SHENZHEN HIGH-TECH HOLDINGS LIMITED
深 圳 科 技 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 106)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE 2010

The board of directors (the "Board") of Shenzhen High-Tech Holdings Limited (the "Company") would like to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June 2010 together with the comparative figures. The unaudited condensed interim consolidated results have been reviewed by the Company's audit committee (the "Audit Committee").

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30th June (Unaudited) 2010 HK$'000	2009 HK$'000
Revenue	4, 5	**417,355**	24,789
Cost of sales and services (including write back of allowance of properties held for sale of HK$21,095,000 (Six months ended 30th June 2009: HK$10,300,000))		**(282,874)**	4,875
Gross profit		**134,481**	29,664
Other net financial income		**2,340**	14,357
Financial revenue		**3,877**	3,084
Other income		**1,698**	278
Selling and distribution costs		**(601)**	(572)
Administrative expenses		**(6,531)**	(6,832)
Gain in fair value of investment properties		**–**	210
Profit before income tax	6	**135,264**	40,189
Income tax expense	7	**(413)**	(1,365)
Profit for the period		**134,851**	38,824
Other comprehensive income, net of tax		**–**	–
Total comprehensive income for the period		**134,851**	38,824
Profit for the period attributable to owners of the Company		**134,851**	38,824
Total comprehensive income attributable to:			
Owners of the Company		**134,851**	38,824
Earnings per share attributable to the owners of the Company	8		
– Basic		**HK$0.072**	HK$0.032
– Diluted		**HK$0.068**	HK$0.031

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30th June 2010 (Unaudited) HK$'000	31st December 2009 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	9	**533,477**	533,477
Property, plant and equipment	10	**3,201**	3,407
Prepaid lease payments		**18,149**	18,263
Available-for-sale financial assets	11	**2,300**	2,300
		557,127	557,447
Current assets			
Properties held for sale	12	**335,086**	612,653
Trade receivables	13	**1,265**	3,333
Other receivables, prepayments and deposits		**927**	8,437
Prepaid lease payments		**227**	227
Loans and receivables	14	**42,823**	20,400
Financial assets at fair value through profit or loss	15	**31,615**	11,885
Cash and cash equivalents		**716,987**	325,970
		1,128,930	982,905
Current liabilities			
Other payables, deposits received and accrued charges	16	**64,847**	52,104
Taxation payables		**6,449**	8,338
		71,296	60,442
Net current assets		**1,057,634**	922,463
Total assets less current liabilities		**1,614,761**	1,479,910
Non-current liabilities			
Deferred tax liabilities		**17,880**	17,880
Net assets		**1,596,881**	1,462,030
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**373,321**	373,321
Reserves		**1,223,560**	1,088,709
Total equity		**1,596,881**	1,462,030

NOTES TO UNAUDITED CONDENSED 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 Unit 2406, 24th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong respectively.

The Company is an investment holding company. The activities of its principal subsidiaries are property investment, property development and trading, securities investment and trading, and provision of financial services. The Company and its subsidiaries are together referred to as the "Group".

2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements of the Group for the six months ended 30th June 2010 (the "Unaudited Condensed Interim Financial Information") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Unaudited Condensed Interim Financial Information is presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

3. PRINCIPAL ACCOUNTING POLICIES

The Unaudited Condensed Interim Financial Information has been prepared on the historical cost convention, except for investment properties and certain financial instruments, which are stated at fair values.

The accounting policies adopted for the six months ended 30th June 2010 are consistent with those used in the preparation of the Group's annual audited financial statements for the year ended 31st December 2009 (the "2009 Annual Financial Statements") except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations) as disclosed below.

The Unaudited Condensed Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 2009 Annual Financial Statements.

In the current interim period, the Group has applied, for the first time, of the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on or after 1st January 2010.

HKFRS 3	Business Combinations
HKAS 27	Consolidated and Separate Financial Statements
Various	Annual improvements to HKFRSs 2009

Other than as noted below, the adoption of these new and revised HKFRSs has had no material effect on this interim financial report.

HKFRS 3 Business combinations (Revised 2008)

The revised standard requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree. The revised standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1st July 2009. As the Group has no business combination during the period, the adoption of this revised standard does not have significant impact on the Unaudited Condensed Interim Financial Informaton.

HKAS 27 Consolidated and separate financial statements (Revised 2008)

The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The Group did not have transactions with non-controlling interests in the current period. Therefore the adoption of this revised standard does not have an effect on the Unaudited Condensed Interim Financial Information.

Annual improvements 2009

The HKICPA has issued Improvements to Hong Kong Financial Reporting Standards 2009. Most of the amendments become effective for annual periods beginning on or after 1st January 2010. The Group expects the amendment to HKAS 17 Leases to be relevant to the Group's accounting policies. Prior to the amendment, HKAS 17 generally required a lease of land to be classified as an operating lease. The amendment requires a lease of land to be classified as an operating or finance lease in accordance with the general principles in HKAS 17. The Group has reassessed the classification of its unexpired leases of land at 1st January 2010 on the basis of information existing at the inception of those leases in accordance with the transitional provisions for the amendment. The amendment does not have major impact on the Unaudited Condensed Interim Financial Information in the first year of application.

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective.

HKAS 24 (Revised)	Related Party Disclosures [3]
HKAS 32 (Amendment)	Financial Instruments: Presentation: Classification of Right Issues [1]
HKFRS 9	Financial Instruments [4]
HK(IFRIC) – Int 14 Amendment	Prepayments of a Minimum Funding Requirement [3]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments [2]

Note:

[1] Effective for annual periods beginning on or after 1st February 2010.
[2] Effective for annual periods beginning on or after 1st July 2010.
[3] Effective for annual periods beginning on or after 1st January 2011.
[4] Effective for annual periods beginning on or after 1st January 2013.

4. REVENUE

Revenue, which is also the Group's turnover, represented rental income, property management fee income, sales of properties and loan interest income. During the six months ended 30th June 2010, revenue also includes the consideration of RMB340,000,000, equivalent to approximately HK$386,363,000, for the return of certain properties held for sale with carrying amounts of approximately HK$298,662,000 to the original developer, which the Company has reported in the note 40 "Event After the Reporting Period" of Notes to the 2009 Annual Financial Statements.

5. SEGMENT INFORMATION

According to HKFRS 8 Operating segments, the Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's Executive Directors for their decisions about resource allocation to the Group's business components and review of these components' performance.

The Group assesses the performance of the operating segments based on profit before income tax which is consistent with that in the 2009 Annual Financial Statements.

For management purpose, the Group is organised into four main operating divisions and these divisions form the basis on which the Group presents its reportable operating segment information to the Executive Directors as follows:

- Property investment;
- Property development and trading;
- Securities investment and securities trading; and
- Provision of financial services.

The following tables present revenue and profit information regarding the Group's operating segments for the periods of six months ended 30th June 2010 and 30th June 2009.

	Unaudited					
	Property investment	**Property development and trading**	**Security investment and securities trading**	**Provision of financial services**	**Eliminations**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30th June 2010						
Revenue						
From external customers	**30,000**	**386,363**	**–**	**992**	**–**	**417,355**
Inter-segment sales	**408**	**–**	**–**	**32,493**	**(32,901)**	**–**
Reportable segment revenue	**30,408**	**386,363**	**–**	**33,485**	**(32,901)**	**417,355**
Reportable segment profit	**22,343**	**109,944**	**2,669**	**881**	**–**	**135,837**
Six months ended 30th June 2009						
Revenue						
From external customers	21,568	–	–	3,221	–	24,789
Inter-segment sales	–	–	–	23,995	(23,995)	–
Reportable segment revenue	21,568	–	–	27,216	(23,995)	24,789
Reportable segment profit	15,834	8,784	14,456	3,181	–	42,255

Note: *Inter-segment sales are charged at prevailing prices.*

The following table presents operating segment assets and liabilities information of the Group as at 30th June 2010 and as at 31st December 2009.

	Property investment HK$'000	Property development and trading HK$'000	Security investment and securities trading HK$'000	Provision of financial services HK$'000	Total HK$'000
As at 30th June 2010 (Unaudited)					
Reportable segment assets	**540,115**	**335,204**	**31,615**	**42,880**	**949,814**
Other financial assets					**2,300**
Prepaid lease payments					**14,726**
Cash and cash equivalents					**716,987**
Other corporate assets					**2,230**
Group assets					**1,686,057**
Reportable segment liabilities	**30,462**	**24,092**	**–**	**767**	**55,321**
Deferred tax liabilities					**17,880**
Other corporate liabilities					**9,526**
Tax payable					**6,449**
Group liabilities					**89,176**
As at 31st December 2009 (Audited)					
Reportable segment assets	540,710	618,741	14,791	20,529	1,194,771
Other financial assets					2,300
Prepaid lease payments					14,790
Cash and cash equivalents					325,970
Other corporate assets					2,521
Group assets					1,540,352
Reportable segment liabilities	46,973	2,421	–	876	50,270
Deferred tax liabilities					17,880
Other corporate liabilities					1,834
Tax payable					8,338
Group liabilities					78,322

The total reportable segment profit can be reconciled to the Group's profit before income tax as presented in this interim financial report as follows:

	Six months ended 30th June (Unaudited)	
	2010	2009
	HK$'000	*HK$'000*
Total reportable segment profit	**135,837**	42,255
Bank interest income	**3,736**	2,538
Unallocated corporate income	**293**	465
Unallocated corporate expenses	**(4,602)**	(5,069)
Profit before income tax	**135,264**	40,189

6. PROFIT BEFORE INCOME TAX

	Six months ended 30th June (Unaudited)	
	2010	2009
	HK$'000	*HK$'000*
Profit before income tax has been arrived at after charging:		
Amortisation of prepaid lease payments	**114**	50
Depreciation	**438**	219
Minimum lease rentals in respect of rented premises	**–**	408
and after crediting:		
Gross rental income	**24,341**	16,693
Less: Outgoings	**(5,307)**	(4,118)
Net rental income	**19,034**	12,575
Interest income on financial assets at amortised cost:		
– Bank interest income	**3,736**	2,538
– Loan to third parties	**992**	3,221
Write back of allowance of properties held for sale	**21,095**	10,300

7. INCOME TAX EXPENSE

	Six months ended 30th June (Unaudited)	
	2010	2009
	HK$'000	*HK$'000*
Income tax expense comprises:		
– Hong Kong profits tax		
Under-provision in prior period	**20**	–
– PRC enterprise income tax		
Current tax for the period	**1,183**	1,388
Over-provision in prior period	**(790)**	(23)
	413	1,365

For both six months ended 30th June 2010 and 30th June 2009, Hong Kong profits tax has not been provided as the Group did not derive any assessable profits arising in Hong Kong.

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

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended 30th June (Unaudited)	
	2010	2009
	HK$'000	*HK$'000*
Profit for basic earnings per share	**134,851**	38,824

	Six months ended 30th June (Unaudited)	
	2010	2009
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	**1,866,606**	1,216,606
Weighted average number of ordinary shares deemed to be issued at nil consideration on the assumed exercise of the warrants	**130,160**	9,786
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,996,766**	1,226,392

The computation of diluted earnings per share for both six months ended 30th June 2010 and 30th June 2009 did not assume the exercise of the outstanding share options as the impact of the exercise of the share options was anti-dilutive.

9. INVESTMENT PROPERTIES

The Directors of the Company are of the opinion that the carrying amount of investment properties approximates to their fair value as at 30th June 2010, after having compared with the properties of their comparable grade and quality at their proximities. Investment properties are held under the medium and long terms of lease.

The Group's interests in investment properties are analysed as follows:

	30th June 2010 (Unaudited)	31st December 2009 (Audited)
	HK$'000	*HK$'000*
In Hong Kong, held on:		
Medium-term lease of between 10 to 50 years	**31,000**	31,000
Long-term lease more than 50 years	**269,300**	269,300
	300,300	300,300
Outside Hong Kong, held on:		
Medium-term lease of between 10 to 50 years	**230,000**	230,000
Long-term lease more than 50 years	**3,177**	3,177
	533,477	533,477

10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of approximately HK$365,000 (Six months ended 30th June 2009: approximately HK$581,000).

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are all unlisted equity investments and are stated at cost less provision for impairment loss as they do not have quoted market prices in an active market. The Directors of the Company are of the opinion that the carrying amounts of the unlisted equity investments approximate their fair value.

12. PROPERTIES HELD FOR SALE

	30th June 2010 (Unaudited)	31st December 2009 (Audited)
	HK$'000	*HK$'000*
Cost	**335,513**	634,175
Less: Allowance of properties held for sale	**(427)**	(21,522)
	335,086	612,653
In Hong Kong, held on medium term lease	**335,086**	313,991
In the PRC, held on long term lease	**–**	298,662
	335,086	612,653

Movements of properties held for sale during the period are set out as below:

(a) As at 30th June 2010, a write-back of allowance of properties held for sale of approximately HK$21,095,000 has been made as the directors consider that the current market value of these properties is higher than their carrying amount as at 31st December 2009.

(b) Certain properties held for sale with carrying amounts of approximately HK$298,662,000 were returned to the original property developer at a consideration of RMB340,000,000 (equivalent to approximately HK$386,363,000) pursuant to an agreement dated 5th February 2010.

13. TRADE RECEIVABLES

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

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

	30th June 2010	31st December 2009
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within 30 days	**627**	2,090
31 to 90 days	**638**	1,243
	1,265	3,333

14. LOANS AND RECEIVABLES

	30th June 2010	31st December 2009
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
– secured	**40,823**	14,150
– unsecured	**2,000**	6,250
Total of loans and receivables	**42,823**	20,400

As at 30th June 2010, except for an unsecured loan with a remaining principal amount of HK$2,000,000, all other loans and receivables are secured by the followings:

a) personal guarantees executed by several independent third parties;

b) a security deposit paid for the purpose of securing the tenancy agreement entered with the Group for an amount of HK$13,600,000; or

c) equity interest in an unlisted company in the PRC.

As at 31st December 2009, except for an unsecured loan with a remaining principal amount of HK$6,250,000, all other loans and receivables were secured by the followings:

a) personal guarantees executed by several independent third parties; or

b) a security deposit paid for the purpose of securing the tenancy agreement entered with the Group for an aggregate amount of HK$30,000,000.

There were no impairment losses in respect of loans and receivables during the periods ended 30th June 2010 and 31st December 2009.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30th June 2010 and 31st December 2009, these represent the investments in Hong Kong and the PRC listed equity securities, which are held for trading, the fair value of which has been determined by reference to their quoted prices at the reporting date.

16. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

As at 30th June 2010, the balances include the security deposits received of HK$13,600,000 (31st December 2009: HK$30,000,000) for the purpose of securing the tenancy agreements entered with the Group. As at 31st December 2009, the security deposits were also the pledge for loan and receivables of HK$10,000,000 in note 14.

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover of the Group for the six months ended 30th June 2010 amounted to approximately HK$417,355,000, representing an increase of approximately 15.8 times as compared to approximately HK$24,789,000 in the corresponding period last year. The increase in turnover was mainly due to the increase in rental income and return of certain properties in Shun Jing Yuan, Beijing to its original developer at a consideration of RMB340,000,000, equivalent to approximately HK$386,363,000.

For the six months ended 30th June 2010, gross profit of the Group was approximately HK$134,481,000 (corresponding period in 2009: approximately HK$29,664,000), an increase of approximately 353.3%. The increase was mainly attributable to the increase in turnover, write-back of provision of approximately HK$21,095,000 (corresponding period in 2009: approximately HK$10,300,000) and the gain of approximately HK$87,702,000 attributable to the return of properties in Shun Jing Yuan, Beijing to its original developer.

For the six months ended 30th June 2010, the Group's consolidated net profit was approximately HK$134,851,000 (corresponding period in 2009: approximately HK$38,824,000), an increase by 247.3% when compared with that of the corresponding period of last year. The increase in consolidated net profit was mainly attributable to the gain of approximately HK$87,702,000 from the above-mentioned return of properties.

Selling and distribution costs and administrative expenses during the six months ended 30th June 2010 were approximately HK$601,000 and HK$6,531,000 respectively, increased by approximately HK$29,000 (5.1%) and decreased by approximately HK$301,000 (4.4%) respectively as compared to the corresponding period in 2009.

During the six months ended 30th June 2010, the Group's other net financial income (i.e., fair value gain on financial assets at fair value through profit or loss) was approximately HK$2,340,000 (corresponding period in 2009: HK$14,357,000).

BUSINESS REVIEW AND PROSPECTS

Property Development and Trading

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

As to the remaining properties of Blocks 2, 11 and 14 of Shun Jing Yuan, Beijing (the "Properties"), yet held by the Group at 31st December 2009, notwithstanding the Group has exerted much effort in relation to the pre-sale preparation work for the project, the developer of the project (the "Developer") failed to completely fulfill the terms in the sale and purchase agreements in relation to the Properties signed between the Group and the Developer, and hence affecting the Group's established marketing strategy of the Properties. Also, having been concerned about the probable impacts on the marketing and selling conditions caused by the change in mortgage policy for high-end residential apartments in the PRC, both parties have thus mutually agreed to enter into an agreement on 5th February 2010, pursuant to which, the Group agreed to return the remaining Properties held to the Developer, and the Developer agreed to pay to the Group an aggregate amount of RMB340 million (equivalent to approximately HK$386 million) as refund of the acquisition costs of the remaining properties held and as compensation. The transaction was completed in February 2010 and the proceeds of RMB340,000,000, equivalent to approximately HK$386,363,000 were fully collected by the Group on 8th February 2010.

In Hong Kong, the Group is in possession of commercial properties for sale and most of them are situated at the prime commercial districts, Central and Queensway, Hong Kong. On 9th March 2010, GOI Limited, a wholly-owned subsidiary of the Company, as seller, entered into a provisional agreement with an independent third party as buyer to sell a property held for sale situated at Office No. 2101, 21st Floor, World-Wide House, No. 19 Des Voeux Road Central, Central, Hong Kong, with carrying value of approximately HK$46,717,000, at a consideration of approximately HK$57,790,000. The gross profit before related transaction costs and stamp duty amounted to approximately HK$11,073,000. The disposal will be completed on 26th October 2010.

On 10th May 2010, Grandtex Development Limited, a wholly-owned subsidiary of the Company, as seller entered into a provisional agreement with an independent third party as buyer to sell properties held for sale situated at Shops B, C, D and E on Ground Floor and Shops A and B on 1st, 2nd, 3rd and 4th Floors, On Fung Building, 110, 112, 112A, 114, 116 and 118 Caine Road, Mid-Levels, Hong Kong, with carrying value of approximately HK$156,095,000, at a consideration of HK$210,000,000. The gross profit before related transaction costs and stamp duty amounted to approximately HK$53,905,000. The disposal transaction was completed on 20th July 2010.

In view of the control on the residential prices and the asset inflation, the PRC government has tightened credit for property markets since the beginning of 2010, the PRC residential prices have been downward adjusted. However, on the premise the appreciation of Renminbi is anticipated, the investors still have intense interests in the high quality residential and office properties. After the recovery of property market in Hong Kong last year, the property prices start to level off. From the view point of the Company's management, given that the interest rate remains low, economic fundamentals remain solid and stable investment conditions, the properties in Hong Kong continue to attract the attention of investors from mainland China and other regions, the outlook for the property investment markets in both the PRC and Hong Kong remains sound and well. In spite of the management of the Company has an optimistic outlook for the property business and expects the value of properties in Hong Kong and the PRC to rise steadily in the long term, the Group's disposal of the two properties held for sale aforesaid not only allows the Group to lock in profits, but also provides financial resources for various investment projects in future.

Property Investment

For investment properties, the Group's Dawning Tower, located in Shenzhen, the PRC, continued to secure a high occupancy rate. Accordingly, the Group recognized an income of approximately HK$9,740,000 during the six months ended 30th June 2010, representing an increase of approximately 2.6% over same period of last year.

Although the management quality is satisfactory, the Group will continue to find ways to further enhance the building management quality at Dawning Tower and maintain good cooperation with its customers as well as the prestigious status of Dawning Tower among commercial buildings so as to achieve high occupancy rate of it. It is expected that the occupancy rate will maintain at high level in the second half of 2010. High occupancy rate and effective cost control of Dawning Tower have secured steady net operating profit from the building.

The properties for commercial uses at levels 4 and 5 of Beijing East Gate Plaza, the PRC with total gross floor area of approximately 5,100 square metres, generated rental income of approximately HK$3,366,000 (corresponding period in 2009: approximately HK$3,245,000) to the Group for the six months ended 30th June 2010.

In the first half of 2010, all properties in Hong Kong of the Group also contributed rental income of approximately HK$16,894,000, and increase of 91.3% as compared to approximately HK$8,832,000 of corresponding period in 2009.

The Group will continue specialising in the PRC and Hong Kong property investment and trading in anticipation of steady return. Apart from the property market, the Group will continue looking for suitable investment opportunities in other areas but with stable returns, i.e. projects characterised by stable cash inflows and simple management mechanism.

Capital Market Investment and Financial Services

The Group has at all time endeavoured to increase the return from its current assets, therefore having diversified its investment portfolio to accommodate more current assets with higher liquidity, including securities and debt securities.

In the first half of 2010, in spite of the poor performance of the financial and capital markets in the PRC, the Group still managed to make a profit of approximately HK$2,340,000 (corresponding period in 2009: approximately HK$14,456,000) from the capital market investments. The profitable result was due to the recovery of the capital market in Hong Kong.

The financial services of the Group maintained a modest operation, providing short to medium term loans to the business associates and partners. The financial service businesses contributed a profit of approximately HK$881,000 (corresponding period in 2009: approximately HK$3,181,000) to the Group for the six months ended 30th June 2010.

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 totaling approximately HK$716,987,000 as at 30th June 2010 (31st December 2009: approximately HK$325,970,000). The Group placed strict credit control on its trade receivables to maintain adequate working capital. As at 30th June 2010, trade receivables and loans and receivables of the Group amounted to approximately HK$1,265,000 and HK$42,823,000 respectively (31st December 2009: approximately HK$3,333,000 and HK$20,400,000 respectively). Current ratio as at 30th June 2010 was 15.8 times while that as at 31st December 2009 was 16.3 times. As at 30th June 2010 and 31st December 2009, the Group did not raise any bank loans. As at 30th June 2010 and 31st December 2009, the Group's gearing ratio (on the basis of total borrowings divided by shareholders' equity) was maintained at zero.

Treasury Management

In respect of financial resources management, the Group continues to diversify its investment portfolio to accommodate more current assets with higher liquidity and return, including securities and debt securities, in order to enhance the return of current assets. The aggressive and yet prudent financial resources management policy will be continued to maximise investments return within a reasonable risk level. 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.

Pledge of Assets

As of 30th June 2010 and 31st December 2009, the Group had no pledge of assets and bank deposits in order to obtain general banking facilities or short-term bank borrowings.

Employees' Remuneration and Benefits

The Group had about 42 employees including managerial, executive, technical and general staffs in Hong Kong and the PRC as at 30th June 2010 (31st December 2009: about 47). The level of remuneration, 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 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 income and funds applied to the direct costs, the purchases of equipment and the payments of salaries are denominated in HK$ and Renminbi ("RMB"); therefore, it was not necessary to use any financial instruments for hedging purpose, and the Group's exposure to the fluctuation of the exchange risk was minimal. During the period, the Group has not engaged in any hedging activities. As of 30th June 2010, cash and cash equivalents of the Group were mainly denominated in HK$, US dollars and RMB.

Substantial Acquisition and Disposal

The Group has not participated in any substantial acquisition or disposal during the period under review.

Contingent Liabilities

Save those incidents as disclosed in the section "Litigation and Arbitration" below, the Group had no material contingent liability as at 30th June 2010.

OTHER INFORMATION

LITIGATION AND ARBITRATION

On 12th February 2009, Stadium Holdings Limited ("Stadium"), a wholly-owned subsidiary of the Company, entered into a provisional agreement with an independent third party as vendor to acquire a property situated in Hunghom, Hong Kong at a consideration of HK$45,000,000 and deposit of HK$4,500,000 was paid. Due to the reason that the vendor failed to provide the relevant documents relating to the said property, the acquisition of the property was not completed. In order to protect the interest of the Group, a civil action in the High Court was initiated by Stadium as plaintiff on 5th June 2009 against the vendor as defendant for recovering the deposit, legal cost and damages. Favourable judgment was granted to Stadium. The defendant filed an appeal on 10th November 2009 but refunded to Stadium the deposit of HK$4,500,000 and other related legal costs on 4th February 2010. On 28th May 2010, the appeal was withdrawn upon the joint application of Stadium and the defendant. Both the plaintiff and the defendant are in negotiation in order to have an amicable settlement of the damages claimed by the plaintiff.

Furthermore, Dawning Information Industry (Shenzhen) Limited, a wholly-owned subsidiary of the Company, is involved in an arbitration in relation to termination payment of an ex-employee. This incident and the amount involved have minimal effect on the Group.

INTERIM DIVIDEND

The Board resolved not to declare the payment of interim dividend for the six months ended 30th June 2010 (Six months ended 30th June 2009: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

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 enquiry of all the Directors, all Directors have complied with the required standards as set out in the Model Code during the six months ended 30th June 2010.

CORPORATE GOVERNANCE

The Company has adopted the code provisions of the Code of Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules as its own code of corporate governance practices. The Company has also complied with all the code provisions under the CG Code except for the deviations from code provisions A.2.1. and A.4.1. which are explained in the following relevant paragraphs.

Under the code provision A.2.1., the responsibilities between the chairman and chief executive officer should be divided. Currently, the office of chief executive officer is vacant. The roles and functions of the chief executive officer have been performed by the Board of the Company and the Directors believed that such arrangement enables different talents and expertise of the Directors to be best utilized 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 of the Company are not appointed for a specific term but they are subject to the retirement by rotation at least once every three years in accordance with the bye-laws of the Company.

Save as those mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the CG Code for the six months ended 30th June 2010.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three Independent Non-Executive Directors, including Mr. Chung Koon Yan, 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 unaudited condensed consolidated interim financial statements have been reviewed by the Audit Committee.

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

Hong Kong, 13th August 2010

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wong Chung Tak and Mr. Tse Kam Fai, 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.