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

(Incorporated in Bermuda with limited liability)
(Stock Code: 106)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2012

RESULTS

The board (the "Board") of directors (the "Directors") of Shenzhen High-Tech Holdings Limited (the "Company") would like to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31st December 2012 together with the comparative figures of 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st December 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Revenue	3, 4	**89,546**	66,500
Cost of sales and services (including provision for properties held for sale of Nil (2011: HK$12,550,000))		**(15,465)**	(25,188)
Gross profit		**74,081**	41,312
Other financial income	5	**19,694**	32,104
Fair value gain/(loss) on financial assets at fair value through profit or loss		**18,843**	(10,240)
Other income	6	**4,494**	6,823
Selling and distribution costs		**(646)**	(686)
Administrative expenses		**(25,385)**	(13,209)
Gain on disposals of subsidiaries		**8,809**	5,241
Gain on disposals of investment properties		**–**	403
Impairment loss on loans and receivables		**–**	(2,469)
Impairment loss on available-for-sale financial assets		**(383)**	(331)
Gain in fair value of investment properties		**4,000**	21,970
Profit before income tax	7	**103,507**	80,918
Income tax expense	8	**(7,300)**	(10,096)
Profit for the year		**96,207**	70,822

	Notes	**2012**	2011
	Notes	***HK$'000***	*HK$'000*
Other comprehensive income			
Exchange difference on translation of foreign operations		**–**	26,211
Exchange difference on translation of foreign operations released upon disposal of a subsidiary with foreign operations		**(16)**	(2,790)
Revaluation gain on transfer of leasehold land and buildings to investment properties		**–**	4,674
Statutory reserve released upon disposal of a subsidiary with foreign operations		**–**	(26)
Other comprehensive income for the year, net of tax		**(16)**	28,069
Total comprehensive income for the year		**96,191**	98,891
Profit for the year attributable to owners of the Company		**96,207**	70,822
Total comprehensive income for the year attributable to owners of the Company		**96,191**	98,891
		HK$	*HK$*
Earnings per share attributable to the owners of the Company	10		
– Basic		**0.048**	0.036
– Diluted		**0.048**	0.036

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31st December 2012

	Notes	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	11	**143,000**	659,700
Property, plant and equipment		**3,294**	7,514
Loans and receivables	14	**–**	133,500
Available-for-sale financial assets		**–**	383
		146,294	801,097
Current assets			
Properties held for sale	12	**21,928**	299,402
Trade receivables	13	**198**	2,220
Other receivables, prepayments and deposits	13	**2,379**	8,839
Loans and receivables	14	**130,000**	19,000
Financial assets at fair value through profit or loss		**9,132**	57,115
Cash and cash equivalents		**613,514**	719,031
		777,151	1,105,607
Current liabilities			
Other payables, deposits received and accrued charges		**12,449**	19,884
Dividend payable		**363,910**	–
Tax payables		**6,873**	9,561
		383,232	29,445
Net current assets		**393,919**	1,076,162
Total assets less current liabilities		**540,213**	1,877,259
Non-current liabilities			
Deferred tax liabilities		**11,331**	22,158
Net assets		**528,882**	1,855,101
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**19,866**	397,321
Reserves		**509,016**	1,457,780
Total equity		**528,882**	1,855,101

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability. The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and 17/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong respectively.

The Company is an investment holding company. The Group is principally engaged in property investment, development and trading, securities investment and securities trading, and provision of financial services. Except for the disposal of certain subsidiaries as detailed in the Company's circular dated 30th November 2012, there were no significant changes in the Group's operations during the year.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company and are rounded in thousands unless otherwise stated.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The consolidated financial statements have been prepared on the historical cost convention except for investment properties and certain financial instruments classified as financial assets at fair value through profit or loss which are stated at fair values.

2. ADOPTION OF HKFRSS

(a) Adoption of new/revised HKFRSs – effective 1st January 2012

In the current year, the Group has applied for the first time the following amendments to standards issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1st January 2012:

HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets

Except as explained below, the adoption of this amended standard has no significant impact on the Group's financial statements.

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 expand the disclosure requirements for transfer transactions of financial assets, in particular where the reporting entity has continuing involvement in financial assets that it has derecognised. The newly required disclosures allow users of financial statements to better understand the risks to which the reporting entity remains exposed. And such information is relevant in assessing the amount, timing and uncertainty of the entity's future cash flows.

In addition, the amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets which are effective for annual periods beginning on or after 1st January 2012, has been early adopted by the Group for the year ended 31st December 2011.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle[2]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[3]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]

1 Effective for annual periods beginning on or after 1st July 2012
2 Effective for annual periods beginning on or after 1st January 2013
3 Effective for annual periods beginning on or after 1st January 2014
4 Effective for annual periods beginning on or after 1st January 2015

Annual Improvements HKFRSs 2009-2011 Cycle

The improvements made amendments relevant to the Group's financial statements as follows:

(i) HKAS 1 Presentation of Financial Statements

The amendments clarify that the requirement to present a third statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements is limited to circumstances where there is a material effect on the information in that statement of financial position. The date of the opening statement of financial position is the beginning of the preceding period and not, as at present, the beginning of the earliest comparative period. The amendments also clarify that, except for disclosures required by HKAS 1.41-44 and HKAS 8, the related notes to the third statement of financial position are not required to be presented. An entity may present additional voluntary comparative information as long as that information is prepared in accordance with HKFRSs. This may include one or more statements and not a complete set of financial statements. Related notes are required for each additional statement presented.

(ii) HKAS 32 Financial Instruments: Presentation

The amendments clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. Depending on the circumstances these items of income tax might be recognised in equity, other comprehensive income or in profit or loss.

(iii) HKAS 34 Interim Financial Reporting

The amendments clarifies that in interim financial statements, a measure of total assets and liabilities for a particular reportable segment needs to be disclosed when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements.

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

Amendments to HKFRS 7 – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these pronouncements and the directors anticipate that more disclosures would be made but are not yet in a position to state whether they would have material financial impact on the Group's financial statements.

3. REVENUE

Revenue, which is also the Group's turnover, represented rental income, property management fee income and loan interest income. Revenue recognised during the year is as follows:

	2012	2011
	HK$'000	*HK$'000*
Rental income	**39,440**	36,133
Property management fee income	**14,956**	13,662
Loan interest income	**35,150**	16,705
	89,546	66,500

4. SEGMENT INFORMATION

The executive directors have identified the Group's four services lines as operating segments.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

For the year ended 31st December 2012

	Property investment	**Property development and trading**	**Securities investment and securities trading**	**Provision of financial services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Revenue					
From external customers	**54,396**	**–**	**–**	**35,150**	**89,546**
Inter-segment revenue *(note)*	**–**	**–**	**–**	**22,420**	**22,420**
Reportable segment revenue	**54,396**	**–**	**–**	**57,570**	**111,966**
Reportable segment profit/(loss)	**39,627**	**(302)**	**24,141**	**34,905**	**98,371**
Depreciation of property, plant and equipment	**(618)**	**–**	**–**	**–**	**(618)**
Fair value gain on financial assets at fair value through profit or loss	**–**	**–**	**18,843**	**–**	**18,843**
Interest income on financial assets at fair value through profit or loss	**–**	**–**	**1,755**	**–**	**1,755**
Gain in fair value of investment properties	**4,000**	**–**	**–**	**–**	**4,000**
Reportable segment assets	**145,085**	**21,928**	**9,132**	**131,039**	**307,184**
Reportable segment liabilities	**7,656**	**–**	**–**	**1,907**	**9,563**

For the year ended 31st December 2011

	Property investment *HK$'000*	Property development and trading *HK$'000*	Securities investment and securities trading *HK$'000*	Provision of financial services *HK$'000*	Total *HK$'000*
Revenue					
From external customers	49,795	–	–	16,705	66,500
Inter-segment revenue *(note)*	–	–	–	26,851	26,851
Reportable segment revenue	49,795	–	–	43,556	93,351
Reportable segment profit/(loss)	55,623	(10,086)	(8,764)	14,757	51,530
Depreciation of property, plant and equipment	(910)	–	–	–	(910)
Fair value loss on financial assets at fair value through profit or loss	–	–	(10,266)	–	(10,266)
Interest income on financial assets at fair value through profit or loss	–	–	26	–	26
Gain in fair value of investment properties	21,970	–	–	–	21,970
Provision for properties held for sale (included in cost of sales)	–	(12,550)	–	–	(12,550)
Reportable segment assets	667,829	299,702	62,839	152,639	1,183,009
Additions to non-current segment assets	1,635	–	–	–	1,635
Reportable segment liabilities	13,319	3,275	–	1,860	18,454

Note: Inter-segment revenue is charged at prevailing market interest rates for the advance from the subsidiary in provision of financial services segment to the subsidiaries engaged in property investment as well as property development and trading.

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2012	2011
	HK$'000	*HK$'000*
Reportable segment revenue	**111,966**	93,351
Elimination of inter-segment revenue	**(22,420)**	(26,851)
Group revenue	**89,546**	66,500
Reportable segment profit	**98,371**	51,530
Gain on disposals of subsidiaries	**8,809**	5,241
Bank interest income	**17,701**	31,738
Other loan interest income	**238**	366
Unallocated corporate income	**353**	756
Impairment losses on available-for-sale financial assets	**(383)**	(331)
Unallocated corporate expenses	**(21,582)**	(8,382)
Profit before income tax	**103,507**	80,918

	2012	2011
	HK$'000	*HK$'000*
Reportable segment assets	**307,184**	1,183,009
Other financial assets	**–**	2,298
Property, plant and equipment	**1,962**	1,904
Cash and cash equivalents	**613,514**	719,031
Other corporate assets	**785**	462
Group assets	**923,445**	1,906,704
Reportable segment liabilities	**9,563**	18,454
Deferred tax liabilities	**11,331**	22,158
Dividend payable	**363,910**	–
Other corporate liabilities	**2,886**	1,430
Tax payables	**6,873**	9,561
Group liabilities	**394,563**	51,603

The Group's revenue from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (domicile)	**54,637**	35,124	**1,962**	409,172
Mainland China (the "PRC")	**34,909**	31,376	**144,332**	258,042
Total	**89,546**	66,500	**146,294**	667,214

The revenue information above is based on the location of the customers except for the revenue derived from sale of properties which are based on the location of properties.

Non-current assets information above is based on the location of the assets and excludes financial instruments.

5. OTHER FINANCIAL INCOME

Other financial income recognised during the year is as follows:

	2012	2011
	HK$'000	*HK$'000*
Interest income on financial assets at amortised cost:		
– bank interest income	**17,701**	31,738
– other loan interest income	**238**	366
	17,939	32,104
Interest income on financial assets at fair value through profit or loss	**1,755**	–
	19,694	32,104

6. OTHER INCOME

Other income recognised during the year is as follows:

	2012	2011
	HK$'000	*HK$'000*
Compensation income	**598**	3,007
Dividend income	**3,543**	1,477
Exchange gain	**–**	839
Sundry income	**353**	1,500
	4,494	6,823

7. PROFIT BEFORE INCOME TAX

	2012 *HK$'000*	2011 *HK$'000*
Profit before income tax has been arrived at after charging/(crediting):		
Auditor's remuneration	**500**	500
Depreciation of property, plant and equipment	**719**	1,041
Minimum lease payments in respect of properties under operating leases	**10**	–
Impairment losses on available-for-sale financial assets	**383**	331
Losses on disposals of property, plant and equipment	**–**	16
Provision for properties held for sale	**–**	12,550
Impairment loss on loans and receivables	**–**	2,469
Rental income under operating leases, less outgoings of HK$15,465,000 (2011: HK$12,638,000)	**(23,975)**	(23,495)

8. INCOME TAX EXPENSE

	2012 *HK$'000*	2011 *HK$'000*
Current tax		
– Hong Kong profits tax		
Over provision in prior year	**–**	(45)
	–	(45)
– PRC enterprise income tax		
Tax for the year	**6,654**	9,244
(Over)/Under provision in prior year	**(310)**	34
	6,344	9,278
Deferred tax		
Current year	**956**	863
Total income tax expense	**7,300**	10,096

During the years ended 31st December 2012 and 2011, Hong Kong profits tax has not been provided as the Group had available tax losses brought forward from previous years to offset the estimated assessable profits arising in Hong Kong.

Taxes on the profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

9. DIVIDENDS

(a) Dividends payable to the owners of the Company attributable to the year:

	2012 *HK$'000*	2011 *HK$'000*
Special dividend of HK$0.62 (2011: Nil) per ordinary share	**1,231,696**	–

Note:

The total dividend entitled by the ultimate holding company is accounted for HK$898,033,000, comprising of HK$867,786,000 which is offset with the promissory note receivable of the same amount as issued by the ultimate holding company relating to the disposal of subsidiaries and the amount of special cash dividend of HK$30,247,000, In addition, special cash dividend to other shareholders is accounted for HK$333,663,000. Therefore, a total amount of HK$363,910,000 has been recognised as dividend payable as at 31st December 2012.

Special dividend has been recognised as liability at the reporting date upon the shareholders' approval on 24th December 2012.

	2012	2011
	HK$'000	*HK$'000*
Proposed final dividend of Nil (2011: HK$0.016 per ordinary share) and special dividend of Nil (2011: HK$0.08 per ordinary share)	**–**	190,714

Final dividend proposed after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of retained profits and contributed surplus for the year ended 31st December 2012.

(b) Dividends payable to the owners of the Company attributable to the previous financial year, approved and paid during the year:

	2012	2011
	HK$'000	*HK$'000*
Final and special dividends in respect of the previous financial year, approved and paid during the year, of HK$0.096 (2011: HK$0.015) per ordinary share	**190,714**	29,799

10. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share attributable to the owners of the Company are based on the following data:

	2012	2011
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	**96,207**	70,822
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,986,606**	1,986,606

For the year ended 31st December 2012, the computation of diluted earnings per share did not assume the exercise of the share options as the exercise of the share options was anti-dilutive.

For the year ended 31st December 2011, the computation of diluted earnings per share did not assume the exercise of the outstanding share options as the exercise of the share options was anti-dilutive.

11. INVESTMENT PROPERTIES

All of the Group's property interests held under operating leases to earn rentals and/or for capital appreciation purpose are measured using the fair value model and are accounted for as investment properties.

Changes to the carrying amounts in the consolidated statement of financial position are summarised as follows:

	2012	2011
	HK$'000	*HK$'000*
Carrying amounts at 1st January	**659,700**	623,480
Transfer of leasehold land and buildings to investment properties	**–**	18,600
Disposal of subsidiaries	**(520,700)**	–
Disposal of investment property	**–**	(4,350)
Net gain on fair value adjustments	**4,000**	21,970
Carrying amounts at 31st December	**143,000**	659,700

Investment properties were valued at open market value by reference to market prices for similar properties as at 31st December 2012 and 31st December 2011 by independent and professional qualified valuers, LCH (Asia-Pacific) Surveyors Limited, who is a member of Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of similar properties.

12. PROPERTIES HELD FOR SALE

	2012	2011
	HK$'000	*HK$'000*
Cost	**21,928**	311,952
Less: Provision for properties held for sale	**–**	(12,550)
	21,928	299,402
In Hong Kong, held on long-term lease	**21,928**	299,402

13. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

A defined credit policy is maintained within the Group. The general credit terms range from one to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise its credit risk. Overdue balances are regularly reviewed by senior management.

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**198**	2,220
Other receivables, prepayments and deposits	**2,379**	8,839
	2,577	11,059

Ageing analysis of the trade receivables at the reporting date, based on invoice date, net of allowances, is as follows:

	2012 HK$'000	2011 HK$'000
Within 30 days	**198**	749
31 to 90 days	**–**	1,471
	198	2,220

14. LOANS AND RECEIVABLES

	2012 HK$'000	2011 HK$'000
– Current portion	**132,469**	21,469
– Non-current portion	**–**	133,500
	132,469	154,969
Provision for impairment loss	**(2,469)**	(2,469)
Total of loans and receivables	**130,000**	152,500
– secured*	**132,469**	142,469
– unsecured	**–**	12,500
	132,469	154,969
Provision for impairment loss	**(2,469)**	(2,469)
Total of loans and receivables	**130,000**	152,500

* As at 31st December 2012, this balance is secured by the following:

(a) One property located in Hong Kong;

(b) Personal guarantee executed by the sole shareholder of a borrower; and

(c) All issued share capital of an unlisted borrower.

As at 31st December 2011, this balance was secured by the following:

(a) Two properties located in Hong Kong;

(b) Assignment of rental income from one of the properties that secured;

(c) Personal guarantee executed by the sole shareholder of a borrower; and

(d) All issued share capital of an unlisted borrower.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The revenue of the Group for the year ended 31st December 2012 amounted to approximately HK$89,546,000, representing approximately 34.7% increase as compared to approximately HK$66,500,000 for the year ended 31st December 2011. The increase in revenue was mainly attributable to the increases in rental income and loan interest income.

For the year ended 31st December 2012, gross profit of the Group was approximately HK$74,081,000, representing an increase of approximately HK$32,769,000 (approximately 79.3%) as compared to that of 2011, which was mainly due to the increase in revenue.

For the year ended 31st December 2012, profit attributable to owners of the Company was approximately HK$96,207,000, representing an increase of approximately HK$25,385,000 (approximately 35.8%) as compared to that of year 2011, which was attributable to the increase in revenue and fair value gain on financial assets at fair value through profit or loss. For the year ended 31st December 2012, the Group's fair value gain on financial assets at fair value through profit or loss was approximately HK$18,843,000 as compared to fair value loss of approximately HK$10,240,000 in 2011.

For the year ended 31st December 2012, selling and distribution costs and administrative expenses were approximately HK$646,000 and approximately HK$25,385,000 respectively, representing a decrease by approximately HK$40,000 (approximately 5.8%) and an increase by approximately HK$12,176,000 (approximately 92.2%) respectively as compared to those of year 2011. The increase in administrative expenses was mainly due to an exchange loss of approximately HK$13,193,000 recorded in 2012.

On 27th December 2012, the Company has completed the sale of entire equity and their respective shareholder's loans of the Asset Partners Group Limited ("Asset Partners"), Value Shine Limited ("Value Shine"), Stadium Holdings Limited ("Stadium Holdings"), Grandtex Development Limited ("Grandtex Development") and Trinity Sino Limited ("Trinity Sino") (collectively, the "Disposal Companies") to Thing On Group Limited ("Thing On"), an investment company wholly-owned by Mr. Wong Chung Tak, Richard, the Chairman, an executive Director and the controlling shareholder of the Company at a final consideration of approximately HK$867,786,000 (HK$890,000,000 less working capital adjustment of approximately HK$22,214,000) (the "Major and Connected Transaction"), the Major and Connected Transaction resulted in a net gain of approximately HK$6,242,000. For the year ended 31st December 2012, the Group also recorded aggregate gain on disposal of subsidiaries of approximately HK$8,809,000 as compared to gain of approximately HK$5,241,000 in 2011.

For the year ended 31st December 2012, the Group's gain in fair value of the investment properties was HK$4,000,000 as compared to a gain of approximately HK$21,970,000 in 2011, representing a decrease of approximately HK$17,970,000.

In the year under review, the Group's management had worked hard in cost controlling and concentrated on businesses of promising return, thus continuing to achieve profit results for the Group.

BUSINESS REVIEW AND PROSPECTS

Property Development and Trading

The property businesses of the Group are mainly property development and trading, and property investment.

According to the Major and Connected Transaction, the Company has disposed of the entire interests of Grandtex Development, Stadium Holdings and Trinity Sino, holding their respective entire interests in the commercial properties held for sale as follows:

Grandtex Development	:	(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; and
		(2)	Offices 805A and 806 on 8th Floor, World-Wide House, No. 19 Des Voeux Road Central, Hong Kong;
Stadium Holdings	:	(3)	Office Space on 30th Floor, United Centre, No. 95 Queensway, Admiralty, Hong Kong; and
Trinity Sino	:	(4)	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 Group is still in possession of a commercial property for sale at 6th Floor, Wings Building, Central, Hong Kong.

In order to control the residential properties prices and the assets inflation in the PRC, the PRC government has continued to put in force a series of policies on tightened credit for transactions in property markets in 2012. However, on the premise the appreciation of Renminbi, increasing size of middle class and increase in per capita disposable income are anticipated, the investors still have intense interests in the high quality residential and office properties in the PRC. The speculative activities in PRC property markets were however under control. Similarly, the Hong Kong government initiated a series of control measures, like tightened credit, Special Stamp Duty, Buyer's Stamp Duty and etc in residential property segment, the demand for residential properties in the market and the over-heated property prices were gently suppressed. From the view point of the Company's management, in spite of the advantages, namely the interest rate remains low, economic fundamentals in the PRC and Hong Kong remain solid and investment conditions are stable, the property markets in both the PRC and Hong Kong will be adversely impacted, as more measures will be introduced by both governments to drive back the property prices to affordable level of the general public. Although the local buyers have real and keen demand for residential properties in both the PRC and Hong Kong markets, the Company's management remains to have a conservative outlook for the property markets in both regions in the coming years.

Property Investment

According to the Major and Connected Transaction, the Company has disposed of the entire interests in Asset Partners and Value Shine, indirectly holding their respective entire interests in investment properties as follows:

Value Shine	:	(1)	The whole of 24th Floor, World-Wide House, No. 19 Des Voeux Road Central, Hong Kong;
		(2)	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; and
		(3)	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; and
Asset Partners	:	(4)	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.

The Group was still in possession of Dawning Tower, situate in Shenzhen, the PRC. The building continued to secure a high occupancy rate. For the year ended 31st December 2012, the Group recognised an income of approximately HK$24,591,000, representing an increase of approximately 5.6% over the year 2011.

In order to maintain the prestigious status of Dawning Tower among commercial buildings in the locality, the Group will continue to enhance the building management quality at Dawning Tower and maintain good relationship with its customers. It is expected that Dawning Tower's occupancy rate will continue to maintain at high level in the year of 2013. High occupancy rate and effective cost control of Dawning Tower have secured steady net operating profit from the building.

For the year ended 31st December 2012, the Group recorded rental and management fee income from tenancies of approximately HK$19,486,000 from all of the Hong Kong properties of the Group (including approximately HK$18,265,000 being the rental and management fee income from the Disposal Properties in the Major and Connected Transaction for the period from 1st January 2012 to 26th December 2012), an increase of approximately HK$1,068,000 (approximately 5.8%) as compared to approximately HK$18,418,000 in 2011.

The keen demand for tenancies in the residential and commercial properties in the PRC and Hong Kong will last in 2013. However, it is expected that rental income of the Group will drop significantly in 2013 as the total lettable area of the Group remarkably decreased; but still generating steady cash inflow to the Group.

The Group will continue specialising property investment and trading in the PRC and Hong Kong in anticipation of steady return.

Capital Market Investment and Financial Services

The Group has all the time endeavoured to increase the return from current assets, therefore having diversified its investment portfolio to accommodate more current assets with higher liquidity, including securities, high investment grade debt securities and short-term financial products with defined and limited risks.

In 2012, there was satisfactory performance in the financial and capital markets in Hong Kong. For the year ended 31st December 2012, the Group recorded a profit of approximately HK$24,141,000 (2011: loss of approximately HK$8,764,000) from investment activities in capital markets of Hong Kong and the PRC. The gain in this segment was due to the recovery of the US economy and the declining impact of the sovereign debt crisis in Euro Zone, causing the healthy recovery in the capital markets in Hong Kong and the PRC during the reporting period. And the booming momentums in the financial and capital markets in Hong Kong and the PRC are expected to persist in 2013.

The Group maintained a modest operation in provisions of financial services business, providing short to medium term loans to the business associates and partners. In view of the Group's sufficient working capital in the current period, as well as in the future, and bank deposits interest rates stay low, the financial services segment contributes a satisfactory return to the Group, recording a profit of approximately HK$34,905,000 for the year ended 31st December 2012 (2011: approximately HK$14,757,000). The Group at all times emphasises the importance of risk control and executes seriously effective risk control policies, which include assessment of the credit risks involved and/or obtaining valuable securities.

Future Business Strategies

In order to maintain the Group's sustainability and preservation of value over the longer term, the Group will continue to look for suitable investment opportunities and projects in other areas characterised by stable cash inflows and simple management mechanism.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group managed to maintain its liquidity at a healthy level, with the Group's cash and cash equivalents amounting to approximately HK$613,514,000 as at 31st December 2012 (31st December 2011: approximately HK$719,031,000), approximately HK$364,000,000 of which will be utilised for payment of part of cash dividend which were approved by the shareholders of the Company at the special general meeting held on 24th December 2012. The Group exercised strict credit control on its trade receivable to ensure the adequacy of the working capital. As at 31st December 2012, trade receivable of the Group amounted to approximately HK$198,000 (31st December 2011: approximately HK$2,220,000). The current ratio as at 31st December 2012 was 2.0 times while that as at 31st December 2011 was 37.5 times. As at 31st December 2012 and 31st December 2011, the Group did not have any outstanding bank loan. As at 31st December 2012 and 31st December 2011, the Group's gearing ratio (on the basis of total borrowings divided by shareholders' equity) was maintained at a level of zero.

Treasury Management

In respect of financial resources management, the Group continued in diversifying its investment portfolio to accommodate more current assets with higher liquidity, including securities and debts securities, in order to enhance the return of current assets. The aggressive and yet prudent financial resources management policy would continue to maximise investments return within a reasonable risk level. Meanwhile, the Board is of the opinion that the retaining of excessive cash and cash equivalents as short-term deposits can ensure the Group to catch investment opportunities agilely, thus increasing the return from investments.

Capital Structure

The Group has mainly relied on its equity and internally generated cash flows to finance its operations. As at 31st December 2012 and 31st December 2011, the Group had no outstanding borrowings.

During the year 2012, the Company did not issue any new ordinary shares and its related securities.

Pledge of Assets

As of 31st December 2012 and 31st December 2011, the Group has not pledged any of its assets and bank deposits to obtain general banking facilities or short-term bank borrowings.

Employees' Remuneration and Benefits

The Group had 24 employees including managerial, executive, technical and general staffs in Hong Kong and the PRC as at 31st December 2012 (31st December 2011: 23). The level of remuneration, the promotion and the magnitude of remuneration adjustment are justified according to their job duties, working performance and professional experience. All staff and executive Directors in Hong Kong office have participated in the mandatory provident fund scheme. Other employees' benefits include the granting of share options by the Board under the share option scheme adopted by the Company.

Foreign Exchange and Currency Risk

All incomes and funds applied to direct costs, purchases of equipment and payments of salaries were denominated in Hong Kong dollars and Renminbi; therefore, it was not necessary for the Group to use any financial instruments for hedging purpose, and the Group's exposure to the fluctuation of the exchange risk was minimal. During the year under review, the Group has not engaged in any hedging activities. As of 31st December 2012, cash and cash equivalents of the Group were mainly denominated in Hong Kong dollars, US dollars and Renminbi. Other information of foreign exchange and currency risks of the Group is to be set out in the section "Financial Risk Management Objectives and Policies" in the notes to the financial statements of the annual report 2012 of the Company.

Substantial Acquisition and Disposal

As disclosed in the circular for the Major and Connected Transaction (the "Circular") dated 30th November 2012 in relation to the sale of entire interests in the Disposal Companies by the Company to Thing On at a consideration of HK$890,000,000 (subject to working capital adjustment), the Major and Connected Transaction was completed on 27th December 2012 at a final consideration of approximately HK$867,786,000, resulting in a gain on disposal of subsidiaries in the amount of approximately HK$6,242,000 to the Group. Details of the Major and Connected Transaction were set out in the Circular.

On 17th September 2012, the Company disposed of the entire interests in Hornsby Group Limited, a wholly-owned subsidiary of the Company, and its subsidiary (collectively, "Hornsby Group") to an independent third party at a consideration of HK$6,000,000. Hornsby Group was engaged in investment holdings and properties development and trading. The transaction generated a net gain of approximately HK$2,567,000 to the Group.

Save as aforesaid, the Group had not participated in any substantial acquisition and disposal during the year under review.

Contingent Liabilities

The Group had no material contingent liability as at 31st December 2012 and 31st December 2011.

CAPITAL REORGANISATION

On 30th November 2012, the Board proposed to effect a reorganisation of the capital of the Company by way of:

(i) a reduction of the par value of the ordinary shares of the Company 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 ordinary shares to the contributed surplus account of the Company (collectively, "Capital Reorganisation").

By the special resolution passed at the special general meeting held on 24th December 2012 (the "SGM"), the Capital Reorganisation became unconditional and effective. Further details of the Capital Reorganisation were set out in the Circular.

DIVIDEND

At the Company's annual general meeting held on 25th April 2012, the shareholders approved the final dividend of HK$0.016 per ordinary share and a special dividend of HK$0.08 per ordinary share for the year ended 31st December 2011 for distribution to shareholders whose names appeared on the register of members of the Company on 2nd May 2012. The 2011 final dividend and special dividend amounting to approximately HK$190,714,000 were paid on 11th May 2012.

On 30th November 2012, the Board also proposed that, subject to the satisfaction of the certain conditions and the passing of a special resolution in relation to Capital Reorganisation at the SGM, the Company to effect a special distribution of the cash dividend of HK$0.62 per ordinary share after the Capital Reorganisation, amounting to approximately HK$1,231,696,000 in aggregate. The distribution of cash dividend to shareholders whose names appeared on the register of members of the Company on 3rd January 2013 was approved by the shareholders of the Company at the SGM and was paid on 11th January 2013. Further details of the cash distribution were set out in the Circular.

The Board resolved not to recommend the payment of final dividend for the year ended 31st December 2012 (2011: final dividend, HK$0.016 per ordinary share and special dividend, HK$0.08 per ordinary share).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December 2012.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the annual general meeting of the Company to be held on Friday, 26th April 2013, the register of members of the Company will be closed from Wednesday, 24th April 2013 to Friday, 26th April 2013, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 23rd April 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. The Company confirms that, having made specific enquiries of all the Directors, all Directors have complied with the required standards as set out in the Model Code during the year ended 31st December 2012.

CORPORATE GOVERNANCE PRACTICE

The Company has adopted the code provisions of the Code on Corporate Governance Practices (the "Former CG Code") contained in Appendix14 to the Listing Rules, which came into effect on 1st January 2005 and was revised and renamed as Corporate Governance Code and Corporate Governance Report (the "New CG Code") with effect from 1st April 2012, as its own code of corporate governance practices.

During the period from 1st January 2012 to 31st March 2012, the Company was in compliance with all the code provisions under the Former CG Code except for the deviations from code provisions A.2.1 and A.4.1 which are explained as follows:

- Under the code provision A.2.1, the responsibilities between the chairman and chief executive officer should be segregated. Currently, the office of chief executive officer is vacant. The roles and functions of the chief executive officer have been performed by the Board and the Directors believe that such arrangement enables different talents and expertise of the Directors to be best utilised to the benefits of the Group.

- Under the code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. Non-executive Directors are not appointed for a specific term but they are subject to retirement by rotation at least once every three years in accordance with the bye-laws of the Company ("Bye-Laws").

During the period from 1st April 2012 to 31st December 2012, the Company was also in compliance with all the code provisions under the New CG Code except for the deviations from code provision D.1.4. which is explained as follows:

- Under the code provision D.1.4, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors. However, the Directors are subject to retirement by rotation at least once every three years in accordance with the Bye-Laws. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Save as those mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the Former CG Code and the New CG Code during the year ended 31st December 2012.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive directors, including Mr. Chung Koon Yan (as chairman), Mr. Lee Kuo Ching, Stewart, and Miss Chong Kally. The principal duties of the Audit Committee include the review of the Company's financial reporting procedure, internal controls and results of the Group. The audited consolidated financial statements of the Group for the year ended 31st December 2012 have been reviewed by the Audit Committee.

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

Hong Kong, 7th March 2013

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Wong Chung Tak, Richard, two non-executive Directors, namely Mr. Wong Ngo, Derick and Mr. Liu Sing Piu, Chris, and three independent non-executive Directors, namely Mr. Chung Koon Yan, Mr. Lee Kuo Ching, Stewart and Miss Chong Kally.