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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

**MAJOR TRANSACTION  
RELATING TO PROVISION OF FINANCIAL ASSISTANCE**

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 25 February 2008
“Board”	the board of Directors
“Borrower”	a company incorporated in the British Virgin Islands and an Independent Third Party
“Cathay” or “Lender”	Cathay Holdings Limited, a wholly owned subsidiary of the Company, and a licensed money lender to carry on the business of money lending
“Company”	Shenzhen High-Tech Holdings Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Financial Assistance”	the provision of the Loan under the Loan Agreement to The Borrower
“Group”	the Company and its subsidiaries
“Guarantor”	an Independent Third Party and also the ultimate beneficial owner of the Borrower as at the date of signing of the Loan Agreement
“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
“Independent Third Party”	a party who is independent of the Company and its connected persons (as defined under the Listing Rules)
“Latest Practicable Date”	14 March 2008, being the latest practicable date before the printing of this circular for ascertaining certain information
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Loan”	the loan in the amount of HK\$26,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 18 February 2008 entered into between Cathay as lender and the Borrower as borrower relating to the secured term loan facility of HK\$26,000,000
“Personal Guarantee”	the deed of guarantee dated 18 February 2008 executed by the Guarantor in favour of the Lender to guarantee the due performance of the Lender of its obligations under the Loan Agreement
“PRC”	the People’s Republic of China
“Share Charge”	the deed of charge dated 18 February 2008 executed by the shareholder of the Borrower by way of a first legal charge of all its rights, title and interest in and to one share beneficially owned by it in favour of the Lender
“Shares”	ordinary shares of HK\$0.20 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vitop”	Vitop Bioenergy Holdings Limited (Stock Code: 1178), a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“Vitop Shares Charge”	the deed of charge dated 18 February 2008 executed by the Borrower by way of a first legal charge of all its rights, title and interest in and to 219,805,112 shares in the capital of Vitop beneficially owned by the Borrower in favour of the Lender

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LETTER FROM THE BOARD

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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)**

*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, HM11  
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

17 March 2008

*To the shareholders of the Company  
and for information only, to the holders  
of unlisted warrants*

Dear Sir or Madam,

**MAJOR TRANSACTION  
RELATING TO PROVISION OF FINANCIAL ASSISTANCE**

**INTRODUCTION**

It was announced on 25 February 2008 that Cathay entered into the Loan Agreement with the Borrower, pursuant to which Cathay has lent and the Borrower has borrowed the Loan.

The purpose of this circular is to provide you with further information regarding, among other things, (i) further information on the Loan Agreement; and (ii) other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### MAJOR TRANSACTION

#### The Loan Agreement

Date: 18 February 2008

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

Borrower: the Borrower

Pursuant to the Loan Agreement, Cathay has lent and the Borrower has borrowed a loan of HK\$26,000,000 for a period from 18 February 2008 to 31 December 2008 with repayment amount of HK\$36,400,000. The Loan is secured by the Share Charge, the Vitop Shares Charge and the Personal Guarantee.

The Borrower and its ultimate beneficial owner, to the best of the Directors' knowledge, information and belief having made all reasonable enquires, are Independent Third Parties.

#### Principal terms of the Loan Agreement

Amount of the Loan: HK\$26,000,000

Repayment Date: 31 December 2008

Repayment Amount: HK\$36,400,000 (inclusive of interest of approximately 46.06% per annum)

Drawdown of the Loan: 18 February 2008

Security for the Loan:

- (1) the Share Charge
- (2) the Vitop Shares Charge
- (3) the Personal Guarantee

#### *The Share Charge*

The Loan is secured by a share charge executed by the shareholder of the Borrower in favour of Cathay by way of a first legal charge over 1 share of US\$1.00 in the capital of the Borrower, being the entire issued capital of the Borrower.

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## LETTER FROM THE BOARD

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### *The Vitop Shares Charge*

The Loan is also secured by a shares charge executed by the Borrower in favour of Cathay by way of a first legal charge over 219,805,112 shares of HK\$0.025 each in the capital of Vitop beneficially owned by the Borrower. Based on the closing price of the shares of Vitop as quoted on the Stock Exchange of HK\$0.139 per share at the date of the Announcement, the Vitop Shares Charge has a value of approximately HK\$30,552,910.

The loss before tax and after tax of Vitop for the two financial years ended 30 June 2007 are as follows:

	<b>2007</b>	<b>2006</b>
	<i>(HK\$)</i>	<i>(HK\$)</i>
Loss before tax	12,047,000	38,788,000
Loss after tax	12,221,000	39,775,000

The net asset value of Vitop for the financial year ended 30 June 2007 is HK\$43,944,000.

### *The Personal Guarantee*

The Loan is also secured by the Personal Guarantee executed by the Guarantor in favour of Cathay to guarantee the due performance of the Borrower under the Loan.

Repayment of the Loan: The Loan is due on 31 December 2008, no early or partial repayment of the Loan by the Borrower is permitted unless with the prior written consent of Cathay.

The terms of the Loan Agreement were arrived at after arm's length negotiations between Cathay and the Borrower. The Directors (including independent non-executive Directors) consider that the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

### **Information of the Group**

The Group is principally engaged in property investment and trading, securities trading and provision of financial services.

The Financial Assistance will contribute an interest income of HK\$10,400,000 to the Group for the year ended 31 December 2008, which represents 10.17% on the audited net profit of the Group for the year ended 31 December 2007. The principal amount of the Financial Assistance represents 2.25% on the total assets as per the Company's audited consolidated financial statement as at 31 December 2007. The Financial Assistance is financed by the internal resources of the Group; no material impact will be bore upon the

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## LETTER FROM THE BOARD

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liabilities of the Group. The granting of the Loan does not have impact on the assets, both non-current and current assets, of the Group, since the loan will be repaid before the end of 2008.

### **Information on the Borrower**

The Borrower is a company incorporated in the British Virgin Islands with limited liability and its principal activity is investment holding. Its sole asset and investment is the shares charged to Cathay under the Vitop Shares Charge.

### **Reasons for the Financial Assistance**

Cathay is a licensed money lender and its principal activity is provision of loan.

The Financial Assistance provides an opportunity for the Group to employ its idle fund to obtain a high rate of return for its capital with comfortable level of security.

### **FINANCIAL AND TRADING PROSPECT OF THE GROUP**

For the year ended 31 December 2007, the Group has recorded a turnover of approximately HK\$31,778,000 and net profit for the year of approximately HK\$102,222,000. It is expected that the Group will have an increase in the turnover due to the increase in sale of property held for sale and rental income for the year 2008. However, the return from the sales and rental income will be subject to the administrative measures carried out by the authorities in the PRC and the market risk in relation to the pricing of sale of property and rental.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the revenue test ratio exceeds 25%, the Financial Assistance constitutes a major transaction of the Company pursuant to Chapter 14 of the Listing Rules. The Financial Assistance is subject to the requirements pursuant to Rules 14.34 to 14.39 and approval by the Shareholders.

However, since the Loan has already been drawn down by the Borrower due to the misinterpretation of the Listing Rules, the failure by the Company to seek approval by the Shareholders of the Loan Agreement constituted a breach of the Listing Rules.

The percentage ratios obtained on the assets test, profits test, consideration test and equity capital test under Rule 14.07 are between 2.67% and 5.76%. The Financial Assistance being classified as a major transaction of the Company is caused by the relatively low turnover of the Company recorded for the financial year ended 31 December 2006. The Company is of the view that the revenue test is not an appropriate indicator for measurement of materiality of the Company's transactions. Continue application of the revenue test is counter productive and may place undue compliance burden on the Company. The Directors are considering alternative size test which may be more suitable to the Company's circumstance and seek appropriate approval by the Stock Exchange pursuant to Rule 14.20.

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## LETTER FROM THE BOARD

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### GENERAL

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

Yours faithfully,  
By Order of the Board  
**Shenzhen High-Tech Holdings Limited**  
**Wong Chung Tak**  
*Chairman*

**1. INDEBTEDNESS**

As at 31 December 2006 and 2007, the Group did not have any indebtedness and bank loans, overdrafts and other banking facilities, nor did the Group provide any mortgages, pledge and charges for securing bank loans, overdrafts or any banking facilities, neither did the Group have any contingent liabilities.

**2. WORKING CAPITAL**

The Directors, including the independent non-executive Directors, are of the opinion that, following completion of the Loan Agreement, taking into account the financial resources available to the Group, including internally generated funds and steady rental income, and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its requirements within 12 months from the Latest Practicable Date.

## 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. DISCLOSURE OF INTERESTS

### (i) Directors' interests and short positions in the Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors 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 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	303,301,589 (Note)	24.46%

*Note:* The interests of Mr. Wong Chung Tak in the share capital of the Company are held through Thing On Group Limited, which 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 Directors	Nature of interest	Date of grant	Exercise 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	0.57%
	Spouse interest	13 February 2007	21 February 2007 to 29 May 2012	0.72	6,900,000	0.56%
Mr. Tse Kam Fai	Personal interest	13 February 2007	21 February 2007 to 29 May 2012	0.72	7,100,000	0.57%
Mr. Wong Ngo	Personal interest	13 February 2007	21 February 2007 to 29 May 2012	0.72	6,900,000	0.56%
Ms. Chong Kally	Personal interest	13 February 2007	21 February 2007 to 29 May 2012	0.72	6,900,000	0.56%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors 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:

*Long positions in the Shares*

Name of Shareholders	Note	Number of Shares held		Total	Approximate % in total number of issued shares
		Direct interest	Indirect interest		
Thing On Group Limited	1	303,301,589	–	303,301,589	24.47%
Mr. Wong Chung Tak	1	7,100,000	310,201,589	317,301,589	25.59%
Ms. Ng Ka Fong, Jenny	1	6,900,000	310,401,589	317,301,589	25.59%
Growth Time Holdings Limited (“GTHL”)	2	120,000,000	–	120,000,000	9.68%
Ideal China International Ltd. (“ICIL”)	3	120,000,000	–	120,000,000	9.68%

*Notes:*

- (1) The entire issued share capital of Thing On Group Limited is beneficially owned by Mr. Wong Chung Tak (“Mr. Wong”). Mr. Wong is a director of Thing On Group Limited. Ms. Ng Ka Fong, Jenny (“Ms. Ng”) is the spouse of Mr. Wong. Therefore, both Mr. Wong and Ms. Ng are deemed to be interested in (a) the shares held by Thing On Group Limited, (b) the share options held by Mr. Wong, and (c) the share options held by Ms. Ng.
- (2) GTHL was interested in derivative of 120,000,000 shares pursuant to the 120,000,000 unlisted warrants issued by the Company on 22 October 2007, whereby each warrant entitles the holder to subscribe for one share at HK\$0.42 or HK\$0.45, whichever is applicable, at any time during a period of 36 months commencing from the date of issue of the warrants. The entire issued share capital of GTHL is beneficially owned by Ms. Ching Elizabeth Sia (“Ms. Ching”). Ms. Ching is therefore deemed to have interests in these derivatives held by GTHL.
- (3) ICIL was interested in derivative of 120,000,000 shares pursuant to the 120,000,000 unlisted warrants issued by the Company on 22 October 2007, whereby each warrant entitles the holder to subscribe for one share at HK\$0.42 or HK\$0.45, whichever is applicable, at any time during a period of 36 months commencing from the date of issue of the warrants. The entire issued share capital of ICIL is beneficially owned by Ms. Chao Lily Ngo (“Ms. Chao”). Ms. Chao is therefore deemed to have interests in the shares held by ICIL.

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.

### **3. MATERIAL ADVERSE CHANGES**

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Company since 31 December 2006, being the date to which the latest published audited financial statements of the Company were made up.

### **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) was 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. DIRECTORS' MATERIAL INTERESTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

### **8. MATERIAL CONTRACTS**

Save as disclosed below, the Company has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two years immediately preceding the date of this circular which are or may be material:

- (i) the placing agreement dated 21 April 2006 entered into between the Company and Quam Securities Company Limited relating to the placing of 2,870,000,000 new Shares;
- (ii) the equity transfer agreement dated 29 May 2006 entered into between China Dawning Information Industry Group Limited (中國曙光信息產業集團有限公司), Dawning Information Industry (Shenzhen) Limited (曙光信息產業(深圳)有限公司) and 深科高新實業(深圳)有限公司 (Shenke High-Tech Industrial (Shenzhen) Limited), three wholly-owned subsidiaries of the Company as vendors, and 天津曙光計算機產業有限公司 (Tianjin Dawning Computer Industry Company) for disposal of 100% direct equity interests in Beijing Dawning Tianyan Information Technology Company Limited 北京曙光天演信息技術有限公司 and 50% direct interest in Dawning Information Industry (Beijing) Limited (曙光信息產業(北京)有限公司);
- (iii) the share purchase agreement and a supplemental agreement entered into between Asset Partners Group Limited, a wholly-owned subsidiary of the Company, and Ms. Juvy Ngo Ting on 27 December 2006 and 28 December 2006 respectively for the acquisition of 51% equity interests in and the shareholder's loan to Twente Company Limited;
- (iv) the sale and purchase agreement dated 27 February 2007 entered into between the Company and Ms. Lucy Tin Chua for the acquisition of 100% equity interests in and the shareholder's loan to Sharp World Investments Limited;
- (v) the sale and purchase agreement dated 16 March 2007 entered into between the Company and Agricultural Technology (Hongkong) Holdings Limited for the disposal of 100% equity interests in Treasure Land Enterprises Limited;
- (vi) the sale and purchase agreement dated 25 May 2007 entered into by Stadium Holdings Limited, a wholly-owned subsidiary of the Company, for the sale of the properties situated at Suites 04, 05, and 06 on 19th Floor, Harbour Centre, No. 25 Harbour Road, Wanchai, Hong Kong;
- (vii) the subscription agreement dated 7 June 2007 entered into between the Company and Glory Faith Holdings Limited for the subscription of 110,000,000 new Shares;
- (viii) the sale and purchase agreement dated 5 July 2007 entered into between the Company and Ms. Lucy Tin Chua for the acquisition of 100% equity interests in and the shareholder's loan of Glory Faith Holdings Limited;
- (ix) the subscription agreement dated 5 July 2007 entered into between the Company and Excel Aim Group Limited for the subscription of 96,600,000 new Shares;
- (x) the placing agreement dated 8 October 2007 entered into between the Company and Quam Securities Company Limited for the placing of 240,000,000 unlisted warrants;

- (xi) the sale and purchase agreement dated 8 October 2007 entered into by Sharp World Investments Limited, a wholly-owned subsidiary of the Company for the sale of the property located at office No. 1102, 11th Floor, Tower 1, Admiralty Centre, No. 18 Harcourt Road, Hong Kong; and
- (xii) the Loan Agreement.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the head office of the Company at Unit 702, 7/F., Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong, for 14 days from the date of this circular:

- (a) the memorandum of association and Bye-laws of the Company;
- (b) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (c) the annual reports of the Company for the years ended 31 December 2005 and 2006; and
- (d) the circulars of the Company dated 11 June 2007, 20 July 2007 and 26 October 2007.

## **10. 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 Computershare Hong Kong Investor Services Limited, whose address is at shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, 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.