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 to be taken, you should consult your licensed securities dealer or registered institution 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, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 106)

(1) MAJOR AND CONNECTED TRANSACTION;
(2) PROPOSED SPECIAL CASH DISTRIBUTION; AND
(3) PROPOSED CAPITAL REORGANISATION

Financial adviser to the Company

SOMERLEY LIMITED

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

Quam CAPITAL 華富嘉洛企業融資

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 24 of this circular. A letter from Quam Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including Financial Assistance), is set out on pages 25 to 50 of this circular.

A notice convening the SGM to be convened at Room 302, 3/F., Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong on Monday, 24 December 2012 at 9:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you plan to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

30 November 2012

CONTENTS

Page

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

"Announcement"	the announcement dated 23 October 2012 issued by the Company in respect of, among other things, the Disposal, the Cash Dividend and the Capital Reorganisation
"Adjusted Share(s)"	the proposed adjusted ordinary share(s) of HK$0.01 each in the share capital of the Company as will exist on the Capital Reorganisation Effective Date
"Asset Partners"	Asset Partners Group Limited, a company incorporated in the BVI with limited liability
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	any day (excluding a Sunday or Saturday) on which banks in Hong Kong are generally open for business
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Capital Reorganisation"	the reorganisation of the capital of the Company involving (i) the reduction of the par value of the Shares from HK$0.20 to HK$0.01 per share; (ii) the cancellation of the entire sum standing to the credit of the Company's share premium account; and (iii) the transfer of the credit arising from the cancellation of the Company's share premium account and the reduction of the par value of the issued Shares respectively to the contributed surplus account of the Company
"Capital Reorganisation Effective Date"	27 December 2012, being the date on which the Capital Reorganisation becomes effective, which will be the Business Day immediately following the date of passing the special resolution approving the Capital Reorganisation at the SGM
"Cash Dividend"	the conditional cash dividend proposed to be declared and paid by the Company in the amount of HK$0.62 per Adjusted Share held by Qualifying Shareholders on the Record Date
"Company"	Shenzhen High-Tech Holdings Limited, a company incorporated in Bermuda as an exempted company with limited liability, the issued Shares of which are listed on the Stock Exchange

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the aggregate consideration of HK$890 million (subject to the Working Capital Adjustment) payable by the Purchaser for the Disposal under the Sale and Purchase Agreement
"Director(s)"	director(s) of the Company
"Disposal"	the proposed disposal of the entire equity interests in each of the Disposal Companies by the Company and the assignment of the Shareholder Loans pursuant to the Sale and Purchase Agreement
"Disposal Company(ies)"	Asset Partners, Grandtex Development, Stadium Holdings, Trinity Sino and Value Shine
"Disposal Completion"	completion of the transactions contemplated under the Sale and Purchase Agreement
"Financial Assistance"	the financial assistance within the meaning of Chapter 14A of the Listing Rules to be provided by the Company to the Purchaser resulting from the issue of the Promissory Note by the Purchaser to the Company upon Disposal Completion pursuant to the Sale and Purchase Agreement
"Grandtex Development"	Grandtex Development Limited, a company incorporated in Hong Kong with limited liability
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Independent Board Committee"	the independent board committee of the Company whose members comprise all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance)
"Independent Financial Adviser" or "Quam Capital"	Quam Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance)

"Independent Shareholders"	Shareholders other than Mr. Wong and his associates
"Latest Practicable Date"	27 November 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Lease Agreement"	the agreement to be entered into between the Company and Grandtex Development in relation to the lease of the Leased Property following Disposal Completion
"Leased Property"	a portion of 17th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong currently used by the Company as office premises
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Derick Wong"	Mr. Wong Ngo, Derick, a non-executive Director and a son of the elder brother of Mr. Wong
"Mr. Wong"	Mr. Wong Chung Tak, Richard, the sole and beneficial owner of the Purchaser, an executive Director, the chairman of the Company and the controlling Shareholder
"PRC"	the People's Republic of China (for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan)
"Promissory Note"	the Promissory Note to be issued by the Purchaser in favour of the Company upon Disposal Completion to satisfy the Consideration
"Properties"	the property interests currently held by the Disposal Companies (or their respective subsidiary(ies)) in Hong Kong and the PRC as detailed under the section headed "Information on the Disposal Companies" of the letter from the Board of this circular
"Purchaser"	Thing On Group Limited, a company incorporated in the BVI with limited liability
"Qualifying Shareholder(s)"	Shareholders whose names appear on the Company's share register or branch share register on the Record Date
"Record Date"	Wednesday, 2 January 2013, being the record date for the purpose of ascertaining entitlements of the Shareholders to the Cash Dividend

"Registrar"	Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company
"Remaining Group"	the Group immediately after Disposal Completion
"Sale and Purchase Agreement"	the sale and purchase agreement entered into by and among the Company, the Purchaser and Mr. Wong on 23 October 2012 regarding the Disposal
"Sale Shares"	the entire issued share capital of the Disposal Companies as at the date of the Sale and Purchase Agreement which are owned by the Company
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement, the Capital Reorganisation, the Cash Dividend and the transactions contemplated thereunder (including the Financial Assistance)
"Share(s)"	ordinary share(s) of HK$0.20 each in the issued and unissued share capital of the Company
"Shareholders"	holders of the Shares or Adjusted Shares
"Shareholder Loans"	the loans and advances made by the Company to the Disposal Companies
"Stadium Holdings"	Stadium Holdings Limited, a company incorporated in Hong Kong with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Trinity Sino"	Trinity Sino Limited, a company incorporated in Hong Kong with limited liability
"Value Shine"	Value Shine Limited, a company incorporated in the BVI with limited liability
"%"	per cent

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and subject to change. Further announcement(s) will be made as and when appropriate.

	2012
Latest time for lodging the form of proxy for the SGM	9:30 a.m. on Saturday, 22 December
SGM	9:30 a.m. on Monday, 24 December
Announcement of the poll results of SGM	Monday, 24 December
Disposal Completion and the Capital Reorganisation Effective Date	Thursday, 27 December
Free exchange of existing share certificates for new share certificates for the Adjusted Shares commences	Thursday, 27 December
Last day of dealings in the Adjusted Shares cum-entitlement to the Cash Dividend *(Note)*	Thursday, 27 December
First day of dealings in the Adjusted Shares ex-entitlement to the Cash Dividend *(Note)*	Friday, 28 December
Latest time for lodging transfers of the Adjusted Shares with the Registrar in order to be qualified for the Cash Dividend *(Note)*	4:30 p.m. on Monday, 31 December
	2013
Closure of the register of members of the Company for determining the entitlements of the Qualifying Shareholders to the Cash Dividend	Wednesday, 2 January
Record Date for determining the entitlements of the Qualifying Shareholders to the Cash Dividend	Wednesday, 2 January
Register of members of the Company re-opens	Thursday, 3 January
Expected date of despatch of the dividend warrants for the Cash Dividend to the Qualifying Shareholders	Friday, 11 January
Last day of free exchange of existing share certificates for new share certificates	4:30 p.m. on Wednesday, 6 February

Note: The distribution of the Cash Dividend is subject to Disposal Completion and the Capital Reorganisation becoming effective.

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 Director:
WONG Chung Tak, Richard *(Chairman)*

Non-Executive Directors:
LIU Sing Piu, Chris
WONG Ngo, Derick

Independent Non-Executive Directors:
CHUNG Koon Yan
LEE Kuo Ching, Stewart
CHONG Kally

Registered office:
Clarendon House
2 Church Street
Hamilton, HM11
Bermuda

Head office and principal place of business in Hong Kong:
17/F., BEA Harbour View Centre
56 Gloucester Road
Wanchai, Hong Kong

30 November 2012

To the Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION;
(2) PROPOSED SPECIAL CASH DISTRIBUTION; AND
(3) PROPOSED CAPITAL REORGANISATION

On 23 October 2012, the Board announced that the Company as vendor, the Purchaser and Mr. Wong as the guarantor to the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Company conditionally agreed to dispose of the Sale Shares and the Shareholder Loans at the aggregate consideration of HK$890 million (subject to the Working Capital Adjustment (as defined below)). In addition, the Board proposed that subject to, among other things, Disposal Completion and the Capital Reorganisation becoming effective, the Company will effect a special distribution of the Cash Dividend of HK$0.62 per Adjusted Share. In order to create sufficient distributable reserves in the accounts of the Company to effect the payment of the Cash Dividend, the Company further proposed to effect a reorganisation of the capital of the Company.

The purpose of this circular is to provide you with, among other things, (i) further information on the Sale and Purchase Agreement, the Cash Dividend, the Capital Reorganisation and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Quam Capital to the Independent Board Committee and the Independent Shareholders in relation to the Disposal; (iv) a valuation report on the Properties; and (v) a notice of the SGM.

THE DISPOSAL

The Sale and Purchase Agreement

The Board is pleased to announce that on 23 October 2012, the Company as vendor, the Purchaser and Mr. Wong as the guarantor to the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Company conditionally agreed to dispose of the Sale Shares and the Shareholder Loans for the aggregate consideration of HK$890 million (subject to the Working Capital Adjustment (as defined below)).

Date

23 October 2012

Parties

The vendor:	the Company
The purchaser:	Thing On Group Limited
The guarantor to the Purchaser:	Mr. Wong

The Purchaser is an investment holding company wholly owned by Mr. Wong who is an executive Director, the chairman of the Company and the controlling Shareholder beneficially interested in, through the Purchaser, an aggregate of 1,448,440,623 Shares, representing approximately 72.9% of the total issued share capital of the Company as at the Latest Practicable Date.

Subject

The Sale Shares, representing the entire issued share capital of the Disposal Companies, and the Shareholder Loans.

Consideration

Pursuant to the terms of the Sale and Purchase Agreement, the Consideration for the sale of the Sale Shares and the assignment of the Shareholder Loans is in the aggregate of HK$890 million (subject to the Working Capital Adjustment (as defined below)).

The Consideration has been arrived at with reference to, among other things, (i) the market value of the principal assets of the Disposal Companies and their subsidiaries, which are the Properties, of approximately HK$1,109.1 million as at 30 September 2012 based on the valuation (the "**Valuation**") conducted by LCH (Asia-Pacific) Surveyors Limited (the "**Valuer**"), an independent professional valuer; and (ii) the amount of the outstanding Shareholder Loans of approximately HK$894.6 million as at 30 September 2012.

The Board has reviewed the valuation report prepared by the Valuer which set out in Appendix II of this circular and understands that, in particular:

- the Valuation is prepared in compliance with The HKIS Valuation Standards on Properties published by The Hong Kong Institute of Surveyors; and

- the adoption of the Sales Comparison Approach is a common practice for valuing property interests, while the investment method is the commonly used and accepted method in the determination of value of properties held for investment, in particular, by factoring in the element of the existing tenancy agreement to the market value of the property which is subject to a tenancy agreement and the owner could receive rental income from the tenancy agreement.

On such basis, the Company considers that the methodologies adopted and the bases used in arriving at the Valuation are reasonable. The Directors also note that a portion of the Property No.1 (as defined below) was subject to a connected party lease arrangement made between Grandtex Development and a company owned by Mr. Wong as at the date of the Valuation. As disclosed in the announcement of the Company dated 11 September 2012, the tenancy agreement relating to such lease was entered into on normal commercial terms which were negotiated at arm's length basis with reference to the fair market rental of the property. Thus, the Company considers the valuation of the Property No.1 based on Sales Comparison Approach is reasonable.

The Consideration is subject to adjustments on a dollar for dollar basis by adding the cash, prepaid expenses, account receivables and other current assets of the Disposal Companies and deducting any debt (other than the Shareholder Loans), accrued expenses, rental deposit and other current liabilities of the Disposal Companies (collectively, the "**Working Capital Adjustment**") as of the date of Disposal Completion, all provided and recorded in accordance with Hong Kong Financial Reporting Standards and consistent with the Disposal Companies past practices.

For the purposes of determining the amount payable by the Purchaser to the Company at Disposal Completion, the parties shall calculate an estimate of the Working Capital Adjustment (the "**Estimated Price Adjustment**") based on the working capital shown in the estimated balance sheets of the Disposal Companies to be delivered to the Purchaser five (5) days before the date of Disposal Completion. Within five (5) Business Days following Disposal Completion, the Company shall deliver to the Purchaser the balance sheets of the Disposal Companies prepared as at the date of Disposal Completion (the "**Closing Balance Sheets**"), at which time the Working Capital Adjustment shall be recalculated based on the Closing Balance Sheets ("**Actual Price Adjustment**"). In the event that there is any discrepancy between the Actual Price Adjustment and the Estimated Price Adjustment, the Promissory Note will be amended with the principal amount of the Promissory Note being restated with retroactive effect from the date of Disposal Completion in accordance with the Actual Price Adjustment.

The Working Capital Adjustment is a mechanical adjustment based on the actual monetary amount of the total working capital of the Disposal Companies as at the date of Disposal Completion. Given that the subjects of the Disposal are the Disposal Companies (instead of the Properties) which have other assets and liabilities (other than the Properties and the Shareholder Loans), it is considered common and reasonable to make adjustments to the Consideration with reference to those other assets and liabilities upon Completion. Difference between the actual Working Capital Adjustment and the estimated Working Capital Adjustment as at the date of Disposal Completion, if any, could be contributed by changes in the net current assets/liabilities position of the Disposal Companies as a result of any increase/decrease in assets (i.e. cash level, accounts receivables, etc.) and/or in liabilities (i.e. accounts payables, etc.).

Based on the unaudited management accounts of the Disposal Companies as at 30 September 2012, the Disposal Companies' aggregate net current liabilities (excluding the Properties and the Shareholder Loans) totaled approximately HK$19.5 million as at 30 September 2012. On the assumption that if the Working Capital Adjustment was made on 30 September 2012, a downward adjustment of approximately HK$19.5 million would be made to the Consideration. The Company does not envisage that there will be any material change in the net current assets and/or liabilities of the Disposal Companies from 30 September 2012 up to Disposal Completion. Therefore, the Directors consider that it is unlikely to have a material upward adjustment (if any upward adjustment at all) to the Consideration pursuant to the Working Capital Adjustment upon Disposal Completion.

As the Cash Dividend (as detailed below) will become distributable following Disposal Completion and in order to eliminate credit risk of the Company relating to the settlement of the Consideration, the Consideration is therefore agreed to be satisfied by the issue of the Promissory Note by the Purchaser to the Company. The principal amount of the Promissory Note will be equal to the Consideration after the Working Capital Adjustment. The principal terms of the Promissory Note are as follows:

Issuer	:	the Purchaser
Principal amount	:	the Consideration after the Working Capital Adjustment
Maturity date	:	the sixtieth (60th) day after the date of Disposal Completion (the "**Maturity Date**")
Interest	:	2% per annum
Early Redemption/ Repayment	:	In the event that payment of the Cash Dividend becomes unconditional before the Maturity Date, the Promissory Note will be automatically redeemed by the Purchaser at the date of payment of the Cash Dividend by offsetting in whole or in part (as the case may be) the Purchaser's entitlement to the Cash Dividend ("**Set-off Arrangement**") by an amount equal to the sum of the outstanding principal amount of the Promissory Note and interest thereon accrued up to such redemption date. The Purchaser may repay in whole or in part the outstanding principal amount of the Promissory Note at any time prior to the Maturity Date.

As further discussed in the section headed "Proposed Cash Dividend" below, the Board proposes that the Company will, subject to the conditions set out therein, declare and pay a special Cash Dividend of HK$0.62 per Adjusted Share following Disposal Completion. Pursuant to the Sale and Purchase Agreement, in the event that the face value of the Promissory Note after Actual Price Adjustment exceeds the Purchaser's entitlement to the Cash Dividend, the Purchaser will pay the Company in cash the shortfall together with the interest accrued at 2% per annum up to the payment of the shortfall within three (3) Business Days from the Record Date or the date of fixing the Actual Price Adjustment, whichever is later. Payment of the shortfall (if any) will constitute early and part repayment and the outstanding principal amount of the Promissory Note will be reduced by the amount of repayment.

If the Cash Dividend is implemented, and based on the proposed Cash Dividend of HK$0.62 per Adjusted Share and the 1,448,440,623 Shares held by the Purchaser as at the Latest Practicable Date, the Cash Dividend payable to the Purchaser will amount to approximately HK$898 million.

Given the fact that the Cash Dividend will be paid shortly following the Disposal Completion, the issue of the Promissory Note is just a way to facilitate the fund flows of the parties to the Disposal. As stated above, it is estimated that the Purchaser will receive a net cash dividend after the Set-Off Arrangement. In other words, the Purchaser's entitlement to the Cash Dividend will exceed the face value of the Promissory Note. The Company is also able to completely control the process and payment of the Cash Dividend and there is no intermediary involved in the Set-off Arrangement. Based on the above, the receipt of the Promissory Note as the Consideration is virtually a risk free arrangement to the Company. Moreover, given the payment of the Consideration for the Disposal and payment of the Cash Dividend involving reciprocal flows of funds between the Company and the Purchaser and the proximity of timing between Disposal Completion and payment of the Cash Dividend, it is commercially sensible for the contracting parties to arrange for a direct set-off to effect the reciprocal flows of funds. Without the Set-off Arrangement, the Company will need to deposit well in advance dividend payable to the Purchaser into its dividend payment account together with the dividend payable to other Shareholders. The set-off arrangement and the Promissory Note avoid unnecessary lock-up of funds in financial intermediary and are beneficial to both the Company and the Purchaser, and are particularly beneficial to the Company in view of the fact that money in the dividend payment account yields almost zero interest while the Promissory Note bears interest at 2% per annum. On such basis, the Directors are of the view that it is acceptable to use the Promissory Note as the payment of the Consideration and the terms of the Promissory Note (including its interest rate) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the Sale and Purchase Agreement shall be subject to and conditional upon satisfaction or waiver as applicable of each of the following conditions:

(i) the Independent Shareholders having approved by way of poll at a special general meeting of the Company of the Sale and Purchase Agreement and the transactions contemplated thereunder including but not limited to the sale by the Company of the Sale Shares and the Shareholder Loans;

(ii) all other consents, approvals and authorisations (if any) required under any applicable laws and regulations having jurisdiction over the Sale and Purchase Agreement and to give effect to the transactions contemplated thereunder having been obtained and not withdrawn, revoked or amended on or before the date of Disposal Completion;

(iii) none of the parties having received notice of any injunction or other order, directive or notice restraining Disposal Completion and there being no action restraining or prohibiting Disposal Completion or seek damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;

(iv) payment of the Cash Dividend having been approved by the Shareholders at a special general meeting; and

(v) the Capital Reorganisation becoming effective.

The conditions precedent in (i), (iv) and (v) above shall not be waived in any event. If any of the conditions precedent set out above shall not have been fulfilled by 31 January 2013, the Sale and Purchase Agreement shall thereupon become null and void ab initio.

Disposal Completion

Subject to the terms and conditions of the Sale and Purchase Agreement, Disposal Completion shall take place on or before the tenth (10th) Business Day after all the conditions precedent have been fulfilled in accordance with the Sale and Purchase Agreement (or such other date as the Company and the Purchaser may agree).

Warranties by the Company

Customary warranties (including those in relation to title to assets, accounts, litigations and material contracts) have been given by the Company to the Purchaser pursuant to the Sale and Purchase Agreement.

Information on the Disposal Companies

The Disposal Companies comprise Asset Partners, Grandtex Development, Stadium Holdings, Trinity Sino and Value Shine. Each of the Disposal Companies is a direct wholly-owned subsidiary of the Company. The Disposal Companies and their respective subsidiaries are principally engaged in property investment in Hong Kong and/or the PRC and/or property trading. As at the Latest Practicable Date, the principal assets of the Disposal Companies and their respective subsidiaries are their interests in the Properties.

Set out below is the list of the Properties. Each of the Properties was acquired and held for sale/investment purposes. The Company has not changed its intention towards the Properties. All Properties (except for the Property No.7 which has been acquired on 3 September 2012) were revalued in 2010 and/or 2011. The list below also includes the breakdown of fair value gain/loss for each of the Properties for 2010 and 2011.

Locations	**Date of acquisition**	**Fair value gain/(loss) for 2010** *(Note)* *HK$*	**Fair value gain/(loss) for 2011** *(Note)* *HK$*	**Attributable property interests held by the Disposal Companies or their respective subsidiaries**
Hong Kong				
1. 17th Floor and Car Parking Space Nos. 18, 19 and 20 on 2nd Floor Bank of East Asia Harbour View Centre No. 56 Gloucester Road Wanchai Hong Kong (the "**Property No.1**")	30 June 2011	–	(9,623,000)	100%
2. Flat A on 23rd Floor, Block 2 and Car Parking Space No. 31 on 2nd Basement Ronsdale Garden, No. 25 Tai Hang Drive Jardine's Lookout, Hong Kong	19 August 2009	2,500,000	(300,000)	100%
3. Office Space on 30th Floor United Centre No. 95 Queensway Admiralty Hong Kong	30 March 2009	–	–	100%
4. Office Units 1 and 2 (excluding property no. 5 below) on 24th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong	19 August 2009	67,000,000	7,300,000	100%

5. Portion of Office Unit 2 (also referred by the Company as Unit 2406) on 24th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong	19 August 2009	–	4,300,000	100%
6. Portion A of Office No. 805 and Office No. 806 (formerly known as Portion B of Office No. 805) on 8th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong	28 September 2011	–	(2,926,793)	100%
7. Unit A with Rear Yard, B with Rear Yard, C, D, E with Rear Yard and F with Rear Yard on Ground Floor, Unit 1 and 3 on 1st Floor, Unit 2 on 1st Floor together with A/C Plinth on 2nd Floor, and Advertising Space Glory Rise No. 128 Chun Yeung Street North Point Hong Kong (the "**Property No.7**")	3 September 2012	–	–	100%
8. Shops 4 and 5 on Ground Floor Flats 1 to 8 on 1st Floor and Flats 3 and 4 on 2nd Floor South Wall Mansion, Nos. 63, 63A, 65, 67, 69 and 71 South Wall Road Kowloon City, Kowloon, Hong Kong	19 August 2009	3,500,000	4,600,000	100%
The PRC				
9. The whole of Level 4 and Units 501-506 on Level 5, Block B, Beijing East Gate Plaza No. 29 Dong Zhong Street Dong Cheng District Beijing, the PRC	23 January 2007	10,830,000	6,370,000	100%
	Total	83,830,000	9,720,207	

Note:

According to the accounting policies adopted by the Company, investment properties (Property nos. 2, 4, 5, 8 & 9 above) are stated at fair value while properties held for sale nos. 1, 3, 6 & 7 above) are stated at the lower of cost and net realisable value, in the accounts of the Group. No gain will be recorded for the properties held for sale if the market value of the revaluation of such properties is higher than its cost/net realisable value.

According to the Valuation, the fair market value of the Properties as at 30 September 2012 was in aggregate approximately HK$1,109.1 million. Further details on the Properties are set out in the valuation report issued by the Valuer as set out in Appendix II to this circular.

The Company has not made any impairment or provision against the Properties since the acquisitions of the Properties.

Set out below is a summary of the financial information of each of the Disposal Companies for the two years ended 31 December 2010 and 31 December 2011 respectively according to the audited accounts of Grandtex Development, Stadium Holdings and Trinity Sino, and the unaudited management accounts of Asset Partners and Value Shine, which were prepared under Hong Kong Financial Reporting Standards. The net asset/liability value of the Disposal Companies are extracted from their respective unaudited management accounts as at 30 September 2012.

	For the financial year ended 31 December 2010		**For the financial year ended 31 December 2011**		**As at 30 September 2012**
Disposal Company	**Net profit/ (loss) before taxation**	**Net profit/ (loss) after taxation**	**Net profit/ (loss) before taxation**	**Net profit/ (loss) after taxation**	**Net asset/ (liability) value**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Asset Partners	14,940	13,857	11,618	10,981	20,320
Grandtex Development	66,017	66,017	(13,212)	(13,212)	(99,068)
Stadium Holdings	(12,649)	(12,649)	(9,742)	(9,742)	(27,093)
Trinity Sino	(29)	(29)	(21)	(21)	(983)
Value Shine	72,113	72,113	12,506	12,506	72,904

Set out below is the reconciliation statement of the adjusted combined net asset value of the Disposal Companies based on their respective unaudited management accounts as at 30 September 2012 and the Valuation:

	HK$'000
Combined net liabilities of the Disposal Companies as at 30 September 2012	(33,920)
Add:	
Revaluation surplus arising from the Valuation of the Properties attributable to the Group as at 30 September 2012 *(Note)*	227,391
Adjusted combined net asset value of the Disposal Companies as at 30 September 2012	193,471

Note: the revaluation surplus is calculated by the fair value of the Properties as at 30 September 2012 (according to the Valuation conducted by the Valuer) net of the book value of the Properties as of 30 September 2012 and relevant potential PRC tax liability.

Based on the unaudited aggregate net asset value of the Disposal Companies and the outstanding Shareholder Loans as at 30 September 2012 of approximately HK$193.5 million and HK$894.6 million respectively, the fair value of the Sale Shares and the Shareholder Loans in aggregate amounted to approximately HK$1,088.1 million (the "**Disposal Value**"). The Consideration, if assumed to be adjusted for the estimated Working Capital Adjustment based on the unaudited management accounts of the Disposal Companies as at 30 September 2012 of approximately HK$19.5 million, would be approximately HK$870.5 million (the "**Adjusted Consideration**"), which represents a discount of approximately 20.0% to the Disposal Value.

Use of Proceeds

The net proceeds of the Disposal (after payment of the relevant expenses) are estimated to be of approximately HK$867.5 million calculated based on the Adjusted Consideration. The Company intends to apply the entire net proceeds of the Disposal as part of the Cash Dividend for distribution to the Qualifying Shareholders.

Financial effects of the Disposal

Upon Disposal Completion, each of the Disposal Companies will cease to be a subsidiary of the Company and the financial results and position of each of them will be deconsolidated from the financial statements of the Group.

Based on, amongst others, the Adjusted Consideration in an aggregate of HK$870.5 million and the consolidated net asset/liability value of each of the Disposal Companies as at 30 September 2012, the Group is expected to record a gain of approximately HK$6.8 million. However, the actual gain or loss on the Disposal may be different from the expected amount as stated above, as the actual gain or loss will depend on, amongst others, the actual consolidated net asset/liability value of each of the Disposal Companies as at the date of Disposal Completion.

Based on the assets and liabilities of the Disposal Companies and the effect of the distribution of the Cash Dividend, the total assets and total liabilities of the Group are expected to decrease immediately after Disposal Completion. The expected decrease in the total assets is mainly due to the deconsolidation of the value of the investment properties and properties held for sale held by the Disposal Companies and the distribution of the Cash Dividend. The expected decrease in the total liabilities is mainly attributable to the deconsolidation of payables, deposits received and accrued charges of the Disposal Companies. Assuming the Disposal Completion and the payment of the Cash Dividend had taken place on 30 September 2012, it is estimated that upon the Disposal Completion the net assets per Share would have decreased from approximately HK$0.87 to approximately HK$0.25 as a result of the Disposal and the payment of the Cash Dividend, based on the total number of issued Share of 1,986,606,059 as at the Latest Practicable Date.

PROPOSED CASH DIVIDEND

The Board further proposes that, subject to the satisfaction of the conditions set out below, the Company will effect a special distribution of the Cash Dividend of HK$0.62 per Adjusted Share, amounting to approximately HK$1,232 million in aggregate. As the Cash Dividend will become distributable following Disposal Completion, the Consideration is therefore to be satisfied by the issue of the Promissory Note by the Purchaser to the Company and the entire amount of the Promissory Note would be offset against the Purchaser's entitlement to the Cash Dividend.

Conditions to the Cash Dividend

The Cash Dividend is conditional upon:

(a) the passing, at the SGM, of all resolutions to approve the Capital Reorganisation and the Cash Dividend;

(b) the passing, at the SGM, of all resolutions to approve the Disposal;

(c) the Capital Reorganisation becoming effective; and

(d) completion of the Disposal.

If the conditions referred to above are not fulfilled, the Cash Dividend will not be implemented.

Subject to the foregoing conditions being satisfied, the payment of the proposed Cash Dividend is to be payable on or about 11 January 2013 to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

The register of members of the Company will be closed on Wednesday, 2 January 2013, during which no transfer of shares of the Company will be registered, for the purpose of ascertaining Shareholders' entitlement to the Cash Dividend. In order to qualify for the Cash Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 31 December 2012.

PROPOSED CAPITAL REORGANISATION

The Board proposes to effect a reorganisation of the capital of the Company by way of:

(i) a reduction of the par value of the Shares from HK$0.20 to HK$0.01 per Share;

(ii) the cancellation of the entire sum standing to the credit of the Company's share premium account; and

(iii) the transfer of the credit arising from the cancellation of the share premium account and the reduction of the par value of the issued Shares to the contributed surplus account of the Company.

Following the Capital Reorganisation, the authorised share capital of the Company will be reduced from HK$600 million divided into 3,000 million shares of HK$0.20 each to HK$30 million divided into 3,000 million shares of HK$0.01 each; and the issued share capital of the Company will be reduced from approximately HK$397,321,212 divided into 1,986,606,059 shares of HK$0.20 each to approximately HK$19,866,061 divided into 1,986,606,059 shares of HK$0.01 each. It would also have the effect of creating an addition to the contributed surplus account of approximately HK$377.5 million. On completion of the Capital Reorganisation, the credit arising from the reduction of the par value of the issued Shares and the reduction of the share premium account will be transferred to the contributed surplus account of the Company and the Directors be authorised to apply the amount standing to the credit of the contributed surplus account for the implementation of the Cash Dividend.

The Company is an exempted company incorporated in Bermuda. As such, the Capital Reorganisation is a process governed by Bermuda law. This does not involve any court procedure in Bermuda (or Hong Kong). The Capital Reorganisation must be approved by a special resolution of the Shareholders, which will be proposed at the SGM. Moreover, the Directors must be satisfied that the Company will, after the capital reduction, continue to be able to pay its liabilities as they become due. Based upon information presently available to the Directors, and having made all reasonable enquiries, the Directors are satisfied with the Company's financial position, and expect that the Company will be able to meet its liabilities after the Capital Reorganisation.

The Capital Reorganisation will not become effective until all the conditions to the Capital Reorganisation have been satisfied. The Capital Reorganisation is conditional upon:

(a) the passing of a special resolution to approve the Capital Reorganisation at the SGM; and

(b) receipt by the Group of all relevant consents, authorisations or approvals required from any governmental or other competent regulatory authorities (including but not limited to the approval of the Bermuda Monetary Authority if required) and, or, from any bank(s) pursuant to facility agreements entered into by members of the Group and, or, from any other counter-parties to contracts entered into by members of the Group.

For the avoidance of doubt, the Capital Reorganisation is not conditional upon the Disposal and the Cash Dividend becoming unconditional.

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders (except for the payment of related expenses). The Directors believe that the Capital Reorganisation will not have any adverse effect on the financial position of the Company or the Group. As explained above, the Capital Reorganisation is a necessary step for the Company to effect the payment of the Cash Dividend.

The Board is of the opinion that the Capital Reorganisation will provide the Company with greater flexibility for the issue of new Adjusted Shares in the future. Further, the credit in the contributed surplus account arising from the Capital Reorganisation may be applied for distribution to the Shareholders as and when the Directors consider it appropriate in the future.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares. The Adjusted Shares will rank pari passu in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

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

CCASS eligibility

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted 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 the Adjusted 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.

All necessary arrangements will be made for the Adjusted Shares to be admitted into the CCASS established and operated by HKSCC.

Free exchange of Adjusted Share certificates and trading arrangements

Subject to the Capital Reorganisation becoming effective, Shareholders may, on or after Thursday, 27 December 2012 and until 4:30 p.m. on Wednesday, 6 February 2013, submit certificates for the Shares (in pink color) to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in exchange for certificates for the Adjusted Shares (in yellow color) at the expense of the Company. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for the Adjusted Shares. Nevertheless, certificates for Shares will continue to be good evidence of legal title and may be exchanged for certificates for the Adjusted Shares at any time at the expense of the Shareholders in question.

REASONS FOR AND BENEFIT OF THE DISPOSAL, CASH DIVIDEND AND CAPITAL REORGANISATION

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

The property prices in the PRC and Hong Kong have remained at high levels in the past 12 months. However, while the global economy remained overshadowed by the slowing economic growth in China and the unresolved European debt crisis, the Directors consider that the Disposal is a good opportunity for the Group to dispose of its investments in the Properties at a profit. In addition, since mid-2009 the Shares have been traded at a discount to the Group's net asset value and the trading volume of the Shares on the Stock Exchange has been low with an average daily volume of less than 0.4% of the Company's issued share capital. The Board therefore considers the Disposal and the payment of the Cash Dividend provide an opportunity for the Independent Shareholders to achieve immediate liquidity of their investment in the Shares. The Cash Dividend is a special distribution to return excess capital to the Shareholders after a majority of the Company's assets are realised following the Disposal. If the Disposal does not happen, the Company will retain the Properties and a majority of the Company's assets will be landed properties rather than liquid assets and, therefore, the Company will reconsider whether it has sufficient financial resources to return excess capital to the Shareholders by distribution of a cash dividend. As such, the Board considers that the payment of the Cash Dividend being inter-conditional upon the Disposal is reasonable.

If the Disposal and the payment of the Cash Dividend (including the Capital Reorganisation) can be successfully implemented, Independent Shareholders will receive a special cash distribution of HK$0.62 per Adjusted Share, which represents:

(a) a premium of approximately 4.7% over the average of the closing prices of approximately HK$0.592 per Share for the 10 consecutive trading days prior to 15 October 2012, being the day on which the publication of the announcement by the Company in relation to price sensitive information regarding a possible disposal of certain property interests of the Company and the possible special cash distribution;

(b) a premium of approximately 6.5% over the average of the closing prices of approximately HK$0.582 per Share for the 30 consecutive trading days prior to 15 October 2012;

(c) a premium of approximately 18.9% over the average of the closing prices of approximately HK$0.522 per Share for the 90 consecutive trading days prior to 15 October 2012;

(d) a premium of approximately 21.4% over the average of the closing prices of approximately HK$0.511 per Share for the 180 consecutive trading days prior to 15 October 2012;

(e) a discount of approximately 21.5% to the closing price of HK$0.790 per Share as quoted on the Stock Exchange on 22 October 2012, being the last trading day immediately preceding the publication of the Announcement; and

(f) a discount of approximately 31.3% to the closing price of HK$0.900 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

As disclosed in the section headed "Information on the Disposal Companies" above, the Adjusted Consideration represents a discount of approximately 20.0% to the Disposal Value of approximately HK$1,088.1 million. However, given that (i) the Disposal will lead to the distribution of the Cash Dividend following Disposal Completion; and (ii) the Cash Dividend of HK$0.62 per Adjusted Share exceeds the Share price of around HK$0.60 prior to the publication of the announcement dated 15 October 2012, the Board considered that it is not unreasonable to put forward such arrangement for Independent Shareholders' sanction albeit the Adjusted Consideration represents a discount to the Disposal Value.

Although no active attempt was made by the Company to sell the Properties to independent third parties, the Company has, however, taken into account the following factors before deciding to put forward the whole arrangement for Independent Shareholders' consideration, including but not limited to:

(i) the actual consideration for disposing of the Properties in the market can be higher or lower than the independent valuation and there is no guarantee that the Company can achieve the Disposal Value if all the Properties are sell to independent third party;

(ii) under the terms of the Sale and Purchase Agreement, the Company is transferring the equity interests of the Disposal Companies to the Purchaser. Some of the Disposal Companies have been established for a considerable period of time. Property buyers are generally less willing to take up companies with long history owing to the risk exposure of hidden liabilities of the target companies. Direct sale of properties to third party buyers involves a higher total transaction costs than that involved in the sale of equity interests, and buyers would normally take into account of the transaction costs when negotiating for the purchase price; and

(iii) as discussed above, the Cash Dividend of HK$0.62 per Adjusted Share exceeds the Share price of around HK$0.60 prior to the publication of the announcement dated 15 October 2012.

Following Disposal Completion, the Remaining Group will continue to be engaged in property investment in Hong Kong and the PRC, property trading, securities trading and provision of financial services, and will continue to hold interests in two properties in Hong Kong and one property namely Dawning Tower in Shenzhen, the PRC. It is the Group's intention to continue to occupy the premises in Chaiwan for its storage purposes. The Group currently intends to continue to hold the premises in Central as property held for sale and the premises in Dawning Tower in Shenzhen as investments for generating stable rental income for the Remaining Group but may also consider from time to time realising such properties if suitable and profitable opportunities arise. On the other hand, the Group will continue to maintain its financial services business operation to provide, including but not limited to, short to medium term loans to the Group's business associates and partners. In view of the Group's sufficient working capital and the bank deposits rates remaining at low level, the financial services segment is expected to continue to contribute a satisfactory return to the Group. In the meantime, the Group will also continue to look for suitable investment opportunities in other areas but with stable returns such as projects characterized by stable cash inflows and simple management mechanism. Independent Shareholders will continue to retain their investment in the Company after Disposal Completion.

The Directors (excluding Mr. Wong and Mr. Derick Wong, who abstained from the voting on the relevant Board resolutions due to Mr. Wong's interests in the Sale and Purchase Agreement, and the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Save as disclosed above, no other Directors are considered to have a material interest in the Disposal and the Cash Dividend and need to abstain from voting on the relevant Board resolutions.

EXEMPTED CONTINUING CONNECTED TRANSACTION

The Group has been using the Leased Property, one of the Properties, as its office. The Directors consider that it is in the interests of the Company and the Shareholders as a whole for the Company to continue to rent the Leased Property from Grandtex Development after Disposal Completion to avoid relocation costs provided that the lease terms including rents are in line with the market. Accordingly, it is intended that immediately upon Disposal Completion, the Company and Grandtex Development will enter into the Lease Agreement in relation to the lease of the Leased Property. It is envisaged that the Lease Agreement will be on normal commercial terms and the maximum annual consideration under the Lease Agreement shall represent less than 5% of the applicable percentage ratios of the Company and is less than HK$1,000,000 under Rule 14A.33 of the Listing Rules. As a result, the Lease Agreement is expected to constitute an exempted continuing connected transaction and no disclosure or independent shareholders' approval is required.

LISTING RULES IMPLICATIONS

Based on the relevant percentage ratios calculations under the Listing Rules, the entering into of the Sale and Purchase Agreement constitutes a major transaction of the Company and therefore is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser, which holds an aggregate of 1,448,440,623 Shares representing approximately 72.9% of the total issued share capital of the Company as at the Latest Practicable Date, is wholly owned by Mr. Wong who is an executive Director, the chairman of the Company and the controlling Shareholder. The Purchaser is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company pursuant to Rule 14A.13(1)(a) of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, pursuant to the Sale and Purchase Agreement, the Consideration will be satisfied by the issue of the Promissory Note by the Purchaser to the Company upon Disposal Completion and therefore, constitutes financial assistance provided by the Company to the Purchaser under Rules 14A.13(2)(a)(i) and 14A.14 of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Capital Reorganisation will proceed regardless of whether the Disposal and the Cash Dividend will become unconditional. It is proposed that the Capital Reorganisation be implemented regardless of the completion of the Disposal and payment of the Cash Dividend. Accordingly, Mr. Wong, who does not have a material interest in the Capital Reorganisation which is different from other Shareholders, shall not be required to abstain from voting on the resolution approving the Capital Reorganisation. Therefore the resolution approving the Capital Reorganisation should be subject to approval by all Shareholders.

Shareholders should be aware that each of the Disposal and the Cash Dividend is conditional upon, among others, the approval of the Independent Shareholders, whereas the Capital Reorganisation is conditional and subject to, among others, the approval of the Shareholders, and therefore, they may or may not proceed. Shareholders and potential investors are urged to exercise caution when dealing in the Shares.

SGM

Set out on pages SGM-1 to SGM-3 is a notice convening the SGM to be held at Room 302, 3/F., Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong on Monday, 24 December 2012 at 9:30 a.m. at which resolutions will be proposed to consider and, if thought fit, approve the Disposal, the Cash Dividend, the Capital Reorganisation and the transactions contemplated thereunder (including the Financial Assistance).

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. Voting on the proposed resolutions at the SGM will be taken by poll.

Mr. Wong and his associates (beneficially interested in an aggregate of 1,448,440,623 Shares, representing approximately 72.9% of the total issued share capital of the Company as at the Latest Practicable Date) shall abstain from voting on the proposed resolutions to approve the Disposal and the Cash Dividend at the SGM. The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance). The Company has appointed Quam Capital as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

RECOMMENDATIONS

Your attention is drawn to the letter of recommendation from the Independent Board Committee to the Independent Shareholders set out on page 24 of this circular which contains its recommendation to the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance).

Your attention is also drawn to the letter from Quam Capital on pages 25 to 50 of this circular which contains, among other matter, its advice to the Independent Board Committee and the Independent Shareholders regarding the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance).

The Board (including the Independent Board Committee after taking into account the advice of Quam Capital) considers that (i) the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance); (ii) the Cash Dividend; and (iii) the Capital Reorganisation are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders or the Independent Shareholders (as the case maybe) should vote in favour of the resolutions to be proposed at the SGM to approve (i) the Disposal (including the Financial Assistance); (ii) the Cash Dividend; and (iii) the Capital Reorganisation.

ADDITIONAL INFORMATION

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

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

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders 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)

30 November 2012

To the Independent Shareholders,

Dear Sirs,

(1) MAJOR AND CONNECTED TRANSACTION;
(2) PROPOSED SPECIAL CASH DISTRIBUTION; AND
(3) PROPOSED CAPITAL REORGANISATION

We refer to the circular of the Company to the Shareholders dated 30 November 2012 (the "**Circular**"), of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed as the members of the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance) are fair and reasonable so far as the Independent Shareholders are concerned. Quam Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 25 to 50 of the Circular. Your attention is also drawn to the "Letter from the Board" of the Circular and the additional information set out in the appendices to the Circular.

Having considered the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance) and the advice from Quam Capital, we consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance) are fair and reasonable as far as the Independent Shareholders are concerned and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,
The Independent Board Committee
Mr. Chung Koon Yan   Mr. Lee Kuo Ching, Stewart   Miss Kally Chong
Independent non-executive Directors

The following is the text of a letter of advice from Quam Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance).

Quam CAPITAL 華富嘉洛企業融資 Quam Capital Limited
A Member of The Quam Group

30 November 2012

To the Independent Board Committee and the Independent Shareholders

Shenzhen High-Tech Holdings Limited
17/F., BEA Harbour View Centre
56 Gloucester Road
Wanchai, Hong Kong

Dear Sir/Madam,

MAJOR AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Disposal. Details of the Disposal are set out in the "Letter from the Board" contained in the circular dated 30 November 2012 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 otherwise requires.

On 23 October 2012, the Company (as the vendor), the Purchaser and Mr. Wong (as the guarantor to the Purchaser) entered into the Sale and Purchase Agreement pursuant to which the Purchaser conditionally agreed to acquire and the Company conditionally agreed to dispose of the Sale Shares and the Shareholder Loans at an aggregate consideration of HK$890 million (subject to the Working Capital Adjustment (as defined below)). The Purchaser is an investment holding company wholly owned by Mr. Wong who is an executive Director, the chairman of the Company and the controlling Shareholder beneficially interested in, through the Purchaser, an aggregate of 1,448,440,623 Shares, representing approximately 72.9% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Purchaser is a connected person of the Company pursuant to the Listing Rules. As such, the Disposal constitutes a connected transaction of the Company and is subject to the approval of the Independent Shareholders at the SGM by way of poll.

Mr. Chung Koon Yan, Mr. Lee Kuo Ching, Stewart and Miss Kally Chong, the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance) are fair and reasonable as far as the Independent Shareholders are concerned and the Disposal is in the interests of the Company and the Shareholders as a whole. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in this regard.

Quam Capital is independent of and not connected with any members of the Group or any of their substantial shareholders, directors or chief executives, or any of their respective associates, and is accordingly qualified to give an independent advice in respect of the Disposal.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information and facts supplied by the Company, and the opinions expressed by and the representations of the Directors and the management of the Company. We have assumed that all the information and representations contained or referred to in the Circular were true and accurate in all respects at the date thereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and facts supplied by the Company, and the opinions expressed by and the representations of the Directors and the management of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations regarding the Company and the Disposal provided to us by the Company and/or the Directors and the management of the Company are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the SGM.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group (including the Disposal Companies), the Purchaser or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation and giving advice to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following principal factors and reasons:

1. Information of the Group, the Disposal Companies and the Properties

(i) Principal business of the Group and the Disposal Companies

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

The Disposal Companies comprise Asset Partners, Grandtex Development, Stadium Holdings, Trinity Sino and Value Shine. Each of the Disposal Companies is a direct wholly-owned subsidiary of the Company. The Disposal Companies and their respective subsidiaries are principally engaged in property investment in Hong Kong and/or the PRC and/or property trading. As at the Latest Practicable Date, the principal assets of the Disposal Companies and their respective subsidiaries are their interests in the Properties.

(ii) Financial performance and position of the Group

We have reviewed the audited consolidated financial statements of the Group for the two years ended 31 December 2011, and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2012, extracts of which are set out as follows:

Extracts of consolidated income statement

	For the year ended 31 December		**For the six months ended 30 June**	
	2010	**2011**	**2011**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Restated)	*(Audited)*	*(Unaudited)*	*(Unaudited)*
Turnover	712,404	66,500	25,169	43,928
– *Sales of properties*	654,163	–	–	–
– *Rental income*	44,506	36,133	17,754	18,728
– *Property management fee income*	12,082	13,662	6,245	7,082
– *Loan interest income*	1,653	16,705	1,170	18,118
Gross profit	219,425	41,312	19,360	37,456
Other financial income	13,738	32,104	14,052	12,085
Fair value gain/(loss) on financial assets at fair value through profit or loss	13,573	(10,240)	(1,305)	6,442
Gain on disposals of subsidiaries	–	5,241	–	–
Gain on disposals of investment properties	–	403	–	–
Gain in fair value of investment properties	90,003	21,970	403	–
Profit before taxation	322,290	80,918	27,986	39,830
Profit after taxation	317,159	70,822	23,931	36,463

Extracts of consolidated statement of financial position

	As at 31 December		As at 30 June
	2010	**2011**	**2012**
	HK$'000	*HK$'000*	*HK$'000*
	(Restated)	*(Audited)*	*(Unaudited)*
Investment properties	623,480	659,700	659,700
Loans and receivables (non-current and current)	11,353	152,500	144,000
Properties held for sale	132,702	299,402	299,402
Financial assets at fair value through profit or loss	57,124	57,115	165,526
Cash and cash equivalents	980,984	719,031	453,418
Net asset value	1,786,009	1,855,101	1,700,850

During the two years ended 31 December 2011 and the six months ended 30 June 2012, turnover of the Group mainly represented the revenue generated by sale of properties, rental and property management fee income and loan interest income. Since the year ended 31 December 2011, rental and property management fee income and loan interest income were the major source of revenue of the Group. The Group's profits for the two years ended 31 December 2011 and the six months ended 30 June 2012 were also attributable to the other financial income (mainly representing bank interest income), fair value change on financial assets at fair value through profit or loss, gain on disposals of subsidiaries and gain in fair value of investment properties.

As at each of the reporting date of the two years ended 31 December 2011 and the six months ended 30 June 2012, assets of the Group mainly represented investment properties, properties held for sale and cash and cash equivalents. The net asset value of the Group was approximately HK$1.7 billion as at 30 June 2012.

The Properties represent part of the investment properties and properties held for sale of the Group as at 30 June 2012. Rental and management fee income generated by the Properties were approximately HK$24.2 million and HK$25.3 million for each of the years ended 31 December 2010 and 2011 respectively, and approximately HK$13.3 million for the six months ended 30 June 2012, representing approximately 42.8%, 50.8% and 51.5% of rental and management fee income of the Group for the relevant period respectively.

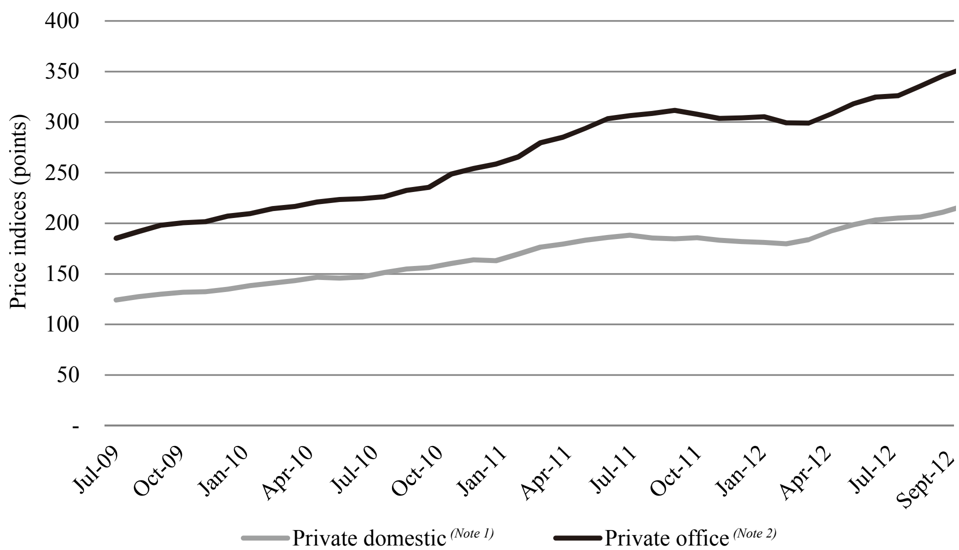
2. Overview of the property markets in Hong Kong and Beijing, the PRC

As stated in the "Letter from the Board" in the Circular, the property prices in the PRC and Hong Kong have remained at high levels in the past 12 months. The followings are the overview of the property markets in Hong Kong and Beijing, the PRC in recent years as a general reference for the Independent Shareholders on the recent price levels and the latest development of the property markets in Hong Kong and Beijing, the PRC.

(i) Property market in Hong Kong

The chart below illustrates the price indices of private domestic and office properties in Hong Kong during the period from July 2009 to September 2012:

Price indices of private dosmestic and office properties in Hong Kong



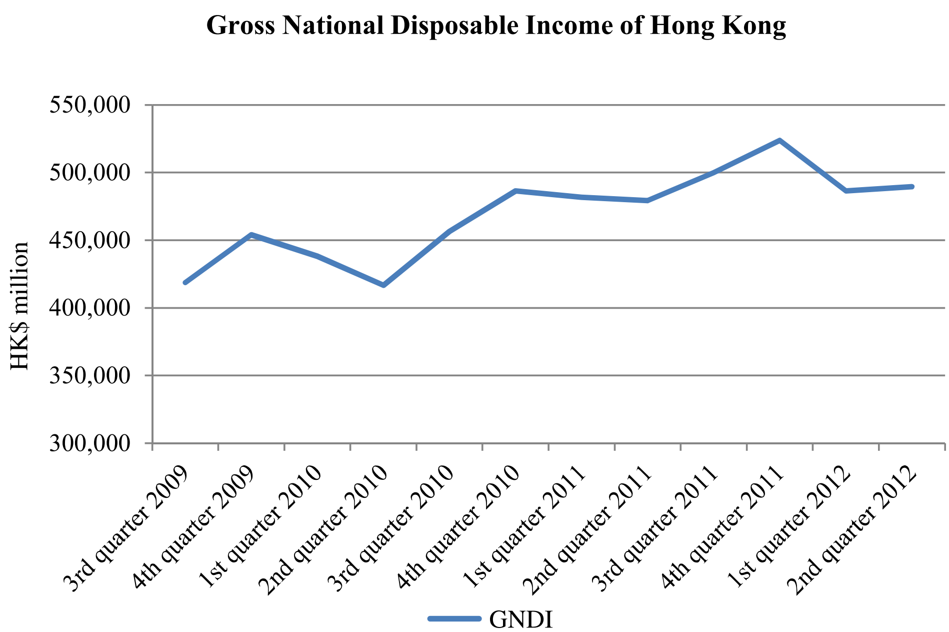
Source: Rating and Valuation Department of the Hong Kong Government

Notes:

1. Private domestic units are defined by the Rating and Valuation Department of the Hong Kong Government as independent dwellings with separate cooking facilities and bathroom (and/or lavatory).

2. Private office premises are defined by the Rating and Valuation Department of the Hong Kong Government as premises situated in buildings designed for commercial/business purposes.

Illustrated in the chart below is the gross national disposable income ("**GNDI**") of Hong Kong from the third quarter of 2009 to the second quarter of 2012:



Source: The Census and Statistics Department of the Hong Kong Government

As illustrated from the charts above, the prices of private domestic and office properties in Hong Kong have been trending up during the relevant period. For private domestic properties, the price index as published by the Rating and Valuation Department of the Hong Kong Government surged from 124.1 points in July 2009 to 217.4 in September 2012, representing an increase of approximately 75.2%. For private office properties, the relevant price index soared from 185.2 points in July 2009 to 353.7 points in September 2012, representing an increase of approximately 91.0%. On the other hand, the GNDI of Hong Kong only grew by approximately 17.0% from the third quarter of 2009 to the second quarter of 2012. The above suggests that there has been a widening gap between the purchasing power and the property price in Hong Kong.

In response to the overwhelming increase in property prices in Hong Kong and with an aim to curb speculation in residential properties, the Hong Kong government introduced the Special Stamp Duty ("**SSD**") on top of the ad valorem stamp duty on the disposal of residential properties with effect from 20 November 2010 pursuant to the Stamp Duty (Amendment) Ordinance 2011. Unless the transaction is exempted from SSD or SSD is not applicable, any residential property acquired on or after 20 November 2010, either by an individual or a company (regardless of where it is incorporated), and resold within 24 months, shall be subject to SSD. Subsequently on 26 October 2012, the Financial Secretary further announced that the Hong Kong government would amend the Stamp Duty Ordinance to adjust the rates and to extend the holding period in respect of SSD. Under the adjusted regime, any residential property acquired on or after 27 October 2012, either by an individual or a company (regardless of where it is incorporated), and resold within 36 months, will be subject to the new rates of SSD upon the enactment of the relevant legislation.

In addition to the introduction and subsequent amendment of SSD, on 26 October 2012, the Financial Secretary also announced that the Hong Kong government would amend the Stamp Duty Ordinance to introduce with effect from 27 October 2012 a Buyer's Stamp Duty ("**BSD**") on residential properties acquired by any person (including a body corporate) except for a Hong Kong permanent resident. BSD is to be charged at a flat rate of 15% on all residential properties, on top of the existing stamp duty and the SSD, if applicable.

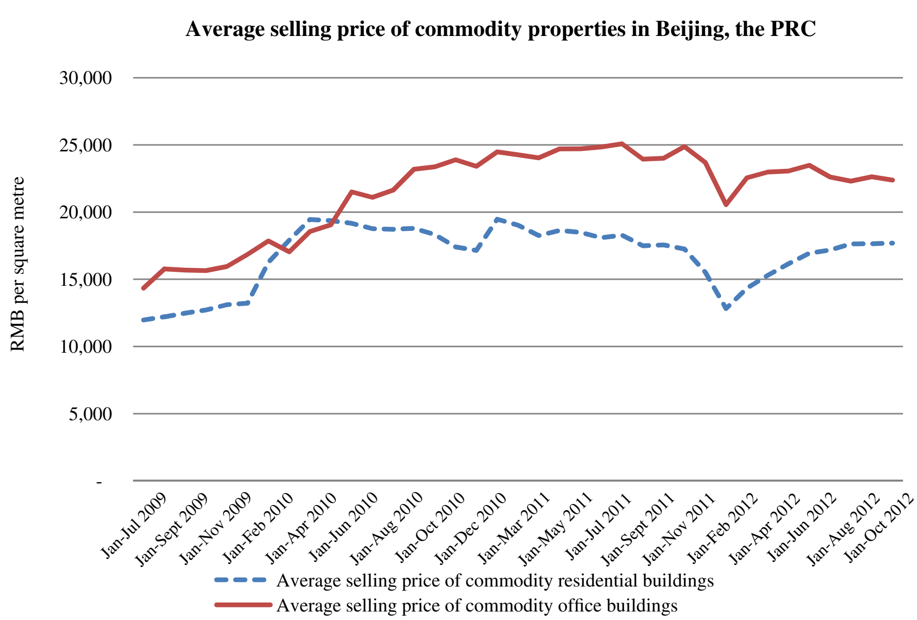
The Financial Secretary further stated that a close watch would be kept on the new measures, i.e. the amended SSD and BSD, which might be applied to commercial units if needed.

The Hong Kong government also announced in the 2012-2013 Government Budget in January 2012 that it would continue to increase land supply to ensure that land supply will not be affected by economic cycles or fluctuations of the property market. The Hong Kong government would continue to expand land resources in a multi-pronged manner to facilitate the stable development of the local property market and meet the needs for the social and economic development.

Based on the foregoing, we consider the above stringent measures and policies adopted by the Hong Kong government in response to the increase in property price and the market speculation on possible further intervention of the Hong Kong government on the property market (including the commercial property market) would have negative effect on the development of the Hong Kong property market in short to medium term.

(ii) Property market in Beijing, the PRC

The chart below illustrates the average selling price of commodity properties (including residential and office properties) in Beijing, the PRC during the period from mid-2009 to October 2012.



Source: CREIS

As illustrated above, the average selling prices of commodity residential and office properties in Beijing presented occasinal oscillations particularly in late 2011 and early 2012.

In view of the soaring property prices and real estate investments in the local market in recent years, the local government of Beijing has implemented a variety of measures, including but not limited to purchase restrictions, hikes in lending rates and a ban on mortgage loans for third homes, etc., with an aim to curb the speculations on property and to slow down real estate investments since 2010. The property market in Beijing cooled down in 2011 after such austerity measures.

Further, the PRC government has repeatedly stated that property regulation measures shall be kept in place to prevent a rebound in housing prices and that the PRC government will remain steadfast on the controls on property market to ensure properties affordable. For instance, in response to the recent warming of property market since the introduction of stringent measures on the property market, the State Council appointed eight teams to monitor the property industry in July 2012. The teams performed inspection in 16 cities and provinces in the PRC, including among others, Beijing, to inspect how well those restrictive policies on house purchasing have been carried out, and to check the supply and the management of residential land and the implementation of relevant tax policies. The move aimed to ensure that the property regulation measures are implemented appropriately, speculative housing demand is curbed, and to strengthen the effects of the property regulation measures.

In view of the above, in particular the intention of the PRC government to control the development of the local property market and the stringent measures and policies adopted by the PRC government, we consider that the prospects of the property market in Beijing will remain uncertain in the short to medium term.

3. The proposed Cash Dividend

As proposed by the Board, subject to the satisfaction of the relevant conditions precedent set out in the "Letter from the Board" in the Circular, including among others the completion of the Disposal, the Company will effect a special distribution of the Cash Dividend of HK$0.62 per Adjusted Share, amounting to approximately HK$1,232 million in aggregate. If the relevant conditions are not fulfilled, the Cash Dividend will not be implemented. Subject to the conditions being satisfied, the payment of the proposed Cash Dividend is to be payable on or about 11 January 2013 to the Qualifying Shareholders.

We have noted that the Disposal and the Cash Dividend are inter-conditional on each other. The entire amount of the Promissory Note as provided under the Sale and Purchase Agreement would be offset against the Purchaser's entitlement to the Cash Dividend. As stated in the "Letter from the Board" in the Circular and to be discussed in section (4) below, the Board considers the Disposal and the payment of the Cash Dividend as a whole provide an opportunity for the Independent Shareholders to achieve immediate liquidity of their investment in the Shares.

The proposed Cash Dividend of HK$0.62 per Adjusted Share represents:

(a) a premium of approximately 4.7% over the average of the closing prices of approximately HK$0.592 per Share for the 10 consecutive trading days prior to 15 October 2012, being the day on which the publication of the announcement by the Company in relation to price sensitive information regarding a possible disposal of certain property interests of the Company and the possible special cash distribution;

(b) a premium of approximately 6.5% over the average of the closing prices of approximately HK$0.582 per Share for the 30 consecutive trading days prior to 15 October 2012;

(c) a premium of approximately 18.9% over the average of the closing prices of approximately HK$0.522 per Share for the 90 consecutive trading days prior to 15 October 2012;

(d) a premium of approximately 21.4% over the average of the closing prices of approximately HK$0.511 per Share for the 180 consecutive trading days prior to 15 October 2012;

(e) a discount of approximately 21.5% to the closing price of HK$0.790 per Share as quoted on the Stock Exchange on 22 October 2012, being the last trading day immediately preceding the publication of the Announcement; and

(f) a discount of approximately 31.3% to the closing price of HK$0.900 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

4. Reasons for and benefits of entering into of the Sale and Purchase Agreement and the Cash Dividend

As stated in the "Letter from the Board" in the Circular, despite the property prices in the PRC and Hong Kong have remained at high levels in the past 12 months, the global economy remained overshadowed by the slowing economic growth in China and the unresolved European debt crisis, and thus the Directors consider that the Disposal is a good opportunity for the Group to dispose of its investments in the Properties at a profit. In addition, since mid-2009, the Shares have been traded at a discount to the Group's net asset value and the trading volume of the Shares on the Stock Exchange has been low with an average daily volume of less than 0.4% of the Company's issued share capital (our analysis in respect of which is set out below). The Board therefore considers the Disposal and the payment of the Cash Dividend, which are inter-conditional on each other, provide an opportunity for the Independent Shareholders to achieve immediate liquidity of their investment in the Shares.

The chart below illustrates the share price performance and trading volume of the Shares during the period from 1 July 2009 to 22 October 2012 (being the last trading day of the Shares immediately preceding the publication of the Announcement) (the "**Pre-announcement Period**") and the period from 24 October 2012 (being the first trading day of the Shares immediately after the publication of the Announcement, the "**Post-announcement Day**") to the Latest Practicable Date (the "**Post-announcement Period**") (collectively the "**Review Period**"):

Share Price and trading volume of the Shares during the Review Period

Source: Bloomberg and the respective annual and interim reports of the Company

Based on the chart above, the price of the Shares has been trading at discount to the net asset value ("**NAV**") per Share (based on the net asset values as disclosed in the respective published financial statements of the Company) during the Pre-announcement Period. The average closing price of the Shares of approximately HK$0.47 per Share during the Pre-announcement Period is substantially lower than the NAV per Share of approximately HK$0.86 as at 30 June 2012. NAV represents a proxy of the value of equity attributable to shareholders of a company and the share price relative to NAV per share (which is also known as the price-to-book ratio ("**P/B ratio**")) is commonly and widely accepted method for assessing the share price performance of a listed company. In particular, a discount of the share price relative to NAV per share (or a P/B ratio below 1.0) means that the shares are traded at a price lower than the equity value attributable to shareholders, which in turn implies that shareholders are not able to realise their investments in the company at a price reflecting their attributable equity in the company. In terms of the performance of the Shares of the Company, albeit there may be many reasons for the Shares being undervalued as compared to NAV per Share and none of them may be conclusive, it was a matter of fact that the Shares were traded at a discount to NAV per Share during the Pre-announcement Period.

The proposed Cash Dividend of HK$0.62 per Adjusted Share is higher than the average closing price of the Shares of approximately HK$0.47 per Share during the Pre-announcement Period, by approximately 31.9%. Since the proposed Cash Dividend represents a premium over the average closing price of the Shares during the Pre-announcement Period, we consider that the proposed Cash Dividend effectively provides an opportunity for the Independent Shareholders to realise part of their investments in the Company at a price closer to their attributable equity claim in the Company and thus it is in the interest of the Independent Shareholders.

During the Post-announcement Period, the average closing price of the Shares was approximately HK$0.91 per Share. We consider that the surge of the price of the Shares during the Post-announcement Period was stimulated by the publication of the Announcement. As the share price/trading movement was distorted during the Post-Announcement Period and that such price/trading performance may not be sustainable in the absence of the Disposal and the proposed Cash Dividend, we consider it is not appropriate to compare the proposed Cash Dividend with the average closing price of the Shares for the Post-announcement Period.

Further, in respect of the length of the Pre-announcement Period adopted in our analysis on the price and trading volume of the Shares, given that (i) a shorter and more recent period may lead to potential bias (particularly, the prices and trading volume of the Shares were distorted during the Post-announcement Period); (ii) the relatively thin liquidity of the Shares which the trading prices may be distorted by very small trading volume over a short period of time; and (iii) the Pre-announcement Period has covered a length of period so as to provide informative and objective analysis without being distorted by short term fluctuation, we consider that the Pre-announcement Period represents a reasonable length of period for us to assess the historical price performance and trading volume of the Shares. In addition, we are of the view that the share price/trading performance during the Pre-announcement Period is more relevant to our analysis and it is not appropriate to form our opinion based on the share price/trading movement, which was distorted, during the Post-announcement Period.

Based on the foregoing, we consider that (i) the price of the Shares during the Pre-announcement Period was undervalued relative to the NAV per Share; and (ii) the Disposal and the proposed Cash Dividend as a whole represent a good opportunity for the Independent Shareholders to realise their investment in the Shares in the way of the Cash Dividend of HK$0.62 per Adjusted Share.

The following table sets out the trading volume of the Shares during the Review Period:

Month/period	Average daily trading volume for the month/ period of the Shares *(Note 1)*	Percentage of average daily trading volume to total issued Shares as at the Latest Practicable Date *(Note 2)*	Percentage of average daily trading volume to total number of Shares held by Independent Shareholders as at the Latest Practicable Date *(Note 3)*
2009			
July	3,030,571	0.153%	0.563%
August	1,960,202	0.099%	0.364%
September	1,254,700	0.063%	0.233%
October	1,282,900	0.065%	0.238%
November	2,533,876	0.128%	0.471%
December	1,473,536	0.074%	0.274%
2010			
January	2,751,910	0.139%	0.511%
February	717,111	0.036%	0.133%
March	4,760,583	0.240%	0.885%
April	1,527,137	0.077%	0.284%
May	1,606,548	0.081%	0.299%
June	1,211,341	0.061%	0.225%
July	512,676	0.026%	0.095%
August	6,984,424	0.352%	1.298%
September	755,962	0.038%	0.140%
October	712,790	0.036%	0.132%
November	1,353,595	0.068%	0.252%
December	803,563	0.040%	0.149%

Month/period	Average daily trading volume for the month/ period of the Shares *(Note 1)*	Percentage of average daily trading volume to total issued Shares as at the Latest Practicable Date *(Note 2)*	Percentage of average daily trading volume to total number of Shares held by Independent Shareholders as at the Latest Practicable Date *(Note 3)*
2011			
January	1,261,352	0.063%	0.234%
February	898,022	0.045%	0.167%
March	2,881,043	0.145%	0.535%
April	739,433	0.037%	0.137%
May	481,350	0.024%	0.089%
June	589,441	0.030%	0.110%
July	190,390	0.010%	0.035%
August	249,843	0.013%	0.046%
September	280,000	0.014%	0.052%
October	132,139	0.007%	0.025%
November	270,255	0.014%	0.050%
December	50,610	0.003%	0.009%
2012			
January	780,889	0.039%	0.145%
February	314,352	0.016%	0.058%
March	764,136	0.038%	0.142%
April	598,722	0.030%	0.111%
May	156,170	0.008%	0.029%
June	25,571	0.001%	0.005%
July	124,990	0.006%	0.023%
August	312,539	0.016%	0.058%
September	408,540	0.021%	0.076%
October	3,147,100	0.158%	0.585%
November (up to the Latest Practicable Date)	1,070,801	0.054%	0.199%
Maximum		**0.352%**	**1.298%**
Minimum		**0.001%**	**0.005%**
Average		**0.063%**	**0.231%**

Source: Bloomberg and website of the Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period which exclude any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day;

2. Based on 1,986,606,059 Shares in issue as at the Latest Practicable Date; and

3. Based on 538,165,436 Shares held by the Independent Shareholders as at the Latest Practicable Date.

As illustrated in the above table, the average daily trading volume of the Shares during the Review Period ranged from approximately 25,571 Shares in June 2012 to approximately 6,984,424 Shares in August 2010, representing approximately 0.001% to 0.352% of the total number of Shares in issue as at the Latest Practicable Date, and approximately 0.005% to 1.298% of the total number of Shares held by the Independent Shareholders as at the Latest Practicable Date.

It is noted that the trading volume on 24 October 2012, being the Post-announcement Day, was particularly large which amounted to 36,658,000 Shares, representing approximately 1.845% of the total number of Shares in issue as at the Latest Practicable Date and approximately 6.812% of the total number of Shares held by the Independent Shareholders as at the Latest Practicable Date. During the Post-announcement Period, the total trading volume surged to 67,658,612 Shares representing approximately 3.406% of the total number of the Shares in issue as at the Latest Practicable Date and approximately 12.572% of the total number of Shares held by the Independent Shareholders as at the Latest Practicable Date. We consider that the relatively higher level of trading volume during the Post-announcement Period was stimulated by the publication of the Announcement.

In view of the above, in particular the overall liquidity of the Shares was relatively low in normal circumstances during the Review Period, the Independent Shareholders may find it difficult to dispose of a large number of the Shares in the open market without exerting a downward pressure on the price of the Shares.

Further, based on our review of the public information, we are not aware of any other price sensitive information except for the Disposal and the proposed Cash Dividend as disclosed in the Announcement published on 22 October 2012 which could help explain the price/trading volume surge on the Post-announcement Day and thereafter. We believe that the surge in share price and liquidity on and after the publication of the Announcement was mainly due to the market speculation and investors' positive perception on the Disposal and the proposed Cash Dividend as disclosed in the Announcement and may not be sustainable in the absence of such proposal given that the Shares were trading at a discount to the NAV per Share and the trading volume of the Shares was generally thin during the Pre-announcement Period. As such, we consider that the Disposal and the proposed Cash Dividend as a whole represent a good opportunity for the Independent Shareholders to achieve immediate liquidity of their investment in the Shares.

Conclusion

In light of the above, in particular taking into consideration (i) the Disposal represents an opportunity for the Group to dispose of its investments in the Properties at a profit; (ii) the historical price performance of the Shares being traded at discount to NAV per Share; (iii) the historically thin trading volume and therefore low liquidity of the Shares; (iv) the entitlement of the Independent Shareholders of the proposed Cash Dividend of HK$0.62 per Adjusted Share which is at a premium over the average closing price of the Shares over the Pre-announcement Period; and (v) the inter-conditional nature of the Disposal and the Cash Dividend on each other and that the Independent Shareholders will not be able to enjoy the benefits of the Cash Dividend unless the Disposal is proceeded, we concur with the Directors' view that the Disposal and the payment of the Cash Dividend as a whole arrangement is in the interests of the Company and the Shareholders as a whole as it would allow the Group to recognise a profit from realising its investments in the Properties and provide an opportunity for the Independent Shareholders to achieve immediate liquidity of their investments in the Shares.

It should be noted that the proposed Cash Dividend represents a special distribution to return excess capital to the Shareholders after the realisation of a majority of the Company's assets following the Disposal. In the case the Disposal does not proceed, the Company will retain the Properties and reconsider whether the Company has sufficient financial resources to return excess capital to the Shareholders by distribution of a special cash dividend. As such, the payment of the proposed Cash Dividend is inter-conditional upon the Disposal. Given the inter-conditionality of the Disposal and the proposed Cash Dividend, we consider that the Disposal should not be assessed on a standalone basis but as a whole with the proposed Cash Dividend.

5. Principal terms of the Sale and Purchase Agreement

(i) The Consideration

Basis of determination

Pursuant to the Sale and Purchase Agreement, the Consideration for the sale of the Sale Shares and the assignment of the Shareholder Loans is in an aggregate of HK$890 million (subject to the Working Capital Adjustment (as defined below)).

As stated in the "Letter from the Board" in the Circular, the Consideration has been arrived at with reference to, among other things, (i) the market value of the principal assets of the Disposal Companies and their subsidiaries, which are the Properties, of approximately HK$1,109.1 million as at 30 September 2012 based on the valuation (the "**Valuation**") conducted by LCH (Asia-Pacific) Surveyors Limited (the "**Valuer**"), an independent professional valuer; and (ii) the amount of the outstanding Shareholder Loans of approximately HK$894.6 million as at 30 September 2012.

Adjustment mechanism

The Consideration is subject to adjustments on a dollar for dollar basis by adding the cash, prepaid expenses, account receivables and other current assets of the Disposal Companies and deducting any debt (other than the Shareholder Loans), accrued expenses, rental deposit and other current liabilities of the Disposal Companies (collectively, the "**Working Capital Adjustment**") as at the date of the Disposal Completion, all provided and recorded in accordance with Hong Kong Financial Reporting Standards and consistent with the past practices of the Disposal Companies.

We have reviewed the unaudited management accounts of the Disposal Companies for the nine months ended 30 September 2012 and noted that the Disposal Companies recorded an aggregate unaudited net current liabilities (under the definition of the Working Capital Adjustment) of approximately HK$19.5 million as at 30 September 2012. As advised by the management of the Company, the current assets and liabilities of the Disposal Companies are not expected to experience any material change from 30 September 2012 up to the date of the Disposal Completion, implying that a downward adjustment would be made to the Consideration. Based on the above, it is expected that the Consideration would be adjusted downward by approximately HK$19.5 million (the "**Estimated Price Adjustment**") to approximately HK$870.5 million (the "**Adjusted Consideration**"), subject to the actual amounts of the current assets and liabilities of the Disposal Companies based on the balance sheets of the Disposal Companies to be prepared as at the date of the Disposal Completion.

Financial information of the Disposal Companies and the values of the Sale Shares and Shareholder Loans

The table below summaries and reconciles the fair value of the Sale Shares and the Shareholder Loans as at 30 September 2012:

Disposal Companies	Unaudited net asset/ (liability) value as at 30 September 2012 (a) *HK$'000*	Revaluation surplus (together with the impact on deferred taxation, where applicable) arising from the Valuation attributable to the Group as at 30 September 2012 (b) *HK$'000*	Adjusted net asset/ (liability) value of the Disposal Companies as at 30 September 2012 (c) = (a) + (b) *HK$'000*	Amount of Shareholder Loans as at 30 September 2012 (d) *HK$'000*	Fair value of the Sale Shares and Shareholder Loans as at 30 September 2012 (e) = (c)+ (d) *HK$'000*
Asset Partners	20,320	14,850	35,170	83,218	118,388
Grandtex Development	(99,068)	21,500	(77,568)	265,753	188,185
Stadium Holdings	(27,093)	165,826	138,733	134,949	273,682
Trinity Sino	(983)	(3,385)	(4,368)	82,633	78,265
Value Shine	72,904	28,600	101,504	328,046	429,550
Total	(33,920)	227,391	193,471	894,599	1,088,070

The aggregate unaudited NAV and the outstanding Shareholder Loans of the Disposal Companies as at 30 September 2012 were approximately HK$193.5 million and HK$894.6 million respectively. The fair value of the Sale Shares and the Shareholder Loans in aggregate amounted to approximately HK$1,088.1 million (the "**Disposal Value**"). It is noted that the Consideration (before Working Capital Adjustment) represents a discount of approximately 18.2% to the Disposal Value and, taking into account the aforesaid estimated Working Capital Adjustment of approximately HK$19.5 million, the Adjusted Consideration of approximately HK$870.5 million represents a discount of approximately 20.0% to the Disposal Value.

In order to assess the valuation of the Properties, which are the principal assets of the Disposal Companies, we have reviewed the relevant valuation report and discussed with the Valuer on the methodologies adopted and assumptions made in arriving at the Valuation. We noted that the Valuer has applied the sales comparison approach for owner-occupied properties and the investment method of income approach for properties held for investment in the determination of the Valuation. We also noted that the Valuation is prepared in accordance with The HKIS Valuation Standards on Properties published by The Hong Kong Institute of Surveyors. Having discussed with the Valuer about the Valuation, we understand that:

- the rationale of adopting the sales comparison approach and the investment method of the income approach (or sometimes referred to as a method of the sales comparison approach for the reversionary interests and the rate of return are market-derived) as the valuation methodologies is that the former approach is the most commonly used and accepted method in the determination of the market value of the owner-occupied properties and the latter is most commonly used and accepted in the determination of the market value of the properties held for investment which are subject to existing tenancy agreement(s) and the owners could receive rental income from the tenancy agreement(s), by factoring in the element of such existing tenancy agreement(s) to the market value of the relevant properties; and

- the basis and assumptions including the market value which means the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In addition, with regard to a portion of the property numbered 1 as set out in Appendix II to the Circular which is under a connected party lease, we have noted from the announcement of the Company dated 11 September 2012 that the existing tenancy agreement with the connected party relating to the said property was entered into on normal commercial terms which were negotiated on an arm's length basis with reference to the fair market rental of the relevant property. Therefore, we consider the valuation basis for the said property is reasonable.

Having considered the above-mentioned rationale, basis and assumptions in arriving at the Valuation, we are satisfied that the methodologies applied by the Valuer are reasonable. In addition, we have discussed with the Valuer about the bulk sale discounts and understand that bulk sale discounts are commonly offered for disposal of a basket of properties in a single transaction in the property market, and thus we consider it is not unreasonable.

The Properties were valued at approximately HK$1,109.1 million as at 30 September 2012. Based on our review and discussion with the Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the methodologies adopted and the basis used in arriving at the value of the Properties. Based on the Valuation, a revaluation surplus of approximately HK$227.4 million is recognised for the purpose of determining the fair value of the Sale Shares accordingly.

As the entire Consideration will be applied towards the payment of the Cash Dividend and because of the inter-conditionality of the Disposal and the Cash Dividend, the whole arrangement mimics a privatisation of the Disposal Companies (and therefore the Properties) through buying out the Independent Shareholders' interests of the Disposal Companies by the controlling Shareholder. The additional Cash Dividend being paid on top of the Consideration represents a further return of capital to all the Shareholders on a pro rata basis. From this angle, we consider that the previous privatisation proposals of companies listed on the Stock Exchange with principal activities in property development and/or investment can serve as a reference for the purposes of comparing the level of discount to/ premium over adjusted net assets value per share. In such regards, we have, to our best efforts, identified 14 transactions which represent all the transactions involving privatisation proposals on companies listed on the Stock Exchange with principal activities in property development and/or investment announced since 1 January 2002 and up to the Latest Practicable Date (the "**Privatisation Precedents**") and performed a comparison of the level of discount to/premium over adjusted net assets value per share at which the Privatisation Precedents were made with the discount of the Adjusted Consideration to the Disposal Value. We have adopted a relatively long time horizon to obtain a reasonable number of cases.

We observed that the offer prices offered by the Privatisation Precedents ranged from a discount of approximately 55.5% to a premium of approximately 13.3% comparing to the relevant companies' respective adjusted net assets value per share. The average discount to adjusted net assets value per share for all the Privatisation Precedents is approximately 25.5%. If the unsuccessful cases are excluded, the average discount to adjusted net assets value per share is approximately 26.0%. The 20.0% discount of the Adjusted Consideration to the Disposal Value is less than the average discount to adjusted net assets value of all the Privatisation Precedents and also that of the successful Privatisation Precedents, and is within the range of the discounts/premiums of the Privatisation Precedents. It should be noted that the whole arrangement (i.e. the net proceeds from the Disposal will be applied towards the payment of the Cash Dividend, the two of which are inter-conditional) is considered to mimic a privatisation, but not a normal privatization plan. Additionally, as advised by the Company, the Capital Reorganisation is proposed to implement as a separate exercise regardless of the completion of the Disposal and the Cash Dividend.

Further, in assessing the fairness and reasonableness of the Adjusted Consideration, we have conducted a search of similar transactions for disposal of companies with principally property interest and/or properties announced by companies listed on the Stock Exchange over the last three months prior to the publication of the Announcement with market values of the relevant properties disclosed (the "**Comparable Transactions**") which to the best of our knowledge, represent a reasonable comparison to that of the Disposal as a general reference to the Independent Shareholders as to the consideration for similar transactions.

The table below sets out the details of the Comparable Transactions we have identified:

Company	Stock code	Announcement date	Market value	Consideration	% premium/ (discount) of consideration over/ to market value	Subject matter
Foxconn International Holdings Limited	2038	3 October 2012	NTD455,617,642	NTD458,848,643	0.7%	Land and building located in Taiwan
Symphony Holdings Ltd.	1223	27 September 2012	HK$174,700,000	HK$174,500,000	(0.1)%	An industrial property located in the PRC
Keck Seng Investments (Hong Kong) Limited	184	26 September 2012	Yen4,780,000,000	Yen4,900,000,000	2.5%	A residential property located in Japan
Sino-Tech International Holdings Limited ("**Sino-Tech**") *(Note)*	724	25 September 2012	HK$320,000,000	HK$285,000,000	(10.9)%	A residential property located in Hong Kong
Fairson Holdings Limited	8132	21 September 2012	HK$6,300,000	HK$6,512,400	3.4%	3 units of a factory located in Hong Kong
Carry Wealth Holdings Limited	643	10 August 2012	Rp 21,000,000,000	Rp 21,000,000,000 (net of tax)	0%	An industrial property located in Indonesia
Maximum					**3.4%**	
Minimum					**(10.9)%**	
Average					**(0.7)%**	
Average (excluding Sino-Tech)					**1.3%**	
The Company					**(20.0)%**	The Properties

Source: website of the Stock Exchange

Note: As disclosed in the announcement of Sino-Tech dated 25 September 2012, Sino-Tech was having funding needs and facing adversities and the directors of Sino-Tech considered the disposal of the relevant property represented a good opportunity to realise its property at a reasonable price and that the proceeds from the disposal will improve the financial position of Sino-Tech.

Based on the above table, it is noted that the discount of the Adjusted Consideration to the Disposal Value of approximately 20.0% is higher than those of the Comparable Transactions. For illustration purpose, if the Sino-Tech's transaction is excluded from our comparison, the average premium of the Comparable Transactions would be approximately 1.3%.

However, it should be noted that the Comparable Transactions should be regarded as a general reference only and that the following differences between the Comparable Transactions and the Disposal should be taken into consideration when assessing the Consideration:

- the subject matters of most of the Comparable Transactions are individual properties, while the Properties represent a basket of residential and commercial properties;

- the subject matters of the Comparable Transactions are located in single location, while the Properties are located in Hong Kong and the PRC;

- the market sentiment and economic conditions underlying the transactions, as well as the state of affairs of the companies involved in the transactions, are not entirely the same; and

- the unique structure of the Disposal of being inter-conditional with the proposed Cash Dividend as a whole.

In view of the above differences between the Disposal and the Comparable Transactions, we consider that the Consideration under the Disposal should be assessed separately with the following factors to be emphasized and taken into consideration:

- the current conditions of the economy and the property markets in Hong Kong and Beijing as elaborated in section (2) above,;

- the policy and intention of the governments of Hong Kong and Beijing to curb the overheated local property markets as discussed in section (2) above;

- the Disposal Companies (and therefore the Properties) to be collectively disposed of in a single transaction; and

- the inter-conditional nature of the Disposal and the Cash Dividend on each other, and the benefits thereof.

Considering that (i) the global economic uncertainty intensified by the slowing economic growth in the PRC and the unresolved European debt crisis despite the property prices in the PRC and Hong Kong have remained at high levels in the past 12 months; and (ii) the uncertainty on the property markets in Hong Kong and Beijing in the near future as a result of the intention of the local governments to restrain the property price in response to the widening gap between purchasing power and property prices; (iii) the fact that the Properties represent a basket of commercial and residential properties located in Hong Kong and the PRC and thus it is time consuming and costly for the Company to locate and negotiate with each prospective buyer separately for each of the Properties; (iv) bulk sale discounts are commonly offered for disposal of a basket of properties in a single transaction; (v) there is no guarantee that the Company can sell the Disposal Companies (and therefore the Properties) at the Disposal Value; (vi) the Disposal Companies are to be disposed of at a profit to the Group; and (vii) the benefits of the Disposal and the Cash Dividend (which are inter-conditional) to the Independent Shareholders, we consider that the proposal from the Purchaser in respect of the Disposal represents a good opportunity for the Group to dispose of its investments in the Properties in one go at a profit when the property prices in Hong Kong and the PRC are at high levels, and we are of the view that the Consideration is fair and reasonable under the aforesaid circumstances.

With regard to the bulk-sale arrangement under the proposal, based on our discussion with the management of the Company, we understand that (i) such proposal is a commercial one which falls within the ordinary and usual course of business of the Company; and (ii) the Company has not made active attempt to locate and negotiate with each prospective buyer separately for each of the underlying Properties held by each Disposal Company as the management considered it time consuming and cost inefficient from commercial perspective as compared to bulk-sale and there is no guarantee that the Disposal Value can be achieved if the Properties are sold to independent third parties. Given the above, we consider the bulk-sale arrangement implied in the Disposal is commercially justifiable.

(ii) Settlement by the Promissory Note

As stated in the "Letter from the Board" in the Circular, since the proposed Cash Dividend will become distributable following Disposal Completion and in order to eliminate the credit risk of the Company relating to the settlement of the Consideration, the Consideration is therefore agreed to be satisfied by the issue of the Promissory Note by the Purchaser to the Company. The principal terms of the Promissory Note are as follows:

Principal amount:	the Consideration after the Working Capital Adjustment
Maturity date:	the sixtieth (60th) day after the date of Disposal Completion (the "**Maturity Date**")
Interest:	2% per annum

Early Redemption/Repayment:	In the event that payment of the Cash Dividend becomes unconditional before the Maturity Date, the Promissory Note will be automatically redeemed by the Purchaser at the date of payment of the Cash Dividend by offsetting in whole or in part (as the case may be) the Purchaser's entitlement to the Cash Dividend ("**Set-off Arrangement**") by an amount equal to the sum of the outstanding principal amount of the Promissory Note and interest thereon accrued up to such redemption date. The Purchaser may repay in whole or in part the outstanding principal amount of the Promissory Note at any time prior to the Maturity Date.

If the Cash Dividend is implemented, and based on the proposed Cash Dividend of HK$0.62 per Adjusted Share and the 1,448,440,623 Shares held by the Purchaser as at the Latest Practicable Date, the Cash Dividend payable to the Purchaser will amount to approximately HK$898 million.

As stated in the "Letter from the Board" in the Circular, given the fact that the Cash Dividend will be paid shortly following the Disposal Completion, the issue of the Promissory Note is just a way to facilitate the fund flows of the parties to the Disposal. It is estimated that the Purchaser will receive a net cash dividend after the Set-off Arrangement. In other words, the Purchaser entitlement to the Cash Dividend will exceed the face value of the Promissory Note, and thus the Purchaser is at a net receivable position under the Set-off Arrangement. As such, we consider that the credit risk of the arrangement rests with the Purchaser and the Set-off Arrangement has eliminated the Company's credit risk arising from the settlement of the Consideration. The Company is also able to completely control the process and payment of the Cash Dividend and there is no intermediary involved in the Set-off Arrangement. Based on the above, the receipt of the Promissory Note as the Consideration is virtually a risk free arrangement to the Company.

Under the arrangement of settling the Consideration with the Promissory Note instead of cash settlement by the Purchaser, we consider that Company is subject to the opportunity cost of receiving the Consideration in cash immediately after the Disposal Completion. We further consider that such opportunity cost represents the rate of return that can be generated from the amount of cash, which is equivalent to the Consideration (subject to the Working Capital Adjustment), from the Disposal Completion to the Maturity Date or the payment date of proposed Cash Dividend (as the case may be). Based on our review of the Group's treasury policy and considering that Promissory Note represents a virtually risk free investment for the Group as discussed above, we have compared the interest rate of the Promissory Note to the market rates of return of other monetary assets with minimal credit risk and similar maturity and liquidity available to the Group in order to assess the fairness and reasonableness of the interest rate of 2% per annum of the Promissory Note. We have noted that the interest rate of 2% per annum of the Promissory Note is considerably higher than (i) the interest rate on large-amount HK$ time deposit quoted by certain commercial banks in Hong Kong of 0.5% per annum; (ii) the yield of Exchange Fund Bills of approximately 0.19% and 0.23% for 30-day maturity and 91-day maturity respectively as published in the monthly statistical bulletin issued by the Hong Kong Monetary Authority; and (iii) the actual interest rate of the Group's HK$ time deposit as at 30 September 2012 of 0.95% to 1.23% per annum. We consider that the rate of return of time deposits with a public licensed bank, being an asset class with minimal credit risk, represents a reasonable base of comparison with the interest rate of the Promissory Note. On the other hand, lending rate, however, represents the rate of return of a loan which is an asset class with higher credit risk, and may not be an appropriate base of comparison given that credit risk premium is usually required to compensate for the higher credit risk associated. It should also be noted that rate of return of time deposits with public licensed banks, in a way, also represents a kind of lending rate since the placing of time deposits with a public licensed bank is equivalent to lending money to the public licensed bank with minimal credit risk associated. Given the above, we consider it appropriate to compare the interest rate of the Promissory Note with the time deposit rate with public licensed banks in Hong Kong.

In respect of the Maturity Date of the Promissory Note, we are advised by the management of the Company that it is to allow some degree of flexibility for the expected payment date of the proposed Cash Dividend, which is subject to the relevant conditions precedent as stated in the "Letter from the Board" in the Circular, in order to facilitate the Set-off Arrangement and the fund flow thereunder. In the event that payment of the Cash Dividend becomes unconditional before the Maturity Date, the Promissory Note will be automatically redeemed by the Purchaser at the date of payment of the Cash Dividend by offsetting in whole or in part (as the case may be) the Purchaser's entitlement to the Cash Dividend by an amount equal to the sum of the outstanding principal amount of the Promissory Note and interest thereon accrued up to such redemption date. Therefore, the maturity of the Promissory Note is effectively the shorter of 60 days commencing from the date of the Disposal Completion or the period commencing from the date of Disposal Completion and up to the payment date of the proposed Cash Dividend.

The issuance of the Promissory Note by the Purchaser to the Company constitutes a financial assistance provided by the Company to the Purchaser under the Listing Rules. Given that (i) the Promissory Note in essence is an instrument to facilitate the Set-off Arrangement and with a deadline for the Purchaser to settle the outstanding principal in the unlikely event that the Cash Dividend is not effected within 60 days after Disposal Completion due to whatever reasons; (ii) the credit risk of the Set-off Arrangement rests with the Purchaser and such arrangement has eliminated the Company's credit risk arising from the settlement of the Consideration; and (iii) the Promissory Note represents a virtually risk free investment for the Group with an interest rate of 2% per annum which is a more favourable rate of return to the Company than those of other asset classes with minimal credit risk and similar maturity and liquidity, we consider that it is in the interests of the Company and the Independent Shareholders to provide such financial assistance to the Purchaser.

Considering that (i) the reasons for the Set-off Arrangement such as the facilitation of fund flows as mentioned above; (ii) the Promissory Note represents a virtually risk free investment for the Group; (iii) the interest rate of 2% per annum represents a more favourable rate of return than those of other asset classes with minimal credit risk and similar maturity and liquidity; and (iv) the maturity of the Promissory Note is effectively the shorter of 60 days commencing from the date of Disposal Completion or the period commencing from the date of Disposal Completion and up to the payment date of the proposed Cash Dividend with an aim to facilitate the Set-off Arrangement, we concur with the Directors' view that the terms of the Promissory Note (including its interest rate), which constitutes a financial assistance provided by the Company to the Purchaser under the Listing Rules, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conclusion

In light of the foregoing, we are of the opinion that the principal terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. Financial effects of the Disposal on the Group

Based on the Adjusted Consideration in an aggregate of approximately HK$870.5 million, the aggregate unaudited net liability of the Disposal Companies as at 30 September 2012 of approximately HK$33.9 million, the amount of Shareholder Loans as at 30 September 2012 of approximately HK$894.6 million and the related transaction expenses of approximately HK$3.0 million, the Group is expected to record an unaudited gain of approximately HK$6.8 million. However, the actual gain or loss on the Disposal may be different from the expected amount as stated above, as the actual gain or loss will depend on, amongst others, the actual consolidated net asset value of each of the Disposal Companies as at the date of Disposal Completion.

Upon the Disposal Completion, each of the Disposal Companies will cease to be a subsidiary of the Company and the financial results and position of each of them will be deconsolidated from the financial statements of the Group and the turnover of the Group is expected to decrease immediately upon the Disposal Completion. Assuming the Disposal Completion and the payment of the Cash Dividend had taken place on 30 September 2012, the net assets of the Group would have decreased from approximately HK$1,729.2 million to approximately HK$504.3 million as a result of the deconsolidation of the Disposal Companies and the payment of the Cash Dividend of approximately HK$1,232 million based on the total number of Shares in issue as at the Latest Practicable Date within which approximately HK$870.5 million will set-off with the Adjusted Consideration under the Set-off Arrangement.

RECOMMENDATION

Notwithstanding the discount of the Adjusted Consideration to the Disposal Value and the financial effects of the expected decreases in turnover and net assets of the Group upon the Disposal Completion, having considered the principal factors and reasons discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

– the current condition of the property markets in Hong Kong and Beijing, the PRC as discussed in section (2) above;

– the reasons for and the benefits of the Disposal and the payment of the Cash Dividend (which are inter-conditional) as discussed in section (4) above;

– the fact that the Shares being traded at discount to the Group's NAV per Share and the low trading volume of the Shares during the Pre-announcement Period;

– the Cash Dividend of HK$0.62 per Adjusted Share represents a premium of approximately 31.9% over the average closing price of the Shares of HK$0.47 per Share during the Pre-announcement Period;

– the structure of the Disposal, including the disposal of a basket of residential and commercial properties located in Hong Kong and the PRC collectively and the proposed Cash Dividend which is inter-conditional with the Disposal;

– that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole;

– the Disposal Companies being disposed of at profit to the Group; and

– the fact that the Independent Shareholders will not be able to enjoy the benefits of the proposed Cash Dividend unless the Disposal is approved and proceeded with,

we consider that the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance) are fair and reasonable as far as the Independent Shareholders are concerned and the Disposal is in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Financial Assistance).

Yours faithfully,
For and on behalf of
Quam Capital Limited
Gary Mui
Managing Director

1. FINANCIAL INFORMATION OF THE GROUP

The published audited financial statements of the Group for each of the three years ended 31 December 2009, 2010, 2011 were set out in the Company's annual reports for the each of three years ended 31 December 2009, 2010, 2011, which can be accessed on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (http://www.finance.thestandard.com.hk/en/0106shenzhenhitec/index.asp). The unaudited interim financial statements of the Group for the six months ended 30 June 2012 were set out in the Company's interim report for the six months ended 30 June 2012, which can be accessed on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (http://www.finance.thestandard.com.hk/en/0106shenzhenhitec/index.asp).

2. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest audited financial statements of the Group were made up.

3. WORKING CAPITAL

Taking into account of the Disposal Completion and the financial resources available to the Group, including the internally generated funds, the Group has, in the absence of unforeseeable circumstances, sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

4. INDEBTEDNESS

At the close of business on 31 October 2012, apart from intra-group liabilities and normal trade payables, the Group did not have any debt securities issued and outstanding or agreed to be issued, any outstanding bank loans and overdrafts, mortgages, charges, debentures or other loan capital or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase or other finance lease commitments, guarantees or other significant contingent liabilities. As at the Latest Practicable Date, the Directors were not aware of any material change in respect of the indebtedness or other contingent liabilities of the Group since 31 October 2012.

5. FINANCIAL AND TRADING PROSPECT OF THE REMAINING GROUP

The Group is principally engaged in property investment in Hong Kong and the PRC, property trading, securities investment and securities trading and provision of financial services. The Group is currently in possession of various properties situated at prime commercial districts in Hong Kong and in the PRC. Following Disposal Completion, the Remaining Group will continue to be engaged in property investment in Hong Kong and the PRC, property trading, securities trading and provision of financial services and will continue to hold interests in two properties in Hong Kong and one property namely Dawning Tower in Shenzhen, the PRC. In order to maintain the prestigious status of Dawning Tower among commercial buildings in the locality, the Group will continue to enhance the management quality at Dawning Tower and maintain good relationship with its tenants. It is expected that the building's occupancy rate will maintain at a high level in 2012.

Apart from its ongoing focus on the PRC and Hong Kong property investments and trading, the Group is looking for suitable investment opportunities in other business areas, in particular, projects which save stable cash inflows and simple management mechanism.

The Group will also maintain a modest operation in the provisions of financial services, namely, providing short to medium term loans to the business associates and partners of the Group. In view of the Group's sufficiency of working capital, and bank deposits rates remaining at low level, the financial services segment is expected to continue to contribute a satisfactory return to the Group.

The following is the text of a valuation report prepared for the purpose of incorporation in this circular by LCH (Asia-Pacific) Surveyors Limited, an independent valuer, in connection with the market value of the Properties as at 30 September 2012.

利駿行測量師有限公司
LCH (Asia-Pacific) Surveyors Limited
PROFESSIONAL SURVEYOR
PLANT AND MACHINERY VALUER
BUSINESS & FINANCIAL ASSETS VALUER

The readers are reminded that the report which follows has been prepared in accordance with the guidelines set by the International Valuation Standards 2011 (the "IVS") published by the International Valuation Standards Council as well as the HKIS Valuation Standards on Properties, First Edition, 2005 (the "HKIS Standards") published by the Hong Kong Institute of Surveyors (the "HKIS"). Both standards entitle the valuer to make assumptions which may on further investigation, for instance by the readers' legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translation of terms in English or in Chinese are for reader's identification purpose only and have no legal status or implication in this report. This report was prepared and signed off in English format, translation of this report in language other than English shall only be used as a reference and should not be regarded as a substitution to this report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed from our part for such piecemeal reference. It is emphasised that the findings and conclusion presented below are based on the documents and facts known to the valuer at the date of this report. If additional documents and facts are made available, the valuer reserves the right to amend this report and its conclusions.

30 November 2012

17th Floor, Champion Building
287-291 Des Voeux Road
Central
Hong Kong

The Board of Directors
Shenzhen High-Tech Holdings Limited
17th Floor, BEA Harbour View Centre
No. 56 Gloucester Road
Wanchai
Hong Kong

Dear Sirs,

In accordance with the instructions given to us by the management of Shenzhen High-Tech Holdings Limited (hereinafter referred to as the "Company") to value certain properties in which the Company and its subsidiaries (collectively, hereinafter together with the Company referred to as the "Group") have interests in the People's Republic of China (hereinafter referred to as the "PRC" or

"China") and Hong Kong, we confirm that we have conducted limited scope inspections, made relevant enquiries and obtained such further information as we consider necessary to support our findings and conclusion of values of the property interests as at 30 September 2012 (hereinafter referred to as the "Date of Valuation") for the instructing party's internal reference purpose.

We understand that the use of our work product (regardless of form of presentation) would form part of the instructing party's business due diligence and we have not been engaged to make specific sale or purchase recommendations, or to give opinion for financing arrangement. We further understand that the use of our work product will not supplant other due diligence which the instructing party should conduct in reaching its business decision regarding the subject property interests. Our work is designed solely to provide information that will give a reference to the management of the instructing party as part of its due diligence, and our work should not be the only factor to be referenced by the instructing party. Our findings and conclusion of values of the properties are documented in this valuation report.

BASIS OF VALUE AND ASSUMPTIONS

According to the IVS which the HKIS Standards also follows, there are two valuation bases, namely market value basis and valuation bases other than market value. In this engagement, we have provided our values of the properties on market value basis.

The term "Market Value" is defined by the HKIS Standards as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

There are three generally accepted approaches in arriving at the market value of a property on an absolute title basis, namely the Sales Comparison Approach (also referred to as the Market Approach), the Cost Approach and the Income Approach.

In valuing the property in Group I which was owner occupied, we have adopted the Sales Comparison Approach and otherwise the investment method of the Income Approach. The Sales Comparison Approach considers the sales, listings or offering of similar or substitute properties and related market data and establishes a value of a property that a reasonable investor would have to pay for a similar property of comparable utility and with an absolute title.

In valuing the properties in Groups II and III which were held for investment as at the Date of Valuation, we have adopted the investment method of the Income Approach (or sometimes referred to as a method of the Market Approach for the reversionary interests and the rate of return are market-derived) by taking into account the current rent receivable from the existing tenancy agreements and the reversionary potential of the property interests. Our opinion of value of each of the properties in these groups is subject to the existing tenancy agreement(s) and otherwise with the benefit of vacant possession.

Unless otherwise stated, in valuing the properties, we have assumed that:

1. the legally interested party in each of the properties has absolute title to its relevant property interest;

2. the legally interested party in each of the properties sells its relevant property interest in the market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to increase the value of the property;

3. the legally interested party in each of the properties has free and uninterrupted rights to use or assign the property interest for the whole of the unexpired term as granted and any premium payable has already been fully paid;

4. the legally interested party in each of the properties complied with the deed of mutual covenants, sub-deed of mutual covenants, house rules or land grant contracts that governed the use of the property;

5. the properties have obtained relevant government's approvals for the sale of the property and is able to be disposed of and transferred free of all encumbrances (including but not limited to the cost of transaction) in the market; and

6. the properties can be freely disposed of and transferred free of all encumbrances at the Date of Valuation for its existing use in the market to both local and overseas purchasers without payment of any premium to the government.

Unless otherwise stated, in valuing the property in Group III, we have further assumed that:

1. the legally interested party in the property maintained its title to the property till the expiration of the granted land use term, and that the granted terms and conditions would remain unchanged during the residual land use term;

2. the legally interested party in the property maintained its right to receive rents from the property till the end of the granted land use term, and that relevant 房屋租賃許可證 Permit for Lease of Property could be obtained or renewed till the end of the granted land use term free of penalties (if any); and

3. the property can be leased out free of further encumbrances for its existing use in the market to both local and overseas tenants without payment of any premium or further property tax to the government.

We need to state that the reported value of each of the properties is not intended to represent the amount that might be realised from disposition of a portion or several portions of the property on further sub-divided title basis in the open market. Interested party in the properties should have their own due diligence on the issue.

Should any of the above not be the case, it will have adverse impact to our values.

MATTERS THAT MIGHT AFFECT THE VALUES REPORTED

For the sake of valuation, we have adopted the areas as appeared in the copies of the documents as provided, and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved, we reserve the right to revise our report and the valuations accordingly.

No allowance has been made in our valuations for any charges, mortgages, outstanding premium or amounts owing on the properties valued nor any expenses or taxation which may be incurred in affecting a sale of the properties. Unless otherwise stated, it is assumed that the properties are free from all encumbrances, restrictions, and outgoings of an onerous nature which could affect their values.

We have assumed that the properties are able to be sold and purchased in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported values significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

As at the Latest Practicable Date in this circular, we were unable to identify any adverse news against the properties which may affect the reported values in our report. Thus, we are not in the position to report and comment on its impact (if any) to the properties. However, should it be established subsequently that such news did exist at the Date of Valuation, we reserve the right to adjust the values reported herein.

ESTABLISHMENT OF TITLES

For properties in Hong Kong in Groups I and II, we have caused searches to be made at the Land Registry of Hong Kong. However, we have not searched the original documents to ascertain ownership or to verify any amendments which may not appear on the copies handed to us, but have relied upon the information given to us by the Group in the respect of the Group's interests in the properties.

The management of the Company provided us copies of documents to support the Group's title to the property in Group III. We were given to understand that the property has free and uninterrupted rights to assign, to mortgage or to let the property at its existing use (in this instance, an absolute title) for the whole of the unexpired terms as granted free of all encumbrances, and any premiums payable have already been paid in full or outstanding procedures have been completed (if any). The land registration system of China forbids us to search the original documents of the property in Group III from the relevant authorities, and to verify legal title or any material encumbrances which may not appear on the copies handed to us. We have relied on a copy of legal opinion provided by the management of the Company and prepared by its PRC legal adviser, Tianjin Join-High Law Office, on 30 November 2012 regarding the Groups' titles to this property in the PRC. All documents disclosed (if any) are for reference only and no responsibility is assumed for any legal matters concerning the legal titles and the rights (if any) to the property analysed. Any responsibility for our misinterpretation of the documents cannot be accepted, and no responsibility or liability from our part is assumed in relation to those documents.

In valuing the property interests in Hong Kong which are held under various Government Leases expiring before 30 June 1997, we have taken account of the provisions contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of the PRC on the Question of Hong Kong and the New Territories Leases (Extension) Ordinance 1988 that such leases have been extended without premium until 30 June 2047 and that rents of three per cent of the rateable value for the time being of such property interests are charged per annum from the date of extension.

Unless otherwise stated, we have assumed that the Group has the right to own and to dispose the properties, and that there would be no legal impediment (especially from the regulators) for the Group to continue such rights to the properties. Should this not be the case, it will affect our findings and conclusion of values reported in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTIES IN ACCORDANCE WITH VALUATION STANDARD 4 OF THE HKIS STANDARDS

As instructed, no internal inspection to the properties is required for this engagement. However, we have conducted limited scope of inspections to the exterior, and where possible, the interior of the properties in respect of which we have been provided with such information as we have requested for the purpose of valuation. We have not inspected those parts of the properties which were covered, unexposed or inaccessible and such parts have been assumed to be in a reasonable condition. We cannot express an opinion about or advice upon the condition of the properties and our work product should not be taken as making any implied representation or statement about the condition of the properties. No structural survey, investigation or examination has been made, but in the course of our inspections, we did not note any serious defects in the properties inspected. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out to the utilities (if any) and we are unable to identify those utilities covered, unexposed or inaccessible.

We have not carried out on-site measurements to verify the correctness of the areas of the properties, but have assumed that the areas shown on the documents and handed to us are correct. All dimensions, measurements and areas are approximations.

Our engagement and the agreed procedures to value the properties did not include an independent land survey to verify the legal boundaries of the properties. We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the legal boundaries of such properties that appeared on the documents handed to us. No responsibility from our part is assumed. The management of the Company or interested party in the properties should conduct their own legal boundaries due diligence work to satisfy their requirement(s) (if any).

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the properties, or has since been incorporated, and we are therefore unable to report that the properties are free from risk in this respect, and therefore we have not considered such factor in our valuations.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the properties. We have not carried out any investigation into past or present uses, either of the properties or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the properties from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the properties or any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values now reported or affect our findings.

SOURCES OF INFORMATION AND ITS VERIFICATION IN ACCORDANCE WITH VALUATION STANDARD 5 OF THE HKIS STANDARDS

In the course of our work, we have been provided with copies of the documents (including but not limited to tenancy agreements) regarding the properties, and these copies have been referenced without further verifying with the relevant bodies and/or authorities. Our procedures to value did not require us to conduct any searches or inspect the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We need to state that we are not legal professional, therefore, we are not in the position to advise and comment on the legality and effectiveness of the documents provided by the management of the Company.

We have relied solely on the information provided by the management of the Company or its appointed personnel without further verification and have fully accepted advice given to us on such matters as planning approvals or statutory notices, locations, titles, easements, tenure, occupation, rentals, lettings, site and floor areas and all other relevant matters.

The scope of valuation has been determined by reference to the property list provided by the instructing party. All properties on the list have been included in this report.

Our work has been made only based on the advice and information made available to us. While a limited scope of general inquiries had been made to the local property market practitioners, we are not in a position to verify and ascertain the correctness of the advice given by the relevant personnel. No responsibility or liability is assumed.

Information furnished by others, upon which all or portions of our work product are based, is believed to be reliable but has not been verified in all cases. Our procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our work product.

When we adopted the work products from other professions, external data providers and the management of the Company in our works, the assumptions and caveats that adopted by them in arriving at their figures also applied to this report. The procedures we have taken do not provide all the evidence that would be required in an audit and, as we have not performed an audit, accordingly, we do not express an audit opinion.

We are unable to accept any responsibility for the information that has not been supplied to us by the management of the Company or its appointed personnel. Also, we have sought and received confirmation from the management of the Company or its appointed personnel that no materials factors have been omitted from the information supplied. Our analysis and valuations are based upon full disclosure between us and the Company of material and latent facts that may affect our works.

We have had no reason to doubt the truth and accuracy of the information provided to us by the management of the Company or its appointed personnel. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in Hong Kong dollars ("HK$"). In valuing the property in Group III, the adopted exchange rate was the prevailing rate as at the Date of Valuation being Renminbi Yuan ("RMB") 1 per HK$1.23 and no significant fluctuation in exchange rates have been found between the date and the date of this report.

LIMITING CONDITIONS IN THIS REPORT

Our findings or conclusion of values of the properties in this report are valid only for the stated purpose and only for the Date of Valuation, and for the sole use of the Company. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and the valuer accepts no responsibility whatsoever to any other person.

Our work has been made on the assumption that no unauthorised alteration, extension or addition has been made in the properties, and that the inspection and the use of this report do not purport to be a building survey of the properties. We have assumed that the properties are free of rot and inherent danger or unsuitable materials and techniques.

No responsibility is taken for changes in market conditions and local government policy and no obligation is assumed to revise this report to reflect events or conditions, which occur or make known to us subsequent to the date hereof.

Neither the whole nor any part of this report or any reference made hereto may be included in any published documents, prospectus or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this report in this circular for the Company's shareholders' reference.

Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

It is agreed that the instructing party is required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our work product except to the extent any such loses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

Our report is prepared in line with the IVS and the HKIS Standards. The valuations have been undertaken by valuer, acting as external valuer, qualified for the purpose of the valuation.

We retain a copy of this valuation report together with the data from which it was prepared, and these data and documents will, according to the Laws of Hong Kong, keep for a period of 6 years from the date of this report and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the instructing party's authorisation and prior arrangement made with us. Moreover, we will add the instructing party's information into our client list for our future reference.

The analysis or valuations of the properties depend solely on the assumptions made in this report and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported findings and conclusion of values significantly.

We hereby certify that the fee for this service is not contingent upon our findings and conclusion of values, and we have no significant interest in the properties, the Group or the values reported.

Yours faithfully,
For and on behalf of
LCH (Asia-Pacific) Surveyors Limited

Elsa Ng Hung Mui *BSc MSc RPs (GP)*
Director

Note:

Ms. Elsa Ng Hung Mui is a Registered Professional Surveyor who has been conducting valuation of real estate properties in Hong Kong since 1994 and has more than 14 years of experience in valuing properties in mainland China. She is a Member in the HKIS and a valuer on the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the HKIS.

SUMMARY OF VALUES

Group I – Property owned and occupied by the Group in Hong Kong and valued on market value basis

	Property	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
		HK$
1.	17th Floor and Car Parking Space Nos. 18, 19 and 20 on 2nd Floor Bank of East Asia Harbour View Centre No. 56 Gloucester Road Wanchai Hong Kong	125,000,000
	Sub-total	**HK$125,000,000**

Group II – Properties owned by the Group in Hong Kong for investment and valued on market value basis

	Property	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
		HK$
2.	Flat A on 23rd Floor, Block 2 and Car Parking Space No. 31 on 2nd Basement Ronsdale Garden No. 25 Tai Hang Drive Jardine's Lookout Hong Kong	13,400,000
3.	Office Space on 30th Floor United Centre No. 95 Queensway Admiralty Hong Kong	276,600,000
4.	Office Units 1 and 2 (excluding Property No. 5 below) on 24th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong	359,300,000

	Property	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
		HK$
5.	Portion of Office Unit 2 (also referred by the Company as Unit 2406) on 24th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong	19,700,000
6.	Portion A of Office No. 805 and Office No. 806 (formerly known as Portion B of Office No. 805) on 8th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong	63,200,000
7.	Units A with Rear Yard, B with Rear Yard, C, D, E with Rear Yard and F with Rear Yard on Ground Floor, Units 1 and 3 on 1st Floor, Unit 2 on 1st Floor together with A/C Plinth on 2nd Floor, and Advertising Space Glory Rise No. 128 Chun Yeung Street North Point Hong Kong	78,500,000
8.	Shops 4 and 5 on Ground Floor, Flats 1, 2, 3, 4, 5, 6, 7 and 8 on 1st Floor, Flats 3 and 4 on 2nd Floor South Wall Mansion Nos. 63, 63A, 65, 67, 69 and 71 South Wall Road Kowloon City, Kowloon Hong Kong	39,700,000
	Sub-total	**HK$850,400,000**

Group III – Property held by the Group under long-term title certificates in the PRC for investment and valued on market value basis

	Property	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
		HK$
9.	The whole of Level 4 and Units 501-506 on Level 5 Block B, Beijing East Gate Plaza No. 29 Dong Zhong Street Dong Cheng District Beijing The PRC	133,700,000
	Sub-total	**HK$133,700,000**
	Grand total	**HK$1,109,100,000**

VALUATION CERTIFICATE

Group I – Property owned and occupied by the Group in Hong Kong and valued on market value basis

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
1.	17th Floor and Car Parking Space Nos. 18, 19 and 20 on 2nd Floor Bank of East Asia Harbour View Centre No. 56 Gloucester Road Wanchai Hong Kong 725,672/19,581,678th parts or shares of and in The Remaining Portion of Inland Lot No. 2818, The Remaining Portion of Section D of Inland Lot No. 2818, The Remaining Portion of Section F of Inland Lot No. 2817 and Section M of Inland Lot No. 2817 (the "Lots")	The property comprises the whole of the 17th Floor and three covered car parking spaces on the 2nd Floor of a 30-storey office building (with the lowest 5 floors designated for shops, loading/unloading spaces, lobby and carpark usages) which was completed in 1990. The gross floor area of the office floor is approximately 729.9 sq.m. (7,857 sq.ft.) and the saleable area of the property is approximately 567.4 sq.m. (6,107 sq.ft.). The Lots are held under two various Government Leases for a term of 99 years renewable for a further term of 99 years from 26 March 1929 and 25 May 1929, respectively. The annual total government rent payable is of HK$329 as shown on the copies of land searches.	We were advised that a portion of the property was occupied by the Company for office purpose and the remaining portion of the property was subject to a connected party lease arrangement as at the Date of Valuation. The term of the lease is from 11 September 2012 to 30 September 2014 and at an all inclusive monthly rental of HK$140,000. (See Note 2)	HK$125,000,000

Notes:

1. The registered owner of the property is Grandtex Development Limited ("Grandtex").

2. As advised, more than half of the property was subject to a connected party lease arrangement made between Grandtex and Junny Diamond Co., Limited (a company owned by the Chairman and an executive director of the Company) as at the Date of Valuation. We were advised that Grandtex is a wholly-owned subsidiary of the Company. Our valuation is made with the benefit of vacant possession and otherwise subject to the existing tenancy agreement.

Group II – Properties owned by the Group in Hong Kong for investment and valued on market value basis

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
2.	Flat A on 23rd Floor Block 2 and Car Parking Space No. 31 on 2nd Basement Ronsdale Garden No. 25 Tai Hang Drive Jardine's Lookout Hong Kong 15/5,379th parts or shares of and in The Remaining Portion of Inland Lot No. 5710 and The Extension thereto (the "Lots")	Ronsdale Garden (the "development") comprises two 33-storey residential blocks erected over a 6-levels (with split ground level) common utilities and recreation podium/ carpark which was completed in 1986. The property comprises a residential unit on the 23rd Floor of Block 2 and a covered car parking space on the 2nd Basement of the development. The gross floor area of the residential unit is approximately 112.3 sq.m. (1,209 sq.ft.) and the saleable area of the property is approximately 89.4 sq.m. (962 sq.ft.) and a bay window area of approximately 1.5 sq.m. (16 sq.ft.). The Lots are held under Conditions of Sale No. 4015 for a term of 75 years from 13 November 1939 renewable for a further term of 75 years at an annual total government rent of HK$1,000 as shown on the previous valuation report.	We were advised that the property was subject to a connected party lease arrangement as at the Date of Valuation. The term of the lease is from 1 January 2012 to 31 December 2013 and at an all inclusive monthly rental of HK$26,717 for residential purpose. (See Note 2)	HK$13,400,000

Notes:

1. The registered owner of the property is Yue Tin Development Limited.

2. As advised, the property was subject to a connected party lease arrangement made between Yue Tin Development Limited (a wholly-owned subsidiary of the Company) and Junny Diamond Co., Limited (a company owned by the Chairman and an executive director of the Company) as at the Date of Valuation.

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
3.	Office Space on 30th Floor United Centre No. 95 Queensway Admiralty Hong Kong 1,742/74,554th parts or shares of and in Inland Lot No. 8469 (the "Lot")	The property comprises the whole of 30th Floor of a 37-storey commercial/office building which was completed in 1981. There is a bus terminus on the Ground Floor of the building. The gross floor area of the property is approximately 1,903.5 sq.m. (20,489 sq.ft.) and the saleable area of the property is approximately 1,663 sq.m. (17,900 sq.ft.). The Lot is held under Conditions of Sale No. UB11233 for a term of 75 years from 4 August 1978 renewable for a further term of 75 years at an annual total government rent of HK$1,000 as shown on the copies of land searches.	The property was subject to a registered tenancy agreement for a term of 5 years commencing from 31 March 2009 and expiring on 30 March 2014 at a monthly rental of HK$594,181 for the first three years and HK$680,234.80 for the remaining two years for office premises usage.	HK$276,600,000

Notes:

1. The registered owner of the property is Stadium Holdings Limited.

2. The property is subject to a registered first legal charge in favour of Cathay Holdings Limited, a wholly owned subsidiary of the Company, for all monies on 9 February 2010.

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
4.	Office Units 1 and 2 (excluding Property No. 5 below) on 24th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong Certain equal undivided parts or shares of 2,003/123,000th parts or shares of and in Inland Lot No. 8432 (the "Lot")	The property comprises two office units (excluding a small portion in the middle part of the floor) on the 24th Floor of a 28-storey office building erected on a MTRC Station Complex (with the lowest 4 floors designated for lobby, office and commercial usages) which was completed in 1980. Based on the updated information provided by the Company and a certification of sub-division plan, the lettable area of the property is approximately 1,735.3 sq. m. (18,679 sq. ft.) and the saleable area of the property is approximately 1,142.9 sq. m. (12,302 sq. ft.). The Lot is held under Conditions of Grant No. UB11187 for a term of 75 years from 15 April 1978 renewable for a further term of 75 years at an annual total government rent of HK$1,000 as shown on the copies of land searches.	A portion of Office Unit 1 and a portion of Office Unit 2 were available for lease as at the Date of Valuation whilst the remaining portions of the property were subject to various tenancy agreements for office premises usage. (See Note 2)	HK$359,300,000

Notes:

1. The registered owner of the property is Yue Tin Development Limited.

2. The remaining portions of the property was subject to various tenancy agreements with the earlier to be expired on 31 January 2013 and the latest to be expired on 2 July 2015. The total monthly rental received as at the Date of Valuation was approximately HK$565,925 excluding rates and management fee.

3. The Company confirmed that the tenants are independent third parties to the Group.

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
5.	Portion of Office Unit 2 (also referred by the Company as Office Unit 2406) on 24th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong Certain equal undivided parts or shares of 2,003/123,000th parts or shares of and in Inland Lot No. 8432 (the "Lot")	The property comprises an enclosed office unit on the 24th Floor of a 28-storey office building erected on a MTRC Station Complex (with the lowest 4 floors designated for lobby, office and commercial usages) which was completed in 1980. Based on the updated information provided by the Company and a certification of sub-division plan, the lettable area of the property is approximately 101.5 sq. m. (1,093 sq. ft.) and the saleable area of the property is approximately 66 sq. m. (710 sq. ft.). The Lot is held under Conditions of Grant No. UB11187 for a term of 75 years from 15 April 1978 renewable for a further term of 75 years at an annual total government rent of HK$1,000 as shown on the copies of land searches.	The property was subject to a registered tenancy agreement for a term of 2 years from 15 March 2012 to 14 March 2014 with an option to renew for a further term of 1 year at an exclusive monthly rental of HK$81,975 as at the Date of Valuation.	HK$19,700,000

Notes:

1. The registered owner of the property is Yue Tin Development Limited.

2. The Company confirmed that the tenant is independent third party to the Group.

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
6.	Portion A of Office No. 805 and Office No. 806 (formerly known as Portion B of Office No. 805) on 8th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong 343/123,000th parts or shares of and in Inland Lot No. 8432 (the "Lot")	The property comprises two adjoining office units on the 8th Floor of a 28-storey office building erected on a MTRC Station Complex (with the lowest 4 floors designated for lobby, office and commercial usages) which was completed in 1980. Based on the information provided by the Company, the lettable area of the property is approximately 324.3 sq.m. (3,491 sq.ft.) and the saleable area of the property is approximately 199.5 sq.m. (2,147 sq.ft.). The Lot is held under Conditions of Grant No. UB11187 for a term of 75 years from 15 April 1978 renewable for a further term of 75 years at an annual total government rent of HK$1,000 as shown on the copies of land search.	The property was available for lease as at the Date of Valuation.	HK$63,200,000

Note: The registered owner of the property is Grandtex Development Limited.

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
7.	Units A with Rear Yard, B with Rear Yard, C, D, E with Rear Yard and F with Rear Yard on Ground Floor, Units 1 and 3 on 1st Floor, Unit 2 on 1st Floor together with A/C Plinth on 2nd Floor, and Advertising Space Glory Rise No. 128 Chun Yeung Street North Point Hong Kong 7,116/43,500th parts or shares of and in Inland Lot Nos. 6715, 6716, 6717 and 6718 (the "Lots")	The property comprises the whole of the Ground Floor, the whole of the 1st Floor together with an A/C plinth on the 2nd Floor and the advertising space on the external walls of the 2nd Floor of a 26-storey composite building which was completed in 2003. The lower two floors of the building are designated for non-domestic uses whilst the upper floors are designated for domestic uses. The 2nd Floor of the building is used for covered landscape areas and play area for non-domestic use. Based on the information provided to us, the Ground Floor of the property has a gross floor area of approximately 3,549 sq.ft. (329.7 sq.m.) and the area of the yards is approximately 254 sq.ft. (23.6 sq.m.), and the gross floor area of the 1st Floor of the property is approximately 3,537 sq.ft. (328.6 sq.m.). The Lots are held under various Government Leases all for a term of 75 years commencing from 5 September 1921 renewable for a further term of 75 at a government rent of HK$90 per annum.	As advised by the Company, Units A, B, C and D on the Ground Floor of the property were subject to 4 various tenancy agreements and the remaining portions of the property were vacant as at the Date of Valuation. (See Note 2)	HK$78,500,000

Notes:

1. The registered owner of the property is Trinity Sino Limited.

2. Units A, B, C and D on the Ground Floor were subject to 4 various tenancy agreements with the earlier to be expired on 10 October 2012 and the latest to be expired on 14 January 2015. The total monthly rental received as at the Date of Valuation was approximately HK$101,500 excluding rates and management fee.

3. The Company confirmed that the tenants are independent third parties to the Group.

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
8.	Shops 4 and 5 on Ground Floor, Flats 1, 2, 3, 4, 5, 6, 7 and 8 on 1st Floor, Flats 3 and 4 on 2nd Floor South Wall Mansion Nos. 63, 63A, 65, 67, 69 and 71 South Wall Road Kowloon City Kowloon Hong Kong (See Note 1) 12/79th parts or shares of and in The Remaining Portion of New Kowloon Inland Lot No. 1933, The Remaining Portion of New Kowloon Inland Lot No. 2156, The Remaining Portion of New Kowloon Inland Lot No. 2157, The Remaining Portion of New Kowloon Inland Lot No. 2158 and The Remaining Portion of New Kowloon Inland Lot No. 2159 (the "Lots")	The property comprises two commercial units on the Ground Floor, the whole of the 1st Floor and two adjoining residential units on the 2nd Floor of a 10-storey composite building which was completed in 1966. The property is currently used as a residential care home for the elderly. Based on the previous valuation report, the saleable area of the property is approximately 557.13 sq.m. (5,997 sq.ft.) with approximately 150.6 sq.m. (1,621 sq.ft.) attributable to the Ground Floor. From the plan made available to us, there should have two open yards on the Ground Floor with a total area of approximately 15.8 sq.m. (170 sq. ft.). The Lots are held under various Government Leases all for a term of 75 years commencing from 1 July 1898 renewable for a further term of 24 years less the last 3 days and has been extended to 30 June 2047 at a government rent of three percent of the Rateable Value for the time being of the Lots.	The property was subject to a tenancy agreement for a term of 2 years commencing from 20 April 2012 and expiring on 19 April 2014 at an exclusive monthly rental of HK$87,000 for permitted usage. (See Note 3)	HK$39,700,000

Notes:

1. Also known as the Ground Floor of Nos. 67 and 69 South Wall Road, the whole of the First Floor (comprising the Front and the Rear Portions thereof) of Nos.63, 65, 67 and 69 South Wall Road, the Front Portion of the Second Floor of No. 67 South Wall Road and the Front Portion of the Second Floor of No. 69 South Wall Road of South Wall Mansion, Nos.63-71 South Wall Road, Kowloon City, Kowloon, Hong Kong.

2. The registered owner of the property is Yue Tin Development Limited.

3. From the copies of land searches, we were given to understand that the permitted usage of the property has been changed from commercial (Ground Floor), restaurant (1st Floor) and residential (2nd Floor) to residential care home for the elderly under a document known as BD23/4167/63 and dated 22 May 1998 from the Buildings Department.

4. Our external inspection revealed that the property is alternated to form a single residential care home for the elderly. Given that no internal inspection has been arranged, we are unable to report any unauthorized alternation or addition may be made in the property (if any).

5. The Company confirmed that the tenant is independent third party to the Group.

Group III – Property held by the Group under long-term title certificates in the PRC for investment and valued on market value basis

	Property	Description and tenure	Particulars of occupancy	Amount of valuation in its existing state with 100 per cent. interest attributable to the Group as at 30 September 2012
9.	The whole of Level 4 and Units 501-506 on Level 5 Block B Beijing East Gate Plaza No. 29 Dong Zhong Street Dong Cheng District Beijing The PRC	Beijing East Gate Plaza is a composite complex comprises two apartment blocks and two office blocks intermingled with a commercial/entertainment/ restaurant arcade and carpark basements. The property comprises the whole of Level 4, and 6 adjoining office units on Level 5 of a low-rise office block which was completed in approximately 1998. The total gross floor area of the property is approximately 5,181.45 sq.m. (55,773 sq.ft.). The property is subject to a land use rights for a term to be expired on 24 December 2043 for office usage.	The property was subject to various tenancy agreements for office premises usage as at the Date of Valuation. (See Note 2)	HK$133,700,000

Notes:

1. Pursuant to 7 various State-owned Land Use Rights certificates and 7 various Realty Title Certificates issued by the Beijing Municipal Administration of Land, Resources and Real Estate all dated 3 July 2001, the interested parties in the property are:

   Whole of Level 4 – 京房權證市東港澳臺字第1890001號 Jing Fang Quan Zheng Shi Dong Gang Ao Tai Zi Di 1890001 Hao and 京市東港澳臺國用(2001出)字第1890001號 Jing Shi Dong Gang Ao Tai Guo Yong (2001 Zhu) Zi Di 1890001 Hao in favour of Goldseed Developments Limited (佳思發展有限公司);

   Unit 501 on Level 5 – 京房權證市東涉外字第1890002號 Jing Fang Quan Zheng Shi Dong She Wai Zi Di 1890002 Hao and 京市東涉外國用(2001出)字第1890002號 Jing Shi Dong She Wai Guo Yong (2001 Zhu) Zi Di 1890002 Hao in favour of Master Joyce Limited (萬采有限公司);

   Unit 502 on Level 5 – 京房權證市東涉外字第1890003號 Jing Fang Quan Zheng Shi Dong She Wai Zi Di 1890003 Hao and 京市東涉外國用(2001出)字第1890003號 Jing Shi Dong She Wai Guo Yong (2001 Zhu) Zi Di 1890003 Hao in favour of Gold Result Developments Limited (金績發展有限公司);

Unit 503 on Level 5 – 京房權證市東涉外字第1890004號 Jing Fang Quan Zheng Shi Dong She Wai Zi Di 1890004 Hao and 京市東涉外國用(2001出)字第1890004號 Jing Shi Dong She Wai Guo Yong (2001 Zhu) Zi Di 1890004 Hao in favour of Hottentot Enterprises Limited (浩騰企業有限公司);

Unit 504 on Level 5 – 京房權證市東涉外字第1890005號 Jing Fang Quan Zheng Shi Dong She Wai Zi Di 1890005 Hao and 京市東涉外國用(2001出)字第1890005號 Jing Shi Dong She Wai Guo Yong (2001 Zhu) Zi Di 1890005 Hao in favour of Moiselle Enterprises Limited (茂錫企業有限公司);

Unit 505 on Level 5 – 京房權證市東涉外字第1890006號 Jing Fang Quan Zheng Shi Dong She Wai Zi Di 1890006 Hao and 京市東涉外國用(2001出)字第1890006號 Jing Shi Dong She Wai Guo Yong (2001 Zhu) Zi Di 1890006 Hao in favour of Zamora Enterprises Limited (盛茂企業有限公司); and

Unit 506 on Level 5 – 京房權證市東涉外字第1890007號 Jing Fang Quan Zheng Shi Dong She Wai Zi Di 1890007 Hao and 京市東涉外國用(2001出)字第1890007號 Jing Shi Dong She Wai Guo Yong (2001 Zhu) Zi Di 1890007 Hao in favour of True Reality Investments Limited (實盈投資有限公司).

We were advised that the interested parties in the property are wholly owned subsidiaries of the Company.

2. The property was subject to various tenancy agreements with the earlier to be expired on 30 November 2012 and the latest to be expired on 15 July 2015. The total monthly rental received as at the Date of Valuation was approximately RMB769,480 excluding property tax and management fee. The Company confirmed that the tenants are independent third parties to the Group.

3. According to the provided copy of legal opinion, the following opinions are noted:

   (i) the Group legally owns the land use rights of the property and building ownership of the property absolutely; and

   (ii) the property is not subject to any mortgages.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

(a) As at the Latest Practicable Date, the following Director of the Company had interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO which were required (a) to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange:

Long positions of the Directors' interests in the Shares and underlying Shares of the Company:

Name of Director	Number of Shares	Nature of interest	Approximate percentage of issued share capital (%) *(Note 1)*
Mr. Wong	1,448,440,623 *(Note 2)*	Interest of controlled corporation	72.9

Notes:

1. The percentage of issued share capital had been arrived at on the basis of a total of 1,986,606,059 Shares in issued as at the Latest Practicable Date.

2. These Shares are held by the Purchaser, which is wholly-owned by Mr. Wong. Therefore, Mr. Wong is deemed to be interested in the 1,448,440,623 Shares held by the Purchaser under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or the Model Code or were required to be entered into the register required to be kept under section 352 of the SFO.

3. SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, companies and persons 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 which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name of substantial Shareholder	Number of Shares	Nature of interest	Approximate percentage of issued share capital (%) *(Note 1)*
Mr. Wong	1,448,440,623 *(Note 2)*	Interest of controlled corporation	72.9

Notes:

1. The percentage of issued share capital had been arrived at on the basis of a total of 1,986,606,059 Shares in issued as at the Latest Practicable Date.

2. These Shares are held by the Purchaser, which is wholly-owned by Mr. Wong. Therefore, Mr. Wong is deemed to be interested in the 1,448,440,623 Shares held by the Purchaser under the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors or chief executive of the Company is aware, no person was interested in or had a short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO and none of the Directors is a director or employee of a company which has an interest or short position in the Shares and 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.

4. DISCLOSURE OF OTHER INTERESTS

(i) Interests in contract or arrangement

Save for the Sale and Purchase Agreement, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

(ii) Interests in assets

Save for the interests in the Disposal Companies to be transacted under the Sale and Purchase Agreement, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2011, being the date to which the latest published audited accounts of the Group were made up.

(iii) Interests in competing business

As at the Latest Practicable Date, none of the Directors and their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group.

6. MATERIAL CONTRACTS

Save for the Sale and Purchase Agreement, none of the member of the Group had entered into any contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this circular that are or may be material.

7. QUALIFICATIONS AND CONSENT OF EXPERTS

The following are the qualifications of the experts who have given their opinions and advice which are included in this circular:

Name	Qualification
LCH (Asia-Pacific) Surveyors Limited ("LCH")	Independent professional surveyor
Quam Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Each of LCH and Quam Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or reports and the references to its name in the form and context in which they respectively appear.

None of the above experts had any interests in any Shares or shares in any member of the Group, or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, none of LCH and Quam Capital had any direct or indirect interests in any assets which have since 31 December 2011 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to or by any member of the Group, or was proposed to be acquired or disposed of by or leased to or by any member of the Group.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

9. GENERAL

(a) The secretary of the Company is Ms. Chan Yuen Ying, Stella ("**Ms. Chan**"). Ms. Chan is an associate member of The Institute of Chartered Secretaries and Administrators and an associate member of The Hong Kong Institute of Company Secretaries. She is also a member of the Hong Kong Institute of Directors.

(b) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (public holidays excepted) at the head office and principal place of business in Hong Kong of the Company in Hong Kong at 17/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong up to and including the date of the SGM:

(a) the memorandum of association and bye-laws of the Company;

(b) the annual reports of the Company for each of the two years ended 31 December 2010 and 2011;

(c) the interim report of the Company for the six months ended 30 June 2012;

(d) letter from the Independent Board Committee as set out on page 24 of this circular;

(e) the letter from Quam Capital to the Independent Board Committee and the Independent Shareholders as set out on pages 25 to 50 of this circular;

(f) the valuation report on the Properties prepared by LCH as set out in Appendix II to this circular;

(g) the written consents referred to in the paragraph headed "Qualification and consent of experts" in this Appendix;

(h) the Sale and Purchase Agreement; and

(i) 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)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**Meeting**") of Shenzhen High-Tech Holdings Limited (the "**Company**") will be held at Room 302, 3/F., Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong on Monday, 24 December 2012 at 9:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

SPECIAL RESOLUTION

1. "**THAT** conditional upon compliance by the Company with all relevant legal procedures and requirements under Bermuda laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") to effect the Capital Reorganisation (as defined below), and with effect from the business day (as defined in the Listing Rules) immediately following the day of passing this resolution ("**Effective Date**"):

   (a) a reduction of the nominal value of every issued and unissued shares of the Company from HK$0.20 to HK$0.01 so as to form a new share with nominal value of HK$0.01 each ("**Adjusted Share**") (the aforesaid capital reduction to be referred to as the "**Reduction of Share Capital**");

   (b) the entire sum standing to the credit of the Company's share premium account as at the Effective Date be cancelled (the aforesaid cancellation of the entire sum standing to the credit of the Company's share premium account to be referred to as the "**Share Premium Reduction**", together with the Reduction of Share Capital, the "**Capital Reorganisation**");

   (c) the credit arising from the Reduction of Share Capital and the Share Premium Reduction be transferred to the contributed surplus account of the Company and the directors of the Company be and are hereby authorised to apply the entire amount standing to the credit of the contributed surplus account of the Company in such manner as they consider appropriate from time to time (the "**Authorisation**"); and

   (d) any one director of the Company be and is hereby authorised to do all acts and things and execute all such documents, including under seal where applicable, or make arrangement as he may consider appropriate, necessary or desirable to give effect to or in connection with the Capital Reorganisation and the Authorisation."

ORDINARY RESOLUTIONS

2. "**THAT**:

   (a) the execution of the conditional sale and purchase agreement dated 23 October 2012 (the "**Agreement**") entered into by and among (i) the Company as vendor; (ii) Thing On Group Limited (the "**Purchaser**") as purchaser; and (iii) Wong Chung Tak, Richard as purchaser guarantor (a copy of which has been produced to the Meeting marked "A" and signed by the chairman of the Meeting for the purpose of identification) in relation to the disposal (the "**Disposal**") by the Company to the Purchaser of the Company's entire 100% equity interests in Asset Partners Group Limited, Grandtex Development Limited, Stadium Holdings Limited, Trinity Sino Limited and Value Shine Limited (together, the "**Disposal Companies**") and the sale and assignment of the shareholder loans advanced to the Disposal Companies by the Company at the consideration which will be satisfied by the issue of a promissory note by the Purchaser and subject to and upon the terms and conditions contained in the Agreement be and is hereby approved, confirmed and ratified;

   (b) all the transactions contemplated under the Agreement be and are hereby approved; and

   (c) any one director of the Company be and is hereby authorised to do all acts and things and execute all documents or make such arrangement as he may consider to be appropriate, necessary or desirable to give effect to or in connection with the Agreement and the transactions contemplated thereunder, and to agree to such variation, amendment, supplement or waiver of matters relating thereto as are, in the opinion of such director, in the interest of the Company and its shareholders as a whole."

3. "**THAT** subject to the Capital Reorganisation becoming effective and completion of the Disposal, a special dividend of HK$0.62 per Adjusted Share be paid out of the contributed surplus account of the Company to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 2 January 2013."

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

Hong Kong, 30 November 2012

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting convened by this notice shall be entitled to appoint proxy to attend and vote in his stead in accordance with the Bye-laws of the Company. A proxy need not be a member of the Company but must be present in person to represent the member.

2. A form of proxy for use at the Meeting is enclosed in the circular of the Company dated 30 November 2012.

3. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Meeting or any adjournment thereof should they so wish.

4. As at the date of this notice, the directors of the Company are Mr. Wong Chung Tak, Richard, being executive director of the Company, Mr. Liu Sing Piu, Chris and Mr. Wong Ngo, Derick, being non-executive directors of the Company, and Mr. Chung Koon Yan, Mr. Lee Kuo Ching, Stewart and Miss Kally Chong, being independent non-executive directors of the Company.