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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 and the accompanying proxy form 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.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares.

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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)**

**PROPOSED SHARE CONSOLIDATION  
AND  
CHANGE OF BOARD LOT SIZE  
AND  
DISCLOSEABLE TRANSACTION  
ACQUISITION OF 51% OF THE ISSUED SHARE CAPITAL  
OF TWENTE COMPANY LIMITED AND THE LOAN**

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A notice convening the special general meeting of Shenzhen High-Tech Holdings Limited (the “Company”) to be held at 20th Floor, Central Tower, 28 Queen’s Road Central, Hong Kong on 12 February 2007 at 10:00 a.m. is set out on pages 25 to 26 of this circular. Whether or not you intend to attend and vote at the special general meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the branch share registrar of the Company, Standard Registrars Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the special general meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting(s) should you so wish.

15 January 2007

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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 28 December 2006
“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Acquisition”	the acquisition of the Sale Shares and the Loan from the Vendor by the Purchaser
“Agreement”	the conditional agreement for sale and purchase dated 27 December 2006 and entered into between the Vendor and the Purchaser in relation to the Acquisition (as supplemented and amended by the Supplemental Agreement unless the context requires otherwise)
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“Consideration Shares”	being 2,739,130,434 new Shares to be issued and allotted, credited as fully paid, to satisfy the Consideration
“Consolidated Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company after the Share Consolidation becoming effective
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	11 January 2007, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the total amount of indebtedness due and owing by Twente to the Vendor by way of shareholder’s loan advanced by the Vendor to Twente in the sum of approximately HK\$22,638,678
“PRC”	the People’s Republic of China
“Properties”	the properties situated at Level 4 and Units 501-506 on Level 5 of Beijing East Gate Plaza, Block B, No. 29 Dong Zhong Street, Dong Cheng District, Beijing, the PRC
“Purchaser”	Asset Partners Group Limited, a wholly-owned subsidiary of the Company which is incorporated in the British Virgin Islands with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	51 ordinary shares of US\$1.00 each in Twente representing 51% of the entire issued share capital of Twente
“SFO”	Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held on 12 February 2007 to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation

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## DEFINITIONS

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“Share Consolidation”	the proposed consolidation of every twenty (20) Shares into one (1) Consolidated Share
“Share Option(s)”	option(s) for the subscription of Shares or Consolidated Shares, as the case may be, granted pursuant to the various share option schemes adopted by the Company
“Shareholder(s)”	holder(s) of Shares or Consolidated Shares, as the context requires
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Agreement dated 28 December 2006 and entered into between the Vendor and the Purchaser
“Twente”	Twente Company Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor”	Juvy Ngo Ting
“%”	per cent.

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## EXPECTED TIMETABLE FOR SHARE CONSOLIDATION AND CHANGE OF BOARD LOT SIZE

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*Set out below is the expected timetable in relation to the Share Consolidation and change of board lot size:*

2007

Despatch of circular and notice of the SGM.....	Monday, 15 January
Latest time for lodging form of proxy for the SGM .....	10:00 a.m. on Saturday, 10 February
SGM .....	10:00 a.m. on Monday, 12 February
Effective date for the Share Consolidation .....	Tuesday, 13 February
Free exchange of existing light blue share certificates for new light pink share certificates commences .....	Tuesday, 13 February
Original counter for trading in Shares in board lots of 40,000 Shares temporarily closes .....	9:30 a.m. on Tuesday, 13 February
Temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing light blue share certificates) opens .....	9:30 a.m. on Tuesday, 13 February
Original counter for trading in Consolidated Shares in new board lots of 4,000 Consolidated Shares (in the form of new light pink share certificates) re-opens .....	9:30 a.m. on Thursday, 1 March
Parallel trading in Consolidated Shares in the form of new light pink share certificates and existing light blue share certificates commences .....	9:30 a.m. on Thursday, 1 March
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares .....	Thursday, 1 March
Temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing light blue share certificates) closes .....	4:00 p.m. on Thursday, 22 March

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**EXPECTED TIMETABLE FOR SHARE CONSOLIDATION AND CHANGE OF BOARD LOT SIZE**

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Parallel trading in Consolidated Shares in the form  
of new light pink share certificates and  
existing light blue share certificates closes . . . . . 4:00 p.m. on Thursday, 22 March

Designated broker ceases to stand in the market  
to provide matching services for odd lots of  
Consolidated Shares . . . . . 4:00 p.m. on Thursday, 22 March

Free exchange of existing light blue share certificates  
for new light pink share certificates ends . . . . . Tuesday, 27 March

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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, 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

15 January 2007

*To the shareholders of the Company*

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION  
AND  
CHANGE OF BOARD LOT SIZE  
AND  
DISCLOSEABLE TRANSACTION  
ACQUISITION OF 51% OF THE ISSUED SHARE CAPITAL  
OF TWENTE COMPANY LIMITED AND THE LOAN**

**I. INTRODUCTION**

On 28 December 2006, the Board announced, among other things, the (i) proposal for the Share Consolidation and the change of board lot size; and (ii) the Acquisition, which is a discloseable transaction of the Company.



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## LETTER FROM THE BOARD

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The purpose of this circular is to give you further information on (i) the proposed Share Consolidation, the change of board lot size and the notice of the SGM; and (ii) the Acquisition in accordance with the Listing Rules.

### II. SHARE CONSOLIDATION AND CHANGE OF BOARD LOT SIZE

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Shares will be consolidated into one (1) Consolidated Share. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

#### Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company amounts to HK\$300,000,000 divided into 30,000,000,000 Shares, of which 17,223,310,755 Shares have been allotted and issued as fully paid or credited as fully paid. After taking into account the Consideration Shares to be issued under the Acquisition, details of which are stated in the later part of this circular, the total number of Shares issued will be 19,962,441,189. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot and issue any further Shares prior thereto, the authorised share capital of the Company shall become HK\$300,000,000 divided into 1,500,000,000 Consolidated Shares, of which 861,165,537 Consolidated Shares (or 998,122,059 Consolidated Shares after taking into account the Consideration Shares to be issued) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Bye-laws.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

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## LETTER FROM THE BOARD

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### **Conditions of the Share Consolidation**

The Share Consolidation is conditional on:

- (i) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares in issue.

No shareholder is required to abstain from voting on the resolution in relation to the Share Consolidation.

### **Reasons for the Share Consolidation**

The Share Consolidation will increase the nominal value of the shares and reduce the total number of shares in issue. Accordingly, the transaction and handling costs of the Company in relation to the dealing in the Consolidated Shares and the listing fees are expected to be reduced, which are beneficial to the Company.

### **Change of board lot size**

The Board also proposes to change the board lot size for trading in the shares of the Company from 40,000 Shares to 4,000 Consolidated Shares upon the Share Consolidation becoming effective.

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## LETTER FROM THE BOARD

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### **Trading arrangement in relation to the proposed Share Consolidation**

Upon the Share Consolidation becoming effective, all existing light blue share certificates for any number of Shares in issue immediately before the effective date of the Share Consolidation will be deemed to be certificates, and will be effective as documents of title, for Consolidated Shares in the amount equivalent to one twentieth of that number of shares. New light pink share certificates will be issued for Consolidated Shares. Parallel trading arrangements will be established on the Stock Exchange for dealings in Consolidated Shares in the form of the existing light blue share certificates and in the form of the new light pink share certificates. The trading arrangements proposed for dealings in Consolidated Shares are set out as follows:

- (i) with effect from 9:30 a.m. on Tuesday, 13 February 2007, the original counter (“Original Counter”) for trading in Shares in existing board lot of 40,000 Shares will close temporarily. A temporary counter (“Temporary Counter”) for trading in Consolidated Shares represented by existing light blue share certificates in board lot of 2,000 Consolidated Shares will be established. Every existing certificate for whatever number of Shares will be deemed to be a certificate, and will be effective as a document of title valid for settlement and delivery for trading transacted from 9:30 a.m. on Tuesday, 13 February 2007 to 4:00 p.m. on Thursday, 22 March 2007 for Consolidated Shares in the amount equivalent to one twentieth of that number of Shares. The existing light blue share certificates for Shares can only be traded at this Temporary Counter;
- (ii) with effect from 9:30 a.m. on Thursday, 1 March 2007, the Original Counter will reopen for trading in Consolidated Shares in new board lot of 4,000 Consolidated Shares. Only new light pink share certificates for Consolidated Shares can be traded at this counter;
- (iii) with effect from 9:30 a.m. on Thursday, 1 March 2007 to 4:00 p.m. on Thursday, 22 March 2007 (both dates inclusive) there will be parallel trading at the Temporary Counter and the Original Counter respectively mentioned in (i) and (ii) above; and
- (iv) the Temporary Counter for trading in Consolidated Shares represented by the existing light blue share certificates in board lot of 2,000 Consolidated Shares will be removed after the close of trading on Thursday, 22 March 2007. Thereafter, trading will only be in Consolidated Shares represented by new light pink share certificates in new board lot of 4,000 Consolidated Shares and the existing light blue share certificates for Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes.

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## LETTER FROM THE BOARD

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Subject to the Share Consolidation becoming effective on Tuesday, 13 February 2007, Shareholders may, during Tuesday, 13 February 2007 to Tuesday, 27 March 2007 (both dates inclusive), submit existing light blue share certificates for Shares to the Company's branch share registrar in Hong Kong, Standard Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange, at the expense of the Company, for new light pink share certificates for Consolidated Shares (on the basis of twenty (20) Shares for one (1) Consolidated Share). Thereafter, certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Shares cancelled or each new light pink share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for Shares will continue to be good evidence of legal title and may be exchanged for certificates for Consolidated Shares at any time.

It is expected that new certificates for Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates for Shares to Standard Registrars Limited for exchange. Unless otherwise instructed, new light pink share certificates will be issued in board lot of 4,000 Consolidated Shares each. New share certificates for Consolidated Shares will be light pink in colour to distinguish them from the existing share certificates for Shares which are light blue in colour.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint Thing On Securities Limited to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of Consolidated Shares, from Thursday, 1 March 2007 up to and including Thursday, 22 March 2007. Shareholders who wish to take advantage of this facility should contact Mr. Kelvin Hung of Thing On Securities Limited at Unit 2401, Worldwide House, 19 Des Voeux Road Central, Hong Kong (Tel: 2290 0234, Fax: 2845 2013) during the aforesaid period. Shareholders should note that the matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about the facility described above.

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## LETTER FROM THE BOARD

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### **Listing and dealings**

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation taking effect.

No part of the share capital of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal is being or is currently proposed to be sought from any other stock exchange.

Dealings in Consolidated Shares on the branch register of Shareholders will be subject to Hong Kong stamp duty.

Subject to the granting of listing of, and permission to deal in, Consolidated Shares on the Stock Exchange, Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### **Outstanding Share Options**

As at the Latest Practicable Date, the number of Shares issuable in respect of which Share Options have been granted and are outstanding under the share option schemes adopted by the Company is 117,454,100.

The Company has appointed the financial adviser to provide a certificate as to the adjustment (if any) required to be made in accordance with the rules of each of the share option schemes adopted by the Company, Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange once the Share Consolidation becomes effective on the basis that there are Share Options outstanding as at the date the Share Consolidation becomes effective.

Corresponding adjustments will be made on the basis that the proportion of the issued share capital of the Company to which a grantee of share options is entitled shall remain the same before and after such adjustment in accordance with rules of each of the share option schemes and the supplementary guidance issued by the Stock Exchange.

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## LETTER FROM THE BOARD

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### III. SGM AND RECOMMENDATION

Pages 25 to 26 of this circular contain a notice convening the SGM which will be held at 20th Floor, Central Tower, 28 Queen's Road Central, Hong Kong on 12 February 2007 at 10:00 a.m. at which an ordinary resolution will be proposed to approve the Share Consolidation.

For the reasons for the Share Consolidation set out above, the Board considers that the Share Consolidation is to the benefit of the Company and the Shareholders as a whole. The Board therefore recommends the Shareholders to vote in favour of the ordinary resolution in respect of the Share Consolidation at the SGM.

A form of proxy for the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon, as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof to the office of the Company's branch share registrar in Hong Kong, Standard Registrars Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the revised form of proxy will not preclude you from attending and voting at the meeting should you so wish.

#### **Procedures for demanding a poll**

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a general meeting of the Company shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange (as defined in the Bye-laws) (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a member or members present in person or in the case of a member being a corporation, by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or

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## LETTER FROM THE BOARD

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- (iv) by a member or members present in person or in the case of a member being a corporation, by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (v) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares, representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorized representative shall be deemed to be the same as a demand by a member.

#### IV. DISCLOSEABLE TRANSACTION

##### **The Agreement**

Date: 27 December 2006  
Vendor: Juvy Ngo Ting  
Purchaser: Asset Partners Group Limited, a wholly-owned subsidiary of the Company

##### **The Supplemental Agreement**

Date: 28 December 2006  
Vendor: Juvy Ngo Ting  
Purchaser: Asset Partners Group Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is an independent third party not connected with the Directors, chief executive or substantial shareholders of the Group or their respective Associates.

Pursuant to the Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Sale Shares and the Loan pursuant to the terms and conditions thereof.

Upon completion of the Agreement, Twente will become wholly-owned by the Purchaser and will become an indirectly wholly owned subsidiary of the Company, there will not result in change of control of the Company after the allotment and issuance of the Consideration Shares.

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## LETTER FROM THE BOARD

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### Sale Shares and the Loan

The Loan is an interest free unsecured loan in the sum of approximately HK\$22,638,678.

The Sale Shares represent 51% of the entire issued share capital of Twente. The net profits (both before and after taxation and extraordinary items) attributable to the Sales Shares for the two financial years immediately preceding the Agreement are as follows:

	<b>2005</b>	<b>2004</b>
	<i>HK\$</i>	<i>HK\$</i>
Net profits before tax and extraordinary items	905,832	2,630,021
Net profits after tax and extraordinary items	672,149	1,902,593

The book value of the Sale Shares is HK\$34,361,353, being 51% of the net asset value of Twente as shown in the unaudited consolidated balance sheet of Twente as at 30 November 2006.

### Consideration

The consideration for the Acquisition, which is arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to (1) the valuation of the Properties by an independent professional valuer; (2) the shareholders equity of Twente as at 31 December 2006 which will not be less than HK\$67,375,201; and (3) the amount of the Loan which will not be less than HK\$22,638,678 as at 31 December 2006, is (i) HK\$65,000,000 if the valuation of the Properties referred to in (1) above is not less than HK\$110 million or (ii) HK\$63,000,000 if the valuation of the Properties referred to in (1) above is less than HK\$110 million but not less than HK\$105 million.

The threshold of shareholders equity of Twente as at 31 December 2006 was arrived at with reference to the threshold of shareholders equity of Twente as shown in the unaudited consolidated balance sheet of Twente as at 30 November 2006.

Upon valuation of the Properties by the independent professional valuer, Savills Valuation and Professional Services Limited which is calculated on market value basis, the valuation of the Properties is HK\$105,000,000. Therefore, the Consideration is HK\$63,000,000.



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## LETTER FROM THE BOARD

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The Consideration shall be satisfied by the allotment and issuance of the Consideration Shares by the Company to the Vendor or its nominee(s) upon Completion.

### Consideration Shares

With reference to the closing price of HK\$0.027 per Share as quoted on the Stock Exchange on 22 December 2006, as the Consideration for the Acquisition is HK\$63,000,000 (i.e. HK\$0.023 per Consideration Share), the value of the Consideration Shares would amount to approximately HK\$73,956,521, representing a discount of approximately 14.81% to the multiple of the number of Consideration Shares multiplied by HK\$0.027 per Share. The Consideration Shares would represent approximately 15.90% of the existing issued share capital of the Company as at the Latest Practicable Date and will represent approximately 13.72% 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 or its nominee(s) 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.

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$300,000,000. The Consideration Shares, when issued, will rank *pari passu* in all respects with the existing Shares.

Upon issuance of the Consideration Shares, the shareholdings of the Company will be as follows:

Name of shareholders	As at the Latest Practicable Date		Upon completion of the Acquisition	
	No. of Shares	%	No. of Shares	%
Thing On Group Limited ( <i>Note i</i> )	4,610,751,792	26.77	4,610,751,792	23.10
The Vendor ( <i>Note ii</i> )				
– Willfame Group Limited	–	–	1,900,000,000	9.52
– Winner Come Holdings Limited	–	–	839,130,434	4.20
Shenzhen Investment Holding Corporation ( <i>Note iii</i> )	1,599,425,972	9.29	1,599,425,972	8.01
Public Shareholders	11,013,132,991	63.94	11,013,132,991	55.17
	<u>17,223,310,755</u>	<u>100.00</u>	<u>19,962,441,189</u>	<u>100.00</u>

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## LETTER FROM THE BOARD

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*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) The entire issued share capital of each of Willfame Group Limited and Winner Come Holdings Limited are wholly and beneficially owned by the Vendor.
- (iii) The interests on 1,599,425,972 Shares includes 1,279,090,260 Shares held by Great Mind Holdings Group Limited, which Shenzhen Investment Holding Corporation has deemed interests in the said Shares.

The allotment and issuance 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 Purchaser, 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.

### **Conditions**

Completion is conditional upon the fulfillment or waiver of the following conditions:

- (a) the passing by the sole shareholder of the Purchaser (i.e. the Company) in writing an ordinary resolution approving the Agreement and the transactions contemplated hereunder;
- (b) all necessary consents being granted by third parties;
- (c) the Purchaser notifying the Vendor in writing that it is satisfied upon inspection and investigation as to:
  - (i) the respective financial, corporate, taxation and trading position of Twente and its subsidiaries;
  - (ii) the title of Twente and its subsidiaries to their respective assets; and
  - (iii) the results of its searches and the replies to its enquiries with regard to the Properties;

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## LETTER FROM THE BOARD

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- (d) the Stock Exchange agreeing to grant the listing of and permission to deal in the Consideration Shares; and
- (e) the relevant consent or approval from Bermuda Monetary Authority to the issuance and allotment of the Consideration Shares is obtained.

If the above conditions are not fulfilled or waived by the Purchaser on or before 27 January 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.

### **Reasons for the Acquisition**

The Company is a shareholder of Twente holding 49% of its entire issued shares and is satisfactory with the performance of the rental arrangement and yield of the Properties for the past few years. For the purpose of improving the returns to the capital employed and at the same time minimizing risks exposure, the Directors opine that the Acquisition offers an excellent opportunity for the Group to improve its performance.

The Directors consider that the terms of the Acquisition, the Agreement and the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Information of the Group**

The Group is principally engaged in property investment and trading.

The Purchaser is an investment holding company.

### **Information on Twente**

Twente, a company incorporated in the British Virgin Islands, holds the Properties through various subsidiaries. The Properties have a total gross floor area of approximately 5,181.45 sq m (55,773 sq ft). At present, the majority of the Properties are leased under various tenancies at an aggregate monthly rent of approximately RMB464,659 with the latest expiry date on 19 December 2009, and the remainder of the Properties are left vacant to let.

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## LETTER FROM THE BOARD

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Based on the audited financial information of Twente, the turnover, net profit before and after income tax for the two financial years ended 31 December 2004 and 31 December 2005, all prepared in accordance with accounting principles generally accepted in Hong Kong were as follows:

	<b>2005</b>	<b>2004</b>
	<i>HK\$</i>	<i>HK\$</i>
Turnover	4,823,196	5,812,008
Net Profit before tax	1,776,141	5,156,904
Net Profit after tax	1,317,938	3,730,575

Upon Completion, Twente will become an indirectly wholly owned subsidiary of the Company.

As at 30 November 2006, the net asset value of Twente was HK\$67,375,202.

### **Financial Effect of the Acquisition**

After the Acquisition, Twente will contribute an annual rental income of approximately HK\$4.9 million to the Company's consolidated turnover, and the Group's total assets and liabilities will be increased by approximately HK\$59 million and HK\$2 million respectively. By reference to the Consideration for the Acquisition of HK\$63 million, the premium on the Acquisition is estimated at approximately HK\$6 million and will be written off to the consolidated profit and loss account of the Company.

### **Discloseable Transaction**

The Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules. As the consideration of the transaction involves the issuance and allotment of new Shares, an application has been made to the Stock Exchange for the approval of listing of and permission to deal in the Consideration Shares.

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## LETTER FROM THE BOARD

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### V. FUND RAISING ACTIVITY BY THE COMPANY DURING THE PAST 12 MONTHS

The Company completed the placing of 2,870,000,000 new Shares, 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 are 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 were 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 activities in the 12 months immediately preceding the Latest Practicable Date.

### VI. 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. 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 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	4,610,751,792	26.77%

*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.

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:

**(a) Interests in the Shares**

Name	Number of Shares (long-position)			Percentage in total number of issued Shares
	Direct interest	Indirect interest	Total	
Thing On Group Limited <sup>1</sup>	4,610,751,792	–	4,610,751,792	26.77%
Mr. Wong Chung Tak <sup>1</sup>	–	4,610,751,792	4,610,751,792	26.77%
Shenzhen Investment Holding Corporation (“SIHC”) <sup>2</sup>	320,335,712	1,279,090,260	1,599,425,972	9.28%
Ultrarich International Limited (“UIL”) <sup>2</sup>	–	1,279,090,260	1,279,090,260	7.42%
Shenzhen International Holdings Limited (“SIHL”) <sup>2</sup>	–	1,279,090,260	1,279,090,260	7.42%
New Vision Limited (“NVL”) <sup>2</sup>	–	1,279,090,260	1,279,090,260	7.42%
Great Mind Holdings Group Limited (“GML”) <sup>2</sup>	1,279,090,260	–	1,279,090,260	7.42%

Name	Number of Shares (long-position)			Percentage in total number of issued Shares
	Direct interest	Indirect interest	Total	
Ms. Juvy Ngo Ting <sup>3</sup>	–	2,826,086,956	2,826,086,956	16.41%
Willfame Group Limited <sup>3</sup>	1,900,000,000	–	1,900,000,000	11.03%
Winner Come Holdings Limited <sup>3</sup>	926,086,956	–	926,086,956	5.38%

*Notes:*

- (1) The entire issued share capital of Thing On Group Limited is beneficially owned by Mr. Wong Chung Tak. Both Thing On Group Limited and Mr. Wong Chung Tak are therefore deemed to have the duplicate interests in the share capital of the Company. Mr. Wong Chung Tak is a director of Thing On Group Limited.
- (2) The interest of GML in the 1,279,090,260 shares of the Company is attributed to NVL. The interest of NVL in the 1,279,090,260 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;
- (3) The interests in the said Shares are derived from the Consideration Shares to be issued pursuant to the Agreement entered into between Asset Partners Group Limited and Ms. Juvy Ngo Ting. The entire issue share capital of each of Willfame Group Limited and Winner Come Holdings Limited is wholly and beneficially owned by Ms. Juvy Ngo Ting. Ms. Juvy Ngo Ting is therefore deemed to be interested in the long-position in 1,900,000,000 Shares held by Willfame Group Limited and the long-position in 926,086,956 Shares held by Winner Come Holdings Limited.



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. 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.

### **4. 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.

### **5. 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.

**6. 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, 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.

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## NOTICE OF SGM

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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)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Shenzhen High-Tech Holdings Limited (the “Company”) will be held at 20th Floor, Central Tower, 28 Queen’s Road Central, Hong Kong on 12 February 2007 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution:

#### ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Consolidated Shares (as hereinafter defined in this Resolution), with effect from the first business day immediately following the date on which this Resolution is passed:

- (a) every twenty (20) shares of HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) share of HK\$0.20 (each a “**Consolidated Share**”) and the Consolidated Shares in issue shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of shares contained in the bye-laws of the Company;
- (b) all fractional Consolidated Shares be aggregated and, if possible, sold for the benefits of the Company;
- (c) any one Director be and is generally authorised to do all such acts and things and execute all such documents, including under seal where applicable, as he considers necessary or expedient to give effect to the foregoing arrangements; and

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## NOTICE OF SGM

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- (d) in this Resolution, the term “business day” shall mean a day on which the Stock Exchange is open for the business of dealing in securities and there is no suspension in the trading in the shares of the Company on that day.”

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

Hong Kong, 15 January 2007

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

Unit 702, 7/F.

Euro Trade Centre

13-14 Connaught Road Central

Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the SGM is entitled to appoint a proxy or proxies (if he is the holder of two or more shares) to attend and, in the event of a poll, vote instead of him. A proxy need not be a member of the Company.
2. In the case of the joint holders of the Shares, 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 appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar of the Company, Standard Registrars Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, 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 or any adjournment thereof.
4. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
5. As at the date of this notice, the directors of the Company are Mr. Wong Chung Tak and Mr. Tse Kam Fai, being executive directors of the Company, Mr. Wong Ngo, Derick, being a non-executive director of the Company and Mr. Lee Kuo Ching, Stewart, Mr. Liu Sing Piu, Chris and Miss Chong Kally, being independent non-executive directors of the Company.