
THIS CIRCULAR 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.

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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)

**RESIGNATION OF AUDITORS AND
PROPOSED APPOINTMENT OF NEW AUDITORS,
PROPOSED REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



寶來資本(亞洲)有限公司

Polaris Capital (Asia) Limited

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders of the Company is set out on page 8 of this circular. A letter of advice from Polaris Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 9 to 13 of this circular.

A notice convening the special general meeting of Shenzhen High-Tech Holdings Limited (the “Company”) to be held at Bridges Executive Centre, 20th Floor, Central Tower, 28 Queen’s Road Central, Hong Kong on Monday, 27 August 2007 at 10:30 a.m. is set out on pages 14 to 16 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 registrars of the Company, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 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.

10 August 2007

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DEFINITIONS

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

“2007 AGM”	the annual general meeting of the Company held on 25 May 2007
“Appointment of Auditors”	the proposed appointment of Grant Thornton as auditors of the Company to fill the causal vacancy arising from the resignation of DTT upon the approval by the Shareholders by an ordinary resolution at the SGM and to hold office until the conclusion of the next annual general meeting
“Audit Committee”	the audit committee of the Company
“associate(s)”	have the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday) on which licensed banks in Hong Kong are officially open for business
“Bye-laws”	the Bye-laws of the Company
“Company”	Shenzhen High-Tech Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“DTT”	Deloitte Touche Tohmatsu
“Existing General Mandate”	the general mandate granted by the Shareholders to the Directors at the 2007 AGM to allot, issue and deal in up to 206,624,411 new Shares
“Group”	the Company and its subsidiaries
“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
“Latest Practicable Date”	8 August 2007, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, namely Mr. Liu Sing Piu, Chris, Mr. Lee Kuo Ching, Stewart and Miss Chong Kally, established for the purpose of advising the Independent Shareholders on the New General Mandate
“Independent Shareholders”	holders of the Shares other than Mr. Wong and his associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Chung Tak, Chairman and substantial shareholder of the Company
“New General Mandate”	the general mandate proposed to be granted to the Directors at the SGM to allot, issue and otherwise deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM
“Polaris Capital” or “Independent Financial Adviser”	Polaris Capital (Asia) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and also an overseas company of the Polaris Financial Group in Taiwan, which is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the New General Mandate
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at Bridges Executive Centre, 20th Floor, Central Tower, 28 Queen’s Road Central, Hong Kong on Monday, 27 August 2007 at 10:30 a.m.
“Shareholder(s)”	holder(s) of Shares
“Shares”	ordinary shares of HK\$0.2 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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)

(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, 7th Floor
Euro Trade Centre
13-14 Connaught Road Central
Hong Kong

10 August 2007

To the Shareholders

Dear Sir or Madam,

**RESIGNATION OF AUDITORS AND
PROPOSED APPOINTMENT OF NEW AUDITORS,
PROPOSED REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

On 27 July 2007, the Board announced the proposal for the change of auditors.

The purpose of this circular is (i) to provide the Shareholders with further information on the proposal for the Appointment of Auditors and the New General Mandate; (ii) to set out the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the New General Mandate; and (iii) to give you the notice of the SGM to be convened for the purpose of considering and, if thought fit, approving the necessary resolutions to implement the proposal for the Appointment of Auditors and the New General Mandate.

LETTER FROM THE BOARD

PROPOSED APPOINTMENT OF AUDITORS

DTT resigned as auditors of the Group with effect from 26 July 2007 as the Company and DTT could not reach an agreement on the audit fee. DTT confirmed that there were no circumstances connected with its resignation which it considered should be brought to the attention of the shareholders or creditors of the Company and its subsidiaries. The Board proposes to appoint Grant Thornton as auditors of the Group to fill the vacancy arising from the resignation of DTT and to hold office until the conclusion of the next annual general meeting of the Company, subject to the appointment being approved by the shareholders of the Company at the SGM to be convened pursuant to the Bye-laws. Meanwhile, Grant Thornton is in the process of obtaining the professional clearance letter from DTT.

Both the Board and the Audit Committee confirmed that there was no disagreement between the Company and DTT, there were no circumstances connected with DTT's resignation which the Board and the Audit Committee considered should be brought to the attention of the shareholders or creditors of the Company and its subsidiaries.

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE NEW SHARES

At the SGM, the Directors will seek the approval of the Independent Shareholders to grant the New General Mandate to authorize the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM. The New General Mandate will continue in force until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the revocation or variation of the authority given under the relevant resolution being passed by the Shareholders in general meeting; or (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held.

On the basis of a total of 1,239,722,059 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the SGM, the New General Mandate (if granted) will empower the Directors to allot, issue and deal in up to a maximum of 247,944,411 new Shares.

REASONS FOR AND BENEFITS OF THE NEW GENERAL MANDATE

At the 2007 AGM, the Shareholders approved, among other things, to grant to the Directors the Existing General Mandate under which the Directors are authorized to allot, issue and deal with up to 206,624,411 Shares, which is equivalent to the then 20% issued share capital of the Company.

The Existing General Mandate was utilized as follows:

- (a) 110,000,000 Shares were issued and allotted in June 2007 pursuant to a subscription agreement entered in June 2007 at a price of HK\$0.62 per Share, and the net proceeds of approximately HK\$68.1 million is intended to be used to finance the acquisition of the property at 20th Floor of Worldwide House, no part of the proceeds has been utilized up to the Latest Practicable Date; and

LETTER FROM THE BOARD

- (b) 96,600,000 Shares were issued and allotted in July 2007 pursuant to a subscription agreement entered in July 2007 at a price of HK\$0.53 per Share, and the net proceeds of approximately HK\$51.1 million is intended to be used to finance the acquisition of the property at 20th Floor of Worldwide House as stated in the announcement of the Company dated 5 July 2007, no part of the proceeds has been utilized up to the Latest Practicable Date.

As such, the Existing General Mandate has almost been fully utilized.

The New General Mandate will empower the Directors to issue new Shares under the refreshed limit speedily as and when necessary, and without seeking further approval from the Shareholders. This could provide the Company the flexibility and ability to capture any capital raising or investment or business opportunity as and when the same arises. The Directors (including the independent non-executive Directors) consider that it is in the interests and for the benefit of the Company and the Shareholders as a whole if the New General Mandate is granted.

The Directors have no intention or plan for raising capital by issuing of new Shares as at the Latest Practicable Date. In the event that there is any such issue, the Company will comply with the applicable requirements under the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 13.36(4) of the Listing Rules, any refreshment of the general mandate before the next annual general meeting shall be subject to the Independent Shareholders' approval by way of poll at the SGM. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution for approving the New General Mandate as required under Rule 13.36(4)(a) of the Listing Rules. Since there is no controlling Shareholders, Mr. Wong Chung Tak, the Chairman of the Company, through Thing On Group Limited, is interested in 255,473,589 Shares of the Company as at the Latest Practicable Date and he will abstain from voting in favour of the resolution for approving the New General Mandate. Mr. Wong has indicated that he and his associates will not vote against the resolution for the proposed approval of the New General Mandate.

SPECIAL GENERAL MEETING

Set out on pages 14 to 16 of this circular is a notice convening the SGM to consider and, if appropriate, to approve the ordinary resolutions relating to the proposed Appointment of Auditors and the terms of the New General Mandate.

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 to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting(s) should you so wish.

LETTER FROM THE BOARD

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) or such resolution is specifically required to be taken on a poll under the Listing Rules or (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
- (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 a demand by a member.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 8 of this circular which contains its recommendation to the Independent Shareholders on the New General Mandate. Your attention is also drawn to the letter of advice from the Independent Financial Adviser as set out on pages 9 to 13 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the above.

LETTER FROM THE BOARD

The Directors consider that the proposed Appointment of Auditors and the New General Mandate are all in the interests of the Group and the Shareholders as a whole and so they recommend (i) all Shareholders should vote in favour of the ordinary resolution for approving the proposed Appointment of Auditors and (ii) the Independent Shareholders should vote in favour of the ordinary resolution for approving the New General Mandate to be proposed at the SGM .

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders which has been prepared for the purpose of inclusion in this circular:



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

(Incorporated in Bermuda with limited liability)

(Stock code: 106)

10 August 2007

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 10 August 2007 (the “Circular”), of which this letter forms part. Unless specified otherwise, capitalized terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the New General Mandate. Polaris Capital has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 9 to 13 of this Circular. Your attention is also drawn to the letter from the Board in the Circular.

Having considered the New General Mandate and the independent advice of Polaris Capital, in particular the principal factors and reasons considered in their letter on pages 9 to 13 of the Circular, we consider that the New General Mandate is fair and reasonable in so far as the Independent Shareholders are concerned, and is in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the SGM to approve the New General Mandate.

Yours faithfully,
Independent Board Committee

LIU Sing Piu, Chris

LEE Kuo Ching, Stewart
Independent non-executive Directors

CHONG Kally

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Polaris Capital to the Independent Board Committee and the Independent Shareholders in relation to the New General Mandate for the purpose of incorporation in this circular:



Polaris Capital (Asia) Limited
Units 6503-06
The Center
99 Queen's Road Central
Hong Kong

10 August 2007

*To the Independent Board Committee and the Independent Shareholders of
Shenzhen High-Tech Holdings Limited*

Dear Sir or Madam

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the New General Mandate, details of which are set out in the letter from the Board contained in the circular dated 10 August 2007 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Pursuant to Rule 13.36 (4) of the Listing Rules, the refreshment of general mandate before the next annual general meeting shall be subject to approval of the Independent Shareholders by way of poll at the SGM at which that any controlling shareholders and their associates, or where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executives of the Company and their respective associates shall abstain from voting in favor of the resolution approving the New General Mandate. As at the Latest Practicable Date, the Company has no controlling Shareholder but Mr. Wong, being an executive Director, together with his associates are interested in 255,473,589 Shares in the Company, representing approximately 20.61% of the issued share capital of the Company. Accordingly, Mr. Wong and his associates are required to abstain from voting in favor of the ordinary resolution approving the New General Mandate at the SGM.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Independent Shareholders as a whole; and on how to vote on the ordinary resolution

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

approving the New General Mandate at the SGM. We, Polaris Capital, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR ADVICE

In formulating our advice, we have relied on the statements, information and representations contained or referred to in the Circular and the information and representations provided to us by the Company and the Directors. We have assumed that all statements, information and representations contained or referred to in the Circular and all information and representations which have been provided by the Company and the Directors, for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be so at the date hereof. The Directors have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have no reason to doubt the truth, accuracy or completeness of the information provided to us by the Company and the Directors. We consider that we have reviewed sufficient information to reach an informed view. We have not, however, conducted any independent verification of the information provided, nor have we carried out any form of in-depth investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our advice regarding the New General Mandate, we have taken into consideration the following principal factors and reasons:

I. Background

At the 2007 AGM, the Directors were granted the Existing General Mandate to allot, issue and deal in up to 206,624,411 new Shares, representing 20% of the aggregate nominal amount of the issued share capital of the Company then in issue. As at the Latest Practicable Date, the Existing General Mandate had almost been fully utilized as to (i) 110,000,000 Shares were issued and allotted in June 2007 in association with the placing of new Shares pursuant to the subscription agreement entered into on 7 June 2007; and (ii) 96,600,000 Shares were issued and allotted in July 2007 in association with the placing of new Shares pursuant to the subscription agreement entered into on 5 July 2007 (together, the “**Placements**”). Upon issuance of 206,600,000 Shares under the Placements, only a further of 24,411 new Shares can be issued under the Existing General Mandate as at the Latest Practicable Date. The Company has not, since the date of the 2007 AGM, refreshed the Existing General Mandate.

To maintain the financial flexibility necessary for the Group’s future investment and/or business development, the Directors therefore propose to seek the approval of the Independent Shareholders at the SGM for the New General Mandate. Save for the Placements, the Company had not conducted any fund raising activities in the past twelve months.

The Company had an aggregate of 1,239,722,059 Shares in issue as at the Latest Practicable Date. Subject to the passing of the ordinary resolution for the approval of the New General Mandate and assuming that no Shares are issued and/or repurchased by the Company between the Latest Practicable

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot, issue and deal in up to 247,944,411 Shares.

II. Reasons for and benefits of the refreshment of the general mandate

As advised by the Company, the Directors consider that equity financing to be an important avenue of resources to the Group since it does not create any interest payment obligations on the Group. While the Board considers that there is no immediate funding need for the Group's current operations and that there is currently no concrete proposal presented by potential investors for investment in Shares, the Board proposes to seek the approval of the Independent Shareholders at the SGM for the New General Mandate such that should future funding needs arise or attractive terms for investment in Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly.

III. Business development of the Group and flexibility in financing alternatives

The Group is principally engaged in property investment and trading. As stated in the announcement of the Company dated 7 June 2007, the Company intended to apply the net proceeds of approximately HK\$68.1 million arising from the placing of 110,000,000 new Shares to invest in suitable investment opportunities. As discussed with the Board, we understand that it is the Group's objective to look for investment opportunities in order to improve its earnings in the long run. We consider that such initiative in identifying business opportunities so as to broaden the Group's revenue base is in the interests of the Company and the Shareholders as a whole. Given the Existing General Mandate had been almost fully utilized, may any investment opportunities arise that would require the issuance of new Shares and specific mandate may have to be sought in this respect, the Directors are uncertain as to whether the requisite approval from Shareholders or Independent Shareholders, as the case may be, could be obtained in a timely manner. In addition, the New General Mandate offers an opportunity for the Directors to capture a prevailing favorable equity market condition to raise funds by issuing new Shares. Notwithstanding the fact that the Group had no immediate funding need for its current operations and there is currently no concrete proposal presented by potential investors for investment in the Shares, the Directors believe that the New General Mandate would offer the Group higher flexibility to capture investment opportunities which may arise at any time and require prompt investment decision by the Group. The Directors also consider that the New General Mandate would provide the Company with the maximum flexibility to raise additional capital for any future investment activities or as working capital of the Group. In light of the above, we are of the opinion that the New General Mandate would provide the Company with the necessary flexibility essential for fulfilling any possible funding needs for future business development and/or investment decisions in a timely manner. As such, we are of the view that the New General Mandate will be in the interests of the Company and the Shareholders as a whole.

IV. Other financing alternatives

We have further enquired into and the Directors confirmed that, apart from equity financing, the Group will also consider other external financing methods such as bank borrowings and debt financing in order to meet the Group's financing needs arising from future investment and/or business development. However, the Directors are of the opinion that the ability for the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

and may subject to lengthy due diligence and negotiations with the financial institutions. In addition, the Directors consider that debt financing is relatively uncertain and time-consuming as compared to equity financing, such as placement of new Shares, for the Group to obtain additional funding. In this regard, the Directors consider equity financing to be an important avenue of resources to the Group since it does not create any interest payment obligations on the Group.

As such, the New General Mandate will provide the Group with flexibility to determine the appropriate financing method for future investment and/or business development given that (i) the nature of equity financing is non-interest bearing and requires no collaterals; and (ii) the capital base of the Group can be broadened.

V. Potential dilution to shareholdings of the Independent Shareholders

Set out below is the dilution effect on the shareholding structure of the Company assuming that (i) no Shares will be issued and/or repurchased during the period from the Latest Practicable Date to the date of the SGM; and (ii) the New General Mandate will be fully utilized:

Name of Shareholders	As at the Latest Practicable Date		Upon full utilization of the New General Mandate (assuming no other Shares are issued and/or repurchased by the Company)	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
Thing On Group Limited (<i>Note i</i>)	255,473,589	20.61	255,473,589	17.17
Juvy Ngo Ting (<i>Note ii</i>)	136,956,521	11.05	136,956,521	9.21
Shenzhen Investment Holding Corporation (<i>Note iii</i>)	79,971,298	6.45	79,971,298	5.38
Year Top Limited (<i>Note iv</i>)	110,000,000	8.87	110,000,000	7.39
Excel Aim Group Limited (<i>Note v</i>)	96,600,000	7.79	96,600,000	6.49
Shares that may be issued under the New General Mandate	–	–	247,944,411	16.67
Public Shareholders	560,720,651	45.23	560,720,651	37.69
	<u>1,239,722,059</u>	<u>100.00</u>	<u>1,487,666,470</u>	<u>100.00</u>

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

- (i) The entire issued share capital of Thing On Group Limited is beneficially owned by Mr. Wong.
- (ii) These Shares are held through Willfame Group Limited and Winner Come Holdings Limited, which are wholly and beneficially owned by Ms. Juvy Ngo Ting.
- (iii) The interests in these Shares include 63,954,513 Shares held by Great Mind Holdings Group Limited, which Shenzhen Investment Holding Corporation has deemed interests in the said Shares.
- (iv) These Shares are wholly and beneficially owned by Ms. Lucy Tin Chua.
- (v) These Shares are wholly and beneficially owned by Mr. Ong Benedict.

As shown in the above table, the aggregate shareholdings of the existing public Shareholders will decrease from approximately 45.23% to 37.69% upon the full utilization of the New General Mandate (assuming no other Shares are issued and/or repurchased by the Company). This represents a potential maximum dilution of approximately 7.54% upon the full utilization of the New General Mandate. Given the fact that the shareholdings of all the Shareholders will be diluted proportionally to the same extent to their respective shareholdings upon any utilization of the New General Mandate and the financial flexibility that the New General Mandate will bring to the Company as discussed in the section headed “Business development of the Group and flexibility in financing alternatives” above, we consider such potential dilution to the shareholdings of the Independent Shareholders to be fair and reasonable.

Independent Shareholders should note that upon the approval of the New General Mandate by the Independent Shareholders at the SGM, the Existing General Mandate will be revoked and the New General Mandate will be and continue to be in force until the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the revocation or variation of the authority given under the relevant resolution being passed by the Shareholders in general meeting of the Company; or (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held. Such duration is in compliance with Rule 13.36 of the Listing Rules.

ADVICE

Having considered the factors and reasons stated above, we are of the view that the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Independent Shareholders as a whole. Therefore, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the ordinary resolution approving the New General Mandate at the SGM.

Yours faithfully
For and on behalf of
Polaris Capital (Asia) Limited
Catherine Wong
Managing Director – Investment Banking

NOTICE OF SPECIAL GENERAL MEETING



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 IS HEREBY GIVEN that a special general meeting of Shenzhen High-Tech Holdings Limited (the “Company”) will be held at Bridges Executive Centre, 20th Floor, Central Tower, 28 Queen’s Road Central, Hong Kong on Monday, 27 August 2007 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following resolutions:

ORDINARY RESOLUTIONS

1. **“THAT** Grant Thornton be and is hereby appointed as auditors of the Company to fill the casual vacancy arising from the resignation of Deloitte Touche Tohmatsu and to hold office until the conclusion of the next annual general meeting and that the board of directors of the Company be authorised to fix their remuneration.”

2. **“THAT:**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company 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;
 - (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Right Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and

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(iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; or
- (iii) 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.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements or any recognised regulatory body or any stock exchange).”

3. **“THAT** conditional upon the passing of the resolution set out in item (2) of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item (2) of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate granted to the Directors on 25 May 2007, provided that such

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amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”

By Order of the Board
Shenzhen High-Tech Holdings Limited
Chan Yuen Ying Stella
Company Secretary

Hong Kong, 10 August 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 meeting is entitled to appoint proxies 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 holders(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 registrars of the Company, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 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.
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.