
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 and the accompanying form of proxy 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.



SHENZHEN HIGH-TECH HOLDINGS LIMITED
深圳科技控股有限公司

(Incorporated in Bermuda with limited liability)

GENERAL MANDATE TO ISSUE SECURITIES

A notice convening a special general meeting of Shenzhen High-Tech Holdings Limited to be held at Units 1904 -1906, 19/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Monday, 26 January 2004 at 11:00 a.m. or any adjournment thereof is set out on pages 6 to 8 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deliver it to the Company's branch share registrars in Hong Kong, Standard Registrars Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the special general meeting or any adjournment thereof in person if you so wish.

7 January 2004

LETTER FROM THE BOARD



SHENZHEN HIGH-TECH HOLDINGS LIMITED

深圳科技控股有限公司

(Incorporated in Bermuda with limited liability)

Executive Directors:

WONG Chung Tak (*Chairman*)

GONG Hanbing (*President*)

DENG Wenyun

TSE Kam Fai

Registered Office:

Clarendon House

2 Church Street

Hamilton, HM 11

Bermuda

Non-executive Director:

CHEN Chao

WONG Ngo, Derick

Head Office and Principal

Place of Business in Hong Kong:

Units 1904-1906

19th Floor, Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

Independent Non-executive Directors:

LEE Kuo Ching, Stewart

CHONG Kally

LIU Sing Piu, Chris

7 January 2004

To the shareholders of the Company

Dear Sir or Madam,

GENERAL MANDATE TO ISSUE SECURITIES

INTRODUCTION

The purpose of this circular is to provide you with the information of the ordinary resolution to be proposed at the special general meeting of the Company (the “SGM”) for granting the directors of the Company (the “Directors”) a general mandate (the “New Mandate”) to allot, issue and deal with shares (“Shares”) and other securities of the Company equal to a maximum of 20 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing the relevant resolution granting the New Mandate.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SECURITIES

At the special general meeting of the Company held on 24 November 2003, a general mandate (the “Existing Mandate”) was granted to the Directors to allot, issue and deal with shares and other securities of the Company of up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company on 24 November 2003. Following completion of the placement of 1,985,200,000 new Shares to independent placees as announced by the Company on 12 December 2003, the Existing Mandate has been fully utilized.

The Directors propose to put forward an ordinary resolution at the SGM seeking shareholders’ approval for granting the New Mandate. The grant of the New Mandate to the Directors will provide flexibility to the Company to issue new securities in the future. At present, the Directors have no intention to issue any securities of the Company.

There are 11,961,310,755 Shares currently in issue.

SUMMARY OF GENERAL MANDATES TO ISSUE SECURITIES

Set out below is a table showing the general mandates to issue securities granted to the Directors in the past 12 months.

Date of granting of the general mandate	General mandate granted	Number of Shares issuable pursuant to the general mandate
29 May 2003	General mandate to issue securities up to 20% of the issued share capital of the Company at the date of granting the mandate	1,378,631,792
13 October 2003	General mandate to issue securities up to 20% of the issued share capital of the Company at the date of granting the mandate	1,654,351,792
24 November 2003	General mandate to issue securities up to 20% of the issued share capital of the Company at the date of granting the mandate	1,985,222,151

LETTER FROM THE BOARD

SUMMARY OF FUND RAISING EXERCISES

Set out below is a table showing the fund raising exercises of the Company in the past 12 months.

Date of the relevant agreement	Nature of the transaction	Number of Shares issued pursuant to the agreement	Issue price per Share <i>HK\$</i>	Discount of the issue price to the average share price for the last 10 trading days prior to the issue of the relevant announcement	Amount of net proceeds <i>HK\$</i>	Intended use of proceeds at the time of fund raising	Actual use of net proceeds
4 September 2003	Pursuant to the placing agreement, the Company has issued new Shares to independent investors through a placing agent	1,378,600,000	0.068	29.9%	91,400,000	General working capital <i>Note 1</i>	<i>Note 2</i>
20 October 2003	Pursuant to the subscription agreement, new Shares are subscribed by a strategic investor	1,654,351,792	0.060	18.7%	96,000,000	Principally for the expansion of business of Dawning Information Industry (Shenzhen) Limited (“Dawning”), a wholly-owned subsidiary of the Company, and related property projects	<i>Note 3</i>
10 December 2003	Pursuant to the placing agreement, the Company has issued new Shares to independent investors through a placing agent	1,985,200,000	0.056	25.6%	107,300,000	<i>Note 4</i>	Not yet applied to the intended usage

LETTER FROM THE BOARD

Notes:

1. As stated in the Company's announcement dated 4 September 2003, the net proceeds from the placing will be used for general working capital purpose and the Company will consider further expansion or investment opportunities.
2.
 - (a) On 10 December 2003, around HK\$50 million was paid as consideration for the acquisition of the 49% interest in the whole of level 4 and six units on level 5 of East Gate Plaza, Block B, 29 Dong Zhong Street, Dong Cheng District, Beijing, the PRC from Mrs. Ngo Ting, Juvy, an independent third party not connected with any of the directors, chief executive and substantial shareholders of the Company or its subsidiaries, or an associate of any of them.
 - (b) Around HK\$10 million has been earmarked for further investment in Beijing CPT Bluetus Co. Ltd., a non wholly owned subsidiary of the Company, a portion of which has been utilized; and
 - (c) The balance of around HK\$31.4 million has been retained for general working capital.
3.
 - (a) Around HK\$60 million was deployed as general working capital for Dawning, the major operating subsidiary of the Company, which is principally engaged in the production and sale of computers and servers and related property projects.
 - (b) The balance of around HK\$36 million will be earmarked as part of the financial resources required for setting up new manufacturing bases and research centres for Dawning.
4. It is intended that about HK\$25 million will be transferred to Wu Han Jingke Information Industry Co., Ltd. as its general working capital. The balance of the net proceeds will be used principally for property development projects in the PRC.

SGM

There is set out on pages 6 to 8 a notice convening the SGM to be held at Units 1904-1906, 19/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Monday, 26 January 2004 at 11:00 a.m.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deliver it to the Hong Kong branch share registrars of the Company, Standard Registrars Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider the New Mandate is in the interests of the Company as well as its shareholders. Accordingly, the Directors recommend shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

Yours faithfully,
For and on behalf of
SHENZHEN HIGH-TECH HOLDINGS LIMITED
Wong Chung Tak
Chairman



SHENZHEN HIGH-TECH HOLDINGS LIMITED
深圳科技控股有限公司

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN THAT the special general meeting (the “Meeting”) of Shenzhen High-Tech Holdings Limited (the “Company”) will be held at Units 1904 -1906, 19/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Monday, 26 January 2004 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution which will be proposed as ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (i) subject to sub-paragraph (iii) below, the exercise by the board of directors of the Company (the “Board”) during the Relevant Period (as defined in sub-paragraph (iv) below) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, options, warrants or similar rights to subscribe for shares, and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (ii) the approval in sub-paragraph (i) above shall be in addition to any other authorisation given to the Board and shall authorise the Board during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in sub-paragraph (i) above, otherwise than pursuant to: (a) a Rights Issue (as defined in sub-paragraph (iv) below); (b) an issue of shares upon the exercise of any option granted under any share option scheme or similar arrangement for the time being adopted for employees or directors and/or officers of the Company and/or any of its subsidiaries; (c) an issue of shares upon the exercise of rights of subscription or conversion attaching to any warrants, convertible bonds or other securities issued by the Company which are convertible into shares; or (d) any scrip dividend or

NOTICE OF SGM

similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on share in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution, and the said approval shall be limited accordingly;

(iv) for the purposes of this resolution:

“Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
- (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Board by this resolution; and

“Rights Issue” means an offer of shares open for a period fixed by the Board to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares, subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company; and

(v) the authority conferred by this resolution shall be in substitution for all previous authorities granted to the Board, except that it shall be without prejudice to and shall not affect the exercise of the power by the Board pursuant to such authorities to allot additional shares up to and in accordance with the approval therein contained prior to the date of this resolution.”

By order of the Board
Chan King Chung
Company Secretary

Hong Kong, 7 January 2004

NOTICE OF SGM

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of the joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorised, and must be deposited with the Hong Kong branch share registrars of the Company, Standard Registrars Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting.