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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 RESUMPTION OF TRADING

The Board is pleased to announce that the Company entered into the Agreement on 27 February 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\$17,500,000 which will be satisfied by the issue and allotment of the Consideration Shares.

Pursuant to the Agreement, the Company undertakes with Sharp World that after Completion, it will advance the Shareholder Loan to Sharp World which will be used as balance payment for the acquisition of the Property by Sharp World and payment of other related costs. The sole activity of Sharp World is the signing of the sale and purchase agreement on 14 February 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 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.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 28 February 2007 pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 1 March 2007.

#### **The Agreement**

Date: 27 February 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.

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\$15,488,925.

The Sale Share represents the entire issued share capital of Sharp World.

#### **Consideration**

The Consideration is HK\$17,500,000 (comprising of HK\$2,011,075 as the consideration for the Sale Share and HK\$15,488,925 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 valuation of the Property by an independent professional valuer of not less than HK\$48 million, which shall be satisfied by the Company by issue and allotment of an aggregate of 35,000,000 Consideration Shares at the price of HK\$0.5 per Consideration Share to the Vendor or her nominee(s) upon Completion.

#### **CONSIDERATION SHARES**

The price of HK\$0.5 per Consideration Share represents:

- (a) a discount of approximately 16.67% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on 27 February 2007; and
- (b) a discount of approximately 16.94% to the 5-day average closing price of HK\$0.602 per Share as quoted on the Stock Exchange for the last five trading days up to and including 27 February 2007.

With reference to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on 27 February 2007, the value of the Consideration Shares would amount to approximately HK\$21,000,000. The Consideration Shares represent approximately 3.51% of the existing issued share capital of the Company as at the date of this announcement and will represent approximately 3.39% of the issued share capital of the Company as enlarged by the issuance and allotment of the Consideration Shares.

The Consideration Shares will be issued, credited as fully paid, to the Vendor upon Completion pursuant to the general mandate granted to the Directors at the 2006 annual general meeting of the Company held on 26 May 2006.

The Consideration Shares, when issued, will rank pari passu in all respects with the existing issued Shares. After the Completion, the shareholdings of the Company will be as follows:-

Name of Shareholders	Existing		Upon completion of the Acquisition	
	No. of Shares	%	No. of Shares	%
Thing On Group Limited ( <i>Note i</i> )	230,537,589	23.10	230,537,589	22.31
Juvy Ngo Ting ( <i>Note ii</i> )	136,956,521	13.72	136,956,521	13.26
Shenzhen Investment Holding Corporation ( <i>Note iii</i> )	79,971,298	8.01	79,971,298	7.74
The Vendor	—	—	35,000,000	3.39
Public Shareholders	550,656,651	55.17	550,656,651	53.30
	<u>998,122,059</u>	<u>100.00</u>	<u>1,033,122,059</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.

**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 Sale and Purchase Agreement becoming unconditional or such later date as the parties to the Sale and Purchase Agreement may agree in writing prior to the Completion.

After Completion, Sharp World will become a wholly-owned subsidiary of the Company.

Further, under the Agreement, the Company undertakes to Sharp World that upon Completion, it shall advance the Shareholder Loan in the amount of approximately HK\$30.5 million to Sharp World which will be used as balance payment for the acquisition of the Property by Sharp World and payment of other related costs. The Shareholder Loan is interest free, unsecured and with no specific repayment period.

**Conditions**

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

- (a) the passing by the Board of the Company a resolution approving the Agreement and the transactions contemplated thereunder;
- (b) all necessary consents being granted by third parties;
- (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;
- (d) the Stock Exchange granting the listing of and permission to deal in the Consideration Shares; and
- (e) the relevant consents or approval from Bermuda Monetary Authority to the issuance and allotment of the Consideration Shares.

If the above conditions are not fulfilled or waived by the Company on or before 27 March 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 SHARP WORLD**

Sharp World, a company incorporated in the British Virgin Islands on 6 April 2006, is an investment holding company wholly owned by the Vendor.

The sole activity of Sharp World is the signing of a legally binding sale and purchase agreement on 14 February 2007 with an independent third party (who and its ultimate beneficial owners are not connected with the directors, chief executive or substantial shareholders of the Company or their respective associates as defined under the Listing Rules) to acquire the Property at a consideration of HK\$39,447,100 and has paid an initial deposit of HK\$1,000,000 and a further deposit of HK\$2,944,710 upon signing of the said agreement on 14 February 2007. Completion of the purchase of the Property by Sharp World shall take place on or before 30 April 2007. The Property will be acquired with the lease which shall be expired the latest June 2007.

As at the date of the Agreement, Sharp World recorded a net loss of HK\$5,044,215 and a net asset deficit of approximately HK\$5 million.

## Reasons for the Acquisition

The Board considers that given the Property is located in the prime office building and with convenient traffic. It has a saleable area of approximately 403.7 square meters. The Property is currently on lease and will become vacant in June 2007. 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 portfolio of the Group's 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 Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. An application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

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

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

The Company completed the placing of 2,870,000,000 shares of HK\$0.01 each, at the placing price of HK\$0.03 per share on 11 May 2006, and raised a net proceeds of approximately HK\$84 million.

Up to the date of this announcement, the Company applied:

- (i) approximately HK\$10 million to expand the quartz oscillators manufacture business of Wu Han Jingke Information Industry Co., Ltd., a jointly controlled entity of the Company; and
- (ii) approximately HK\$33 million to fund the Group's general working capital requirement.

The remaining proceeds from the above placing of approximately HK\$40 million was intended to be utilized as follows:

- (i) an amount of approximately HK\$30 million which was originally intended to be used for the business operation of the Group's "Dawning" branded servers was changed as a result of the disposal of the Group's interest in the "Dawning" branded servers. Details of which was included in the Company's circular dated 30 June 2006.

The HK\$30 million, remains unused, has been reserved for other investment purposes.

- (ii) an amount of approximately HK\$10 million was originally intended to be used to finance the capital investment in the production facilities and equipment of Wu Han Jingke Information Industry Co., Ltd. Such amount, remains unused, has been reserved for the intended purpose.

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.

## SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 28 February 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 1 March 2007.

## 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 27 February 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\$17,500,000 which shall be satisfied by the issue and allotment of Consideration Shares
"Consideration Shares"	being 35,000,000 new Shares to be issued and allotted, credited as full paid, to satisfy the Consideration
"Directors"	the directors of the Company
"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 owed by Sharp World to the Vendor by way of shareholder’s loan advanced by the Vendor to Sharp World in the sum of approximately HK\$15,488,925
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property situated at Office No. 1102, 11th Floor, Tower 1, Admiralty Centre, No. 18 Harcourt Road, Hong Kong (Inland Lot No. 8423) with saleable area of approximately 403.7 square meters
“Sale Share”	1 ordinary share of US\$1.00 each in Sharp World representing the entire issued share capital of Sharp World
“Shareholder(s)”	holder(s) of Shares
“Shareholder Loan”	the shareholder loan to be advanced by the Company to Sharp World 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
“Sharp World”	Sharp World Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Shenzhen High-Tech Holdings Limited**  
**Wong Chung Tak**  
*Chairman*

Hong Kong, 28 February 2007

*As at the date of this announcement, the Board of the Company 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.*

Please also refer to the published version of this announcement in The Standard.