



SHENZHEN HIGH-TECH HOLDINGS LIMITED

深圳科技控股有限公司

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

The Directors are pleased to announce 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.

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. Upon fulfillment of the Conditions, the Purchaser shall enter into the Standard Contracts with the Vendor in respect of the Property.

The Acquisition contemplated under the Agreement constitutes a discloseable transaction of the Company under the Listing Rules. A Circular containing details of the Acquisition will be dispatched to the Shareholders as soon as practicable.

AGREEMENT DATED 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.

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.

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.

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's 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.

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.

GUARANTEE

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

FUNDING

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

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 furnish 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 club house, 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.

GENERAL

The Acquisition contemplated under the Agreement constitutes a discloseable transaction of the Company under the Listing Rules. A Circular containing details of the Acquisition will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS OF TERMS USED IN THIS ANNOUNCEMENT

"Agreement"	the agreement dated 13 February 2004 entered into between the Purchaser and the Vendor in relation to sale and purchase of the Property
"Acquisition"	the acquisition of the Property
"Board"	the board of Directors of the Company
"Conditions"	the conditions as set out in the above 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
"Company"	Shenzhen High-Tech Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Guarantors"	Shun Fung (H.K.) Group Limited and Ho Kan Kong
"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 are being constructed and the rest of them have been completed
"Purchaser"	Profit Ever Holdings Limited, a wholly owned subsidiary of the Company incorporated in the British Virgin Islands
"RMB"	Renminbi, the lawful currency of the PRC
"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 to the Company as defined in the Listing Rules
"HK\$"	lawful currency of the Hong Kong Special Administrative Region

For the purpose of this announcement, exchange rate of HK\$1 = RMB1.06 has been adopted for illustrative purpose only.

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

Hong Kong, 16 February 2004

* for identification purposes only.