, of which one of them is being constructed and the rest of them have been completed

DEFINITIONS

“Purchaser”	Profit Ever Holdings Limited, a wholly owned subsidiary of the Company incorporated in the British Virgin Islands
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Shun Jing Yuan”	順景園, a low-density residential property project located in the northwest corner of Wai Ba Si Yuan Bridge, Dong Zhi Men, ChaoYang District, Beijing City (北京市朝陽區東直門外壩四元橋西北角), which is under construction and expected to be completed by the end of 2004
“Standard Contracts”	the sale and purchase contracts for commodity property units (商品房買賣合同) as prescribed under the PRC laws in respect of the Property to be entered into between the Purchaser and the Vendor after the Conditions have been fulfilled
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	北京順景園房地產開發有限公司(Beijing Shun Jing Yuan Properties Development Company*), a company incorporated in the PRC and not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates
“HK\$”	lawful currency of the Hong Kong Special Administrative Region
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meters

* for identification purpose only

In this circular, all amounts in Renminbi were translated into Hong Kong dollars at an exchange rate of HK\$1.00:RMB1.06 for illustrative purpose.

LETTER FROM THE BOARD



SHENZHEN HIGH-TECH HOLDINGS LIMITED

深圳科技控股有限公司

(Incorporated in Bermuda with limited liability)

Executive Directors:

WONG Chung Tak (*Chairman*)

GONG Hanbing (*President*)

DENG Wenyun

TSE Kam Fai

Registered Office:

Clarendon House

2 Church Street

Hamilton, HM 11

Bermuda

Non-executive Directors:

CHEN Chao

WONG Ngo, Derick

Head Office and Principal

Place of Business in Hong Kong:

Units 1904 - 1906

19th Floor, Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

Independent Non-executive Directors:

LEE Kuo Ching, Stewart

CHONG Kally

LIU Sing Piu, Chris

22 March 2004

To the shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

1. INTRODUCTION

Reference is made to the announcement of the Company dated 16 February 2004 in relation to the Acquisition.

The Company announced that, on 13 February 2004, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement in relation to the acquisition of the Property for a consideration of RMB294,680,520 (equivalent to approximately HK\$278,000,000) from the Vendor.

LETTER FROM THE BOARD

2. THE AGREEMENT

Date: 13 February 2004

Parties:

The Purchaser

Profit Ever Holdings Limited, a wholly owned subsidiary of the Company incorporated in the British Virgin Islands.

The Vendor

北京順景園房地產開發有限公司 (Beijing Shun Jing Yuan Properties Development Company*), a company incorporated in the PRC and not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules.

The Guarantors

- (1) Shun Fung (H.K.) Group Limited, a company incorporated in Hong Kong and not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules.
- (2) Ho Kan Kong, a shareholder of the Vendor and Shun Fung (H.K.) Group Limited and not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules.

3. THE PROPERTY

The Property comprises 3 residential buildings (Blocks 2, 11 and 14) with a total gross floor area of 16,371.14 sq. m. located in Shun Jing Yuan, of which one of them is being constructed and two of the others have been completed. It is an undertaking of the Vendor to provide a clubhouse with a total gross floor area of approximately 1,800 sq. m. in Shun Jing Yuan to the Purchaser at nil consideration. As such, the Purchaser is empowered to manage the clubhouse so that the Company will maintain a control of the quality of the services rendered in the clubhouse and increase the inherent value of the Property. The Company does not at this stage have any plan as to management fee income for the management of the clubhouse.

* for identification purpose only

LETTER FROM THE BOARD

Shun Jing Yuan is a low-density residential property project located in the northwest corner of Wai Ba Si Yuan Bridge, Dong Zhi Men, ChaoYang District, Beijing City (北京市朝陽區東直門外壩四元橋西北角), which is under construction. The Vendor is the developer of Shun Jing Yuan. It is estimated that the residential buildings of Shun Jing Yuan including the clubhouse and the existing golf course will be completed by the end of 2004. The spring facilities would only be completed after the completion of the entire Shun Jing Yuan project.

Blocks 2 and 11 in the Property shall be delivered to the Purchaser within 60 days after the execution of the Standard Contracts and Block 14 shall be delivered to the Purchaser within 150 days after the execution of the Standard Contracts.

As the total construction area of Shun Jing Yuan after completion will exceed the area approved by the relevant PRC authority, Beijing Town Planning Department has issued a notice in respect of the illegal structures in respect of Shun Jing Yuan on 7 November 2003. The Vendor undertakes to solve all issues relating to the above notice at its own costs and obtain the necessary permits for the construction of Shun Jing Yuan and the pre-sale permit within 60 days of the date of the Agreement. The Vendor further warrants that there will not be any other illegal structures or other litigations, arbitration, or administrative penalty affecting the Property and Shun Jing Yuan. A breach of the above undertaking or warranty entitles the Purchaser to cancel the Agreement and the Vendor shall return all monies paid by the Purchaser under the Agreement and pay compensation of RMB100,000,000 (equivalent to approximately HK\$ 94,000,000) to the Purchaser.

4. CONSIDERATION

The total Consideration for the Acquisition amounts to RMB294,680,520 (equivalent to approximately HK\$278,000,000). A deposit of RMB50,000,000 (equivalent to approximately HK\$47,000,000) has been paid to the Vendor by the Purchaser on 13 February 2004. The Consideration was determined by reference to the market price of properties in Beijing of comparable quality, size and location estimated by an independent property valuer after arm's length negotiations between the parties. Balance of the Consideration shall be payable upon fulfillment of all the Conditions and the registration of the Standard Contracts by the Vendor and the Purchaser.

The Directors consider that the Acquisition and the Consideration are fair and reasonable and in the best interest of the Group.

LETTER FROM THE BOARD

5. CONDITIONS OF THE AGREEMENT

Upon fulfillment of the following conditions:

- (a) the obtaining of approvals from the shareholders (if necessary) and the directors of the Purchaser and/or any other approval or procedure necessary for entering into the Agreement by the Purchaser on or before 23 February 2004 or at such other date to be agreed by the parties;
- (b) the completion of a due diligence exercise to be performed by the Purchaser in respect of the Property to the satisfaction of the Purchaser in its absolute discretion on or before 23 February 2004 or at such other date to be agreed by the parties;
- (c) the completion of a valuation report by the valuer to the satisfaction of the Purchaser in its absolute discretion and the value of the Property per sq.m. as shown in the report shall not be less than RMB18,000 (equivalent to approximately HK\$16,900) on or before 23 February 2004 or at such other date to be agreed by the parties; and
- (d) the release of all charges or other restrictions, defects in title (if any) to the Property or the obtaining of the written consent of the Acquisition by any mortgagee to the Property within 7 days of the date of the Agreement;

the Purchaser shall enter into the Standard Contracts with the Vendor for the individual units in the Property. The Conditions shall be fulfilled by 23 February 2004 or at such other date to be agreed by the parties; otherwise the Purchaser may cancel the Agreement and the Vendor shall return the deposit of RMB50,000,000 (equivalent to approximately HK\$47,000,000) to the Purchaser.

6. COMPLETION OF THE CONDITIONS

All the conditions of the Agreement as set out in paragraph 5 above have been fulfilled by 9 March 2004.

7. GUARANTEE AND FUNDING

The Guarantors irrevocably, jointly and severally guarantee the performance of the Vendor's obligations under the Agreement.

The Acquisition will be fully funded by internal resources and it is not expected to have any significant adverse financial impact to the Company.

LETTER FROM THE BOARD

Following completion of the Agreement, the Property will be treated as a short to medium term investment property of the Group and will be recorded in the accounts of the Group at the amount of the Consideration. Since the Acquisition will be fully funded by internal resources, the Acquisition will have no effect on the liabilities of the Group. The Acquisition will also have no immediate effect on the earnings of the Group as there has not been any plan finalized for sale or rental of the Property.

8. REASONS OF THE ACQUISITION

As stated in the annual report of the Company for the financial year ended 31 December 2002, the principal activities of the Group consist of: (i) manufacturing and sale of high-tech computers and servers; (ii) property investment, development and trading; (iii) providing ophthalmology treatments; (iv) investment holding; and (v) the provision of financial services and securities trading.

The Board believes that there are substantial growth opportunities in the PRC's property market since the living standard and the economy in the PRC continue to improve. Depending on the market conditions, the Company intends to re-decorate and refurbish the units with compatible luxury facilities and layout according to the needs of the target customers and resell the Property at a profit.

The Property is located at a convenient location in Beijing, the capital of the PRC, where there is an increasing demand for luxury low-density residence. Shun Jing Yuan comprises 14 low-density residential buildings with gross floor area of approximately 68,671 sq. m. together with a clubhouse, an existing golf course and spring facilities. In the opinion of the Directors, the Property will be profitable either for resale or as investment property for rental purpose. Therefore, the Directors believe that the Acquisition is in the best interest of the Company as it will further increase the Company's land portfolio for commercial purpose and strengthen the earning base of the Company's property division in the PRC.

The Company's present intention is to hold the Property as short to medium term investment property.

9. GENERAL

The Acquisition contemplated under the Agreement constitutes a discloseable transaction of the Company under the Listing Rules.

Yours faithfully,
For and on behalf of
SHENZHEN HIGH-TECH HOLDINGS LIMITED
Wong Chung Tak
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they are taken or deemed to have under such provisions of the SFO) or which are required to be entered into the register maintained by the Company under section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies were as follows:

(i) *Shares*

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of issued share capital
Wong Chung Tak	Corporate ⁽¹⁾	1,654,351,792	11.53%

Note:

(1) The Shares are registered in the name of Thing On Group Limited, the entire share capital of which is beneficially owned by Wong Chung Tak.

(ii) *Options to subscribe for Shares granted under the share option scheme of the Company*

Name of Director	Number of share options held	Exercise price (HK\$)	Expiry date
Gong Hanbing	30,000,000	0.1945	16 November 2010
	2,580,000	0.1945	31 December 2006
	2,580,000	0.1945	30 June 2007
Chen Chao	30,000,000	0.1945	16 November 2010
Lee Kuo Ching, Stewart	900,000	0.38	14 July 2007

(b) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company is interested in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which require notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required to be entered into the register maintained by the Company under section 352 of the SFO or which are required to be notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Directors or chief executive of the Company, the following parties, other than a Director or chief executive of the Company, had an interest or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances

at general meetings of any other member of the Group and the amount of each of such person's interest in such securities, together with particulars of any option in respect of such capital:

Name of Substantial Shareholders	Number of Shares interested	Approximate percentage of issued share capital
Great Mind Holdings Group Limited ("GML")	1,279,090,260	8.91%
Shenzhen Investment Holding Corporation ("SIHC")	1,599,425,972 ⁽¹⁾	11.14%
Dong Shi Qi/Guo Wei/ Yang Zhao Yang	600,000,000 ⁽²⁾	4.18%

Notes:

- (1) GML is a wholly-owned subsidiary of SIHC and therefore SIHC is deemed to be interested in the Shares held by GML. The 1,599,425,972 Shares referred to above comprise (i) the 1,279,090,260 Shares held by GML mentioned above and (ii) 320,335,712 Shares held by SIHC.
- (2) Dong Shi Qi/Guo Wei/Yang Zhao Yang are holding the shares jointly.

Save as disclosed herein, the Directors and the chief executive of the Company are not aware of any person, other than a Director or chief executive of the Company, who, as at the Latest Practicable Date, had an interest or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries other than contracts expiring or terminable by the relevant employer within one year without the payment of compensation other than statutory compensation.

6. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Units 1904 - 1906, 19th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.
- (b) The branch share registrars of the Company in Hong Kong is Standard Registrars Limited located at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Mr. Chan King Chung, an associate member of the Hong Kong Society of Accountants and a fellow member of the Institute of Chartered Secretaries and Administrators.
- (d) The English text of this circular shall prevail over the Chinese version for the purpose of interpretation.