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CHINA SCI-TECH HOLDINGS LIMITED

(中國科技集團有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 985)

**CHANGE IN USE OF THE PROCEEDS
AND
CHANGE OF COMPANY SECRETARY**

CHANGE IN USE OF THE PROCEEDS

Reference is made to the announcement of China Sci-Tech Holdings Limited (the “Company”) dated 26 January 2006 (the “Announcement”) in relation to the cessation of the increase of capital in Shijiazhuang Shuanghuan Automobile Company Limited (石家莊雙環汽車有限公司) (“Shuanghuan”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless the context states otherwise. It was stated in the Announcement that Shuanghuan, Shuanghuan Holdings and Tian Yang have entered into the Cessation Agreement on 25 January 2006 to cease Shuanghuan Agreements relating to the increase of capital in Shuanghuan by Tian Yang.

Reference is also made to the circular (the “Circular”) of the Company dated 6 June 2005 in relation to the increase of capital in Shuanghuan. It was stated in the Circular that the Company intended to apply the proceeds (the “Proceeds”) of approximately HK\$150,000,000 from

- (i) the placing of shares in the Company, details of which were disclosed in the announcement of the Company dated 7 January 2005; and
- (ii) the placing of shares in the Company and issue of convertible notes, details of which were disclosed in the announcement and circular of the Company dated 3 February 2005 and 21 February 2005 respectively

for Tian Yang’s contribution of the capital in Shuanghuan.

As a result of the Cessation Agreement, the board of directors (the “Board”) of the Company proposes to change the use of the Proceeds into the general working capital of the Company and considers that it is in the interests of the Company and its shareholders as a whole.

CHANGE OF COMPANY SECRETARY

The Board announces that Mr. Au Yeung Shiu Kau, Peter (“Mr. Au Yeung”) has resigned as the company secretary of the Company with effect from 21 February 2006 for personal reason and Mr. Chow Kim Hang (“Mr. Chow”) has been appointed as the company secretary of the Company on the same day. Mr. Chow is a partner of Tsun & Partners, Solicitors, a corporate and commercial law firm in Hong Kong. He is a practicing solicitor in Hong Kong and a member of The Law Society of Hong Kong.

Mr. Au Yeung has confirmed to the Company that there is no disagreement with the Board and there is no matter which needs to be brought to the attention of the shareholders of the Company in relation to his resignation.

The Board would like to welcome Mr. Chow to the new position and thank Mr. Au Yeung for his contribution in the past.

By order of the Board
China Sci-Tech Holdings Limited
Hui Richard Rui
Director

Hong Kong, 21 February 2006

As at the date of this announcement, the executive directors of the Company are Mr. Chiu Kong, Mr. Kwan Kam Hung, Jimmy, Mr. Hui Richard Rui and Mr. Wang Guangtian and the independent non-executive directors of the Company are Mr. Miu Frank H., Mr. Yu Pan and Ms. Tong So Yuet.

** For identification purpose only*

Please also refer to the published version of this announcement in The Standard.