



SHENZHEN HIGH-TECH HOLDINGS LIMITED

深圳科技控股有限公司

(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTION LOAN AGREEMENT

The Directors are pleased to announce that on 1 March 2004, Cathay Holdings (a wholly owned subsidiary of the Company) and Jingke Information entered into the Loan Agreement whereby Cathay Holdings agreed to grant a non-revolving secured loan of up to RMB15 million (equivalent to approximately HK\$14 million) to Jingke Information. The purpose of the Loan Agreement is to provide the Facility to Jingke Information as its working capital.

Jingke Investment is a connected person of the Company by virtue of it being (i) a substantial shareholder of Jingke Information and (ii) an associate of Mr. Zhuang Younian, a director and chief executive of Jingke Information until 13 January 2004. As the Company is granting a financial assistance under the Loan Agreement to its non-wholly owned subsidiary, Jingke Information, in which a connected person of the Company, Jingke Investment, is a shareholder, the Loan Agreement constitutes a connected transaction for the Company under Chapter 14 of the Listing Rules.

As the loan amount falls within the de-minimis exemption under Rule 14.25(1) of the Listing Rules, independent shareholders' approval of the Company is not required for the Loan Agreement.

Details of the Loan Agreement will be included in the next published annual report and accounts of the Company in accordance with Rule 14.25(1) of the Listing Rules.

THE LOAN AGREEMENT

Date: 1 March 2004

Parties:

Lender: Cathay Holdings, a wholly owned subsidiary of the Company

Borrower: Jingke Information, which is indirectly owned as to 51% by the Company through Marax Development Limited, a wholly owned subsidiary of the Company, and owned as to 49% by Jingke Investment, a company incorporated in the PRC with limited liability

Principal Terms

Under the terms of the Loan Agreement,

1. Cathay Holdings agrees to grant the Facility to Jingke Information.
2. Interest shall be payable on the Facility at the RMB loan interest rate quoted by the People's Bank of China from time to time.
3. The term of the Facility shall be from the date of the Loan Agreement up to 31 December 2005 and may be renewable upon terms to be agreed between the parties thereof.
4. The date of final repayment of the Facility shall be on or before the expiry of the term of the Facility.

Reasons for the Loan Agreement

The purpose of the Loan Agreement is to provide the Facility to Jingke Information as its working capital.

By granting the Facility to Jingke Information, the Group will be able to derive interest income from Jingke Information and enjoy the growth of Jingke Information as a result of its utilization of the Facility.

The other shareholder of Jingke Information, Jingke Investment will not provide any facility to Jingke Information. The Facility is secured by each of the shareholders of Jingke Information, Marax Development Limited and Jingke Investment, charging its equity interests of 51% and 49% respectively in Jingke Information to Cathay Holdings.

The Directors, including the independent non-executive Directors, consider that the Facility is upon normal commercial terms and that the terms of the Loan Agreement are arrived at after arm's length negotiations between the parties and are fair and reasonable insofar as the shareholders of the Company are concerned and the transaction is in the interests of the independent shareholders of the Company.

Information of the Company

The principal activity of the Company is investment holding. The Group is principally engaged in high-tech business with focus on information technology sector, property investment and trading, securities trading and provision of financial services.

Information of Jingke Information

Jingke Information, a company incorporated in 2001 and indirectly owned as to 51% by the Company, is principally engaged in the manufacturing of quartz oscillators and resonators. At present, all the products of Jingke Information are sold in the PRC. The market of quartz oscillators and resonators is highly competitive in the PRC. Hence, Jingke Information intends to manufacture a more complicated product, namely SMD quartz oscillators, targets at the Japanese market. The SMD quartz oscillators are one of the key components in mobile phones and telecommunication products. There are currently less than ten PRC manufacturers which are capable of producing the SMD quartz oscillators and the demand for such products is increasing. It is expected that the market penetration to Japan will broaden the earnings base of Jingke Information. Hence, the Directors intend to provide further working capital to Jingke Information and expand its business.

GENERAL

Jingke Investment is a connected person of the Company by virtue of it being (i) a substantial shareholder of Jingke Information and (ii) an associate of Mr. Zhuang Younian, a director and chief executive of Jingke Information until 13 January 2004. As the Company is granting a financial assistance under the Loan Agreement to its non-wholly owned subsidiary, Jingke Information, in which a connected person of the Company, Jingke Investment, is a shareholder, the Loan Agreement constitutes a connected transaction for the Company under Chapter 14 of the Listing Rules.

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DEFINITIONS

"associate"	has the same meaning as ascribed thereto in the Listing Rules
"Cathay Holdings"	Cathay Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly owned subsidiary of the Company
"Company"	Shenzhen High-Tech Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Directors"	the directors of the Company
"Facility"	a non-revolving secured loan of up to RMB15 million (equivalent to approximately HK\$14 million) to be granted by Cathay Holdings to Jingke Information under the Loan Agreement
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Jingke Investment"	武漢晶科科技投資有限公司(Wuhan Jingke Information Science & Technology Investment Co., Ltd.*), a company incorporated in the PRC with limited liability, which is owned as to 60% by Mr. Zhuang Younian
"Jingke Information"	Wuhan Jingke Information Industry Co., Ltd., a Sino-foreign joint venture established under PRC laws, the equity interest of which is owned as to 51% by Marax Development Limited, a wholly owned subsidiary of the Company, as to 49% by Jingke Investment, a company incorporated in the PRC with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreement"	an agreement dated 1 March 2004 entered into between Cathay Holdings and Jingke Information whereby Cathay Holdings agreed to grant the Facility to Jingke Information
"PRC"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	share(s) of HK\$0.01 each in the share capital of the Company
"shareholder(s)"	holder(s) of Shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the same meaning as provided in section 2 of the Companies Ordinance, Cap.32, laws of Hong Kong

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

Hong Kong, 1 March 2004

Note: For the purpose of this announcement, the exchange rate between HK\$ and RMB at HK\$1.00 to RMB1.06 is used.

* For identification purpose only