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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the 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)

(Stock code: 106)

DISCLOSEABLE TRANSACTION

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DEFINITIONS

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

“associate(s)”	have the meaning ascribed thereto under the Listing Rules
“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 fully 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
“Latest Practicable Date”	8 March 2007, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular
“Loan”	the total amount of indebtedness due and owing 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

DEFINITIONS

“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 salable area of 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
“SFO”	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“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.

LETTER FROM BOARD



SHENZHEN HIGH-TECH HOLDINGS LIMITED

深圳科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 106)

Executive Directors:

WONG Chung Tak (*Chairman*)
TSE Kam Fai

Non-executive Director:

WONG Ngo, Derick

Independent Non-executive Directors:

LEE Kuo Ching, Stewart
LIU Sing Piu, Chris
CHONG Kally

Registered Office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

*Head Office and Principal Place
of Business in Hong Kong:*

Unit 702, 7/F.
Euro Trade Centre
13-14 Connaught Road Central
Hong Kong

13 March 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

I. INTRODUCTION

On 28 February 2007, the Board announced the Acquisition which is a discloseable transaction of the Company.

The purpose of this circular is to give you further information on the Acquisition in accordance with the Listing Rules.

II. DISCLOSEABLE TRANSACTION

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.

LETTER FROM BOARD

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 amount 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 represent:

- (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;
- (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; and
- (c) the closing price of HK\$0.5 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

With reference to the closing price of HK\$0.5 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the value of the Consideration Shares amount to HK\$17.5 million. The Consideration Shares represent approximately 3.51% of the existing issued share capital of the Company as at the Latest Practicable Date and 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. There is no agreement between the Company and the Vendor relating to restrictions on future disposal of the Consideration Shares.

An application has been made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

LETTER FROM BOARD

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.

The issue and allotment of the Consideration Shares will not result in a change of control 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, 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 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 in the amount of approximately HK\$30.5 million. The Shareholder Loan will be 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 hereunder;
- (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;

LETTER FROM BOARD

- (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.

As at the Latest Practicable Date, the conditions (a), (b), (c) and (e) have been fulfilled.

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) 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 amounted to approximately HK\$5 million.

Reasons for the Acquisition

The Board considers that given the Property is located in the prime office building and with convenience traffic. It has a salable of approximately 403.7 square metres. 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.

After Completion, the total assets of the Group will be increased by approximately HK\$17.5 million as the Consideration shall be satisfied by the Company by issue and allotment of the Consideration Shares. Therefore, the Directors considered that the Acquisition will not have any material adverse effect on the earnings and net asset value of 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.

LETTER FROM BOARD

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.

III. 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 Latest Practicable Date, 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 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 Latest Practicable Date.

IV. GENERAL

Your attention is also drawn to the general information set out in the Appendix to this circular.

Yours faithfully,
By Order of the Board
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 not contained in this circular, the omission of which would make any statement herein misleading.

2. SHARE CAPITAL

The authorized and issued share capital of the company as at the Latest practicable Date were as follows:

<i>Authorized:</i>	<i>HK\$</i>
<u>1,500,000,000</u> shares of HK\$0.20 each	<u>300,000,000.00</u>
Issue and fully paid or credited as full paid:	
998,122,059 shares of HK\$0.20 each	199,624,411.80
Consideration Shares to be issued:	
<u>35,000,000</u> shares of HK\$0.20 each	<u>7,000,000.00</u>
<u>1,033,122,059</u>	<u>206,624,411.80</u>

All of the Shares in issue rank pari passu in all aspects, including all rights as to dividend, voting and interest in capital, among themselves and with all other Shares in issue on the date of issue.

The Consideration Shares shall rank pari passu with all the Shares in issue in all aspects, including all rights as to dividend, voting and interest in capital, among themselves and with all other Shares in issue on the date of issue.

3. DISCLOSURE OF INTERESTS

(i) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which (a) 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 interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"); or (b) were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, were as follows:

(a) Interests in the Shares

Name of Director	Long position/ Short position	Capacity	Nature of interest	Number of Shares held	Approximate % of the issued share capital of the Company
Mr. Wong Chung Tak	Long position	Beneficial owner	Corporate interest	230,537,589 (Note)	23.10%

Note: The interests of Mr. Wong Chung Tak in the share capital of the Company are held through Thing On Group Limited, the entire issued share capital is beneficially owned by Mr. Wong Chung Tak. Mr. Wong Chung Tak is a director of Thing On Group Limited.

(b) Interests in share options

Name of Director	Nature of interest	Date of grant	Exercisable period	Exercise price per Share HK\$	Number of share options	Approximate % of the issued share capital of the Company
Mr. Wong Chung Tak	Personal interest	13 February 2007	21 February 2007 to 29 May 2012	0.72	7,100,000	0.72%
	Interest of spouse	13 February 2007	21 February 2007 to 29 May 2012	0.72	6,900,000	0.69%
Mr. Tse Kam Fai	Personal interest	13 February 2007	21 February 2007 to 29 May 2012	0.72	7,100,000	0.72%
Mr. Wong Ngo, Derick	Personal interest	13 February 2007	21 February 2007 to 29 May 2012	0.72	6,900,000	0.69%
Mr. Lee Kuo Ching, Stewart	Personal interest	7 July 1997	1 July 2002 to 14 July 2007	7.60	45,000	Negligible
Miss Chong Kally	Personal interest	13 February 2007	21 February 2007 to 29 May 2012	0.72	6,900,000	0.69%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had: (a) under Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO); (b) any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO; or (c) any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Interests and short positions of Shareholders discloseable under the SFO

So far as is known to the Directors, as at the Latest Practicable Date, the following persons had interests or short positions in the Shares or 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Interests in the Shares

Name	Number of Shares (long-position)			Percentage in total number of issued shares
	Direct interest	Indirect interest	Total	
Mr. Wong Chung Tak ¹	7,100,000	237,437,589	244,537,589	24.50%
Ms. Ng Ka Fong Jenny ¹	6,900,000	237,637,589	244,537,589	24.50%
Thing On Group Limited ¹	230,537,589	–	230,537,589	23.10%
Ms. Juvy Ngo Ting ²	–	136,956,521	136,956,521	13.72%
Willfame Group Limited ²	95,000,000	–	95,000,000	9.52%
Shenzhen Investment Holding Corporation (“SIHC”) ³	16,016,785	63,954,513	79,971,298	8.01%
Ultrarich International Limited (“UIL”) ³	–	63,954,513	63,954,513	6.41%
Shenzhen International Holdings Limited (“SIHL”) ³	–	63,954,513	63,954,513	6.41%
New Vision Limited (“NVL”) ³	–	63,954,513	63,954,513	6.41%
Great Mind Holdings Group Limited (“GML”) ³	63,954,513	–	63,954,513	6.41%

Notes:

- (1) The entire issued share capital of Thing On Group Limited is beneficially owned by Mr. Wong Chung Tak. Mr. Wong Chung Tak is a director of Thing On Group Limited. Ms. Ng Ka Fong Jenny is the spouse of Mr. Wong Chung Tak. Therefore, both Mr. Wong Chung Tak and Ms. Ng Ka Fong Jenny are deemed to be interested in (a) the shares held by Thing on Group Limited, (b) the share options held by Mr. Wong Chung Tak and (c) the share options held by Ms. Ng Ka Fong Jenny.
- (2) Ms. Juvy Ngo Ting is deemed to be interested in the long-position in 95,000,000 Shares held by Willfame Group Limited which is wholly and beneficially owned by Ms. Juvy Ngo Ting.
- (3) The interest of GML in the 63,954,513 shares of the Company is attributed to NVL. The interest of NVL in the 63,954,513 shares of the Company is also attributed to SIHL, UIL and SIHC on the bases that:
 - (a) GML is the wholly-owned subsidiary of NVL;
 - (b) NVL is the wholly-owned subsidiary of SIHL;
 - (c) UIL controls more than one-third of the voting power at SIHL's general meetings; and
 - (d) UIL is the wholly-owned subsidiary of SIHC.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company 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 were 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 members of the Group, or any options in respect of such capital.

4. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance which was known to the Directors to be pending or threatened against any member of the Group.

5. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has a service agreement with any member of the Group which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or their respective associates (as defined in the Listing Rules) were interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the Group's businesses as at the Latest Practicable Date.

7. MISCELLANEOUS

- (i) The qualified accountant of the Company is Mr. Leung Shui Yin, Steven. Mr. Leung is a member of the Chartered Institute of Management Accountants, CPA Australia and Hong Kong Institute of Certified Public Accountants.
- (ii) The company secretary of the Company is Miss Chan Yuen Ying, Stella, who is an associate member of the Institute of Chartered Secretaries and Administrators and an associate member of The Hong Kong Institute of Company Secretaries.
- (iii) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business of the Company in Hong Kong is at Unit 702, 7/F., Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong.
- (iv) The Hong Kong branch share registrar and transfer office of the Company is Standard Registrars Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (v) In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text thereof.