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 2011

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 2011 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

		Six months ended 30th June (Unaudited)	
		2011	2010
	Notes	***HK$'000***	*HK$'000*
Revenue	4, 5	**25,169**	417,355
Cost of sales and services (including write back of allowance of properties held for sale of nil (Six months ended 30th June 2010: HK$21,095,000))		**(5,809)**	(282,874)
Gross profit		**19,360**	134,481
Other net financial (loss)/income		**(1,305)**	2,340
Financial revenue		**14,052**	3,877
Other income		**1,861**	1,698
Selling and distribution costs		**(336)**	(601)
Administrative expenses		**(6,049)**	(6,531)
Gain in fair value of investment properties		**403**	–
Profit before income tax	6	**27,986**	135,264
Income tax expense	7	**(4,055)**	(413)
Profit for the period		**23,931**	134,851
Other comprehensive income, net of tax		**–**	–
Total comprehensive income for the period		**23,931**	134,851
Profit for the period attributable to owners of the Company		**23,931**	134,851
Total comprehensive income attributable to:			
Owners of the Company		**23,931**	134,851
Earnings per share attributable to the owners of the Company	9		
– Basic		**HK$0.012**	HK$0.072
– Diluted		**N/A**	HK$0.068

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30th June 2011 (Unaudited) *HK$'000***	31st December 2010 (Audited) *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	10	**619,130**	623,480
Property, plant and equipment	11	**21,425**	21,127
Available-for-sale financial assets	12	**680**	680
		641,235	645,287
Current assets			
Properties held for sale	13	**241,542**	132,702
Trade receivables	14	**1,693**	1,890
Other receivables, prepayments and deposits		**1,614**	1,142
Loans and receivables	15	**18,353**	11,353
Financial assets at fair value through profit or loss	16	**70,493**	57,124
Cash and cash equivalents		**855,271**	980,984
		1,188,966	1,185,195
Assets classified as held for sale		**–**	1,176
		1,188,966	1,186,371
Current liabilities			
Other payables, deposits received and accrued charges	17	**22,320**	18,124
Tax payables		**9,180**	8,848
		31,500	26,972
Net current assets		**1,157,466**	1,159,399
Total assets less current liabilities		**1,798,701**	1,804,686
Non-current liabilities			
Deferred tax liabilities		**32,008**	32,125
Net assets		**1,766,693**	1,772,561

	Notes	30th June 2011 (Unaudited) HK$'000	31st December 2010 (Audited) HK$'000
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**397,321**	397,321
Reserves		**1,369,372**	1,345,441
Proposed final dividend		**–**	29,799
Total equity		**1,766,693**	1,772,561

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 2011 (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 under the historical cost convention, except for investment properties and certain financial instruments, which are stated at fair values, and the accounting policies of which are consistent with those of the Group's annual audited financial statements for the year ended 31st December 2010 (the "2010 Annual Financial Statements") as described thereof.

The accounting policies adopted for the six months ended 30th June 2011 are consistent with those used in the preparation of the 2010 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, HKASs 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 2010 Annual Financial Statements, which have been prepared in accordance with HKFRSs.

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 2011.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 32	Classification of Rights Issues
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new and revised HKFRSs has had no material effect on this interim financial report.

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

Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets [1]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets [2]
HKFRS 9	Financial Instruments [3]
HKFRS 10	Consolidated Financial Statements [3]
HKFRS 13	Fair Value Measurements [3]

Notes:

1 Effective for annual periods beginning on or after 1st July 2011
2 Effective for annual periods beginning on or after 1st January 2012
3 Effective for annual periods beginning on or after 1st January 2013

The Group is in the process of making an assessment of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Unaudited Condensed Interim Financial Information.

4. REVENUE

Revenue, which is also the Group's turnover, represented rental income, property management fee income, sales of properties and loan interest income.

	Six months ended 30th June (Unaudited)	
	2011	2010
	HK$'000	*HK$'000*
Sales of properties	**–**	386,363
Rental income	**17,754**	24,341
Property management fee income	**6,245**	5,659
Loan interest income	**1,170**	992
	25,169	417,355

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 2010 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 2011 and 30th June 2010.

	Unaudited					
	Property investment	**Property development and trading**	**Securities 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 2011						
Revenue						
From external customers	**23,999**	**–**	**–**	**1,170**	**–**	**25,169**
Inter-segment sales	**–**	**–**	**–**	**21,623**	**(21,623)**	**–**
Reportable segment revenue	**23,999**	**–**	**–**	**22,793**	**(21,623)**	**25,169**
Reportable segment profit/(loss)	**16,548**	**318**	**(411)**	**1,034**	**–**	**17,489**
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

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 2011 and as at 31st December 2010.

	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*
As at 30th June 2011 (Unaudited)					
Reportable segment assets	**626,598**	**241,751**	**70,493**	**18,440**	**957,282**
Other financial assets					**680**
Property, plant and equipment					**16,135**
Cash and cash equivalents					**855,271**
Other corporate assets					**833**
Group assets					**1,830,201**
Reportable segment liabilities	**13,684**	**7,136**	**–**	**767**	**21,587**
Deferred tax liabilities					**32,008**
Other corporate liabilities					**733**
Tax payables					**9,180**
Group liabilities					**63,508**
As at 31st December 2010 (Audited)					
Reportable segment assets	630,455	132,810	57,124	11,556	831,945
Other financial assets					1,856
Property, plant and equipment					16,272
Cash and cash equivalents					980,984
Other corporate assets					601
Group assets					1,831,658
Reportable segment liabilities	12,953	2,426	–	803	16,182
Deferred tax liabilities					32,125
Other corporate liabilities					1,942
Tax payables					8,848
Group liabilities					59,097

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)	
	2011	2010
	HK$'000	*HK$'000*
Total reportable segment profit	**17,489**	135,837
Gain on sale of available-for-sale financial assets	**94**	–
Bank interest income	**13,892**	3,736
Unallocated corporate income	**310**	293
Unallocated corporate expenses	**(3,799)**	(4,602)
Profit before income tax	**27,986**	135,264

6. PROFIT BEFORE INCOME TAX

	Six months ended 30th June (Unaudited)	
	2011	2010
	HK$'000	*HK$'000*
Profit before income tax has been arrived at after charging:		
Depreciation of property, plant and equipment	**524**	552
and after crediting:		
Gross rental income	**17,754**	24,341
Less: Outgoings	**(5,809)**	(5,307)
Net rental income	**11,945**	19,034
Interest income on financial assets at amortised cost:		
– Bank interest income	**13,892**	3,736
– Loan to third parties	**1,170**	992
Write back of allowance of properties held for sale	**–**	21,095

7. INCOME TAX EXPENSE

	Six months ended 30th June (Unaudited)	
	2011	2010
	HK$'000	*HK$'000*
– Hong Kong profits tax		
Under-provision in prior period	**–**	20
– PRC enterprise income tax		
Current tax for the period	**4,139**	1,183
Under/(Over)-provision in prior period	**33**	(790)
	4,172	413
Deferred tax		
Current period	**(117)**	–
	(117)	–
	4,055	413

For both six months ended 30th June 2011 and 30th June 2010, 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. DIVIDEND

	Six months ended 30th June (Unaudited)	
	2011	2010
	HK$'000	*HK$'000*
Dividend declared and paid during the period		
2010 final dividend – HK$0.015 (2010: Nil) per ordinary shares	**29,799**	–

9. EARNINGS PER SHARE

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

	Six months ended 30th June (Unaudited)	
	2011	2010
	HK$'000	*HK$'000*
Profit for basic earnings per share	**23,931**	134,851

	Six months ended 30th June (Unaudited)	
	2011	2010
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	**1,986,606**	1,866,606
Weighted average number of ordinary shares deemed to be issued at nil consideration on the assumed exercise of the warrants	**–**	130,160
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,986,606**	1,996,766

The computation of diluted earnings per share for both six months ended 30th June 2011 and 30th June 2010 did not assume the exercise of the outstanding share options as the impact of the exercise of the share options was anti-dilutive.

10. 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 2011, 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 2011 (Unaudited) *HK$'000*	31st December 2010 (Audited) *HK$'000*
In Hong Kong, held on:		
Medium-term lease of between 10 to 50 years	**34,500**	34,500
Long-term lease more than 50 years	**338,800**	338,800
	373,300	373,300
Outside Hong Kong, held on:		
Medium-term lease of between 10 to 50 years	**245,830**	245,830
Long-term lease more than 50 years	**–**	4,350
	619,130	623,480

11. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of approximately HK$963,000 (Six months ended 30th June 2010: approximately HK$365,000).

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

These 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.

13. PROPERTIES HELD FOR SALE

	30th June 2011 (Unaudited) *HK$'000*	31st December 2010 (Audited) *HK$'000*
Cost	**241,542**	132,702
In Hong Kong, held on long-term lease	**241,542**	132,702

During the period, a property at the whole of the 17th Floor and three car parking spaces located at the 2nd Floor of Bank of East Asia Harbour View Centre, No. 56 Gloucester Road, Hong Kong were acquired for a consideration of HK$104,000,000 pursuant to a provisional sale and purchase agreement entered into between the Group and an independent third party as seller. The acquisition was completed on 30th June 2011. The related transaction costs amounted to approximately HK$4,840,000.

14. 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 2011 (Unaudited)	31st December 2010 (Audited)
	HK$'000	*HK$'000*
Within 30 days	**390**	573
31 to 90 days	**1,303**	1,317
	1,693	1,890

15. LOANS AND RECEIVABLES

	30th June 2011 (Unaudited)	31st December 2010 (Audited)
	HK$'000	*HK$'000*
– secured	**2,353**	2,353
– unsecured	**16,000**	9,000
Total of loans and receivables	**18,353**	11,353

As at 30th June 2011, except for unsecured loans with remaining principal amount of HK$16,000,000 (of which, HK$10,000,000 was repaid on 5th July 2011) (31st December 2010: HK$9,000,000), all other loans and receivables are secured by 10% equity interest in a private company incorporated in the PRC and a personal guaranteed from an independent third party. At the reporting date, an installment payment in the amount of RMB250,000 (equivalent to approximately HK$294,000), which is part of a secured loan in the amount of RMB2,000,000 (equivalent to approximately HK$2,353,000), is due for repayment. Management of the Group is now negotiating about the repayment terms with the borrower. No impairment loss is required to be provided at this stage.

There were no impairment losses in respect of loans and receivables during the period ended 30th June 2011.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The balances as at 30th June 2011 and 31st December 2010 represent the investments in Hong Kong listed equity securities, which are held for trading, the fair value of which has been determined by reference to their quoted prices at the statement of financial position dates.

17. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

As at 30th June 2011, the balances include the tenancy deposits amounting to approximately HK$10,989,000 received from tenants (31st December 2010: approximately HK$10,389,000).

18. POST STATEMENT OF FINANCIAL POSITION EVENTS

(a) Pursuant to a facility letter ("Facility Letter") endorsed with acceptance by an independent third party (a borrower incorporated in British Virgin Islands with limited liability) and a guarantor (an individual independent third party) on 19th July 2011, Cathay Holdings Limited, a wholly-owned subsidiary of the Group, provided a loan facility up to HK$130,000,000 (the "Loan Facility") to this borrower on 21st July 2011, at the interest rate of two percent (2%) per month (equivalent to 24% per annum) on the terms and conditions as set out in the Facility Letter. Details of the Facility Letter and the Loan Facility were set out in the announcement dated 20th July 2011.

(b) On 28th July 2011, Trinity Sino Limited, a wholly-owned subsidiary of the Group, entered into a provisional sale and purchase agreement with an independent third party to acquire properties located at offices no. 805 and 806 on the 8th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong at a consideration of HK$63,669,000. The acquired properties will be classified as properties held for sale.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Turnover of the Group for the six months ended 30th June 2011 amounted to approximately HK$25,169,000, representing a decrease of approximately 94.0% as compared to approximately HK$417,355,000 in the corresponding period last year. The decrease in turnover was mainly due to the decrease in sale of trading properties.

For the six months ended 30th June 2011, gross profit of the Group was approximately HK$19,360,000 (corresponding period in 2010: approximately HK$134,481,000), a decrease of approximately 85.6%. The decrease was mainly attributable to the decrease in turnover.

For the six months ended 30th June 2011, the Group's consolidated net profit was approximately HK$23,931,000 (corresponding period in 2010: approximately HK$134,851,000), a decrease by approximately 82.3% when compared with that of the corresponding period of 2010.

Selling and distribution costs and administrative expenses of the Group for the six months ended 30th June 2011 were approximately HK$336,000 and approximately HK$6,049,000 respectively, decreased by approximately HK$265,000 (44.1%) and approximately HK$482,000 (7.4%) respectively as compared to the corresponding period in 2010.

During the six months ended 30th June 2011, the Group's other net financial loss (i.e. fair value loss on financial assets at fair value through profit or loss) was approximately HK$1,305,000 (corresponding period in 2010: net gain of approximately HK$2,340,000).

BUSINESS REVIEW AND PROSPECTS

Property Development and Trading

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

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, Queensway and Wanchai, Hong Kong. On 11th May 2011, Grandtex Development Limited, a wholly-owned subsidiary of the Group, as buyer, entered into a provisional sale and purchase agreement with an independent third party as seller to purchase a property held for sale situated at the whole of the 17th Floor and three car parking spaces located at the 2nd Floor of Bank of East Asia Harbour View Centre, No. 56 Gloucester Road, Hong Kong (the "Properties") at a consideration of HK$104,000,000 (the "Transaction"). The Properties have been accounted for as properties held for sale. The Transaction was completed on 30th June 2011.

The PRC government, through strengthening measures like increasing supply of residential properties and restricting the ownership of buying the second or more houses, has effectively curbed the excessively rising properties prices. In anticipation of appreciation of Renminbi ("RMB"), the investors still have intense interests in the high quality residential and office properties in the PRC. On the grounds that there is keen demand, but limited supply, in the residential property market in Hong Kong, the property prices are more likely to maintain at high level. From the view point of the Company's management, given that the interest rates remain low, economic fundamentals remain solid and investment conditions are stable, the residential and commercial properties in Hong Kong continue to attract the attention of investors from mainland China and other regions, in particular the outlook for high grade commercial properties is comparatively sound and well, despite the launching measures by Hong Kong government recently to curb the rising of property prices.

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$10,878,000 during the six months ended 30th June 2011, representing an increase of approximately 11.7% over same period of last year.

Although the building management quality is satisfactory, the Group will continue to find ways to further enhance the building management quality at Dawning Tower, maintain good cooperation with its customers and preserve the prestigious status of Dawning Tower in the locality, so as to ensure the retaining its high occupancy rate. It is expected that the occupancy rate will maintain at high level in the second half of 2011. 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$3,695,000 (corresponding period in 2010: approximately HK$3,366,000) to the Group for the six months ended 30th June 2011.

In the first half of 2011, all properties of the Group in Hong Kong also contributed rental income of approximately HK$9,426,000, a decrease of approximately 44.2% as compared to approximately HK$16,894,000 of corresponding period in 2010.

The Group will continue to specialise in the PRC and Hong Kong property investments and trading in anticipation of steady return. Apart from the property market, the Group continues 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 2011, the Group recorded a loss of approximately HK$1,305,000 (corresponding period in 2010: gain of approximately HK$2,340,000) from the capital market investments. The loss was due to the persistent turbulence in Hong Kong capital market during the first half of 2011.

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$1,034,000 (corresponding period in 2010: approximately HK$881,000) to the Group for the six months ended 30th June 2011.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained its strong liquidity level, with the Group's cash and cash equivalents totaling approximately HK$855,271,000 as at 30th June 2011 (31st December 2010: approximately HK$980,984,000). The Group placed strict credit controls on its trade receivables to maintain adequate working capital. As at 30th June 2011, trade receivables and loans and receivables of the Group amounted to approximately HK$1,693,000 and approximately HK$18,353,000 respectively (31st December 2010: approximately HK$1,890,000 and approximately HK$11,353,000 respectively). Current ratio as at 30th June 2011 was approximately 37.7 times while that as at 31st December 2010 was approximately 44.0 times. As at 30th June 2011 and 31st December 2010, the Group did not raise any bank loans. As at 30th June 2011 and 31st December 2010, the Group's gearing ratio (on the basis of total borrowings divided by shareholders' equity) was maintained at zero.

Treasury Management

The Company has continuously implemented prudent financial resources management and financial risk management policies. 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 improve the return of its current assets and endeavours to maximise investment returns 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 2011 and 31st December 2010, 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 26 employees including managerial, executive, technical and general staffs in Hong Kong and the PRC as at 30th June 2011 (31st December 2010: about 25). 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 grant 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 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 2011, cash and cash equivalents of the Group were mainly denominated in HK$, US dollars and RMB.

Substantial Acquisition and Disposal

Other than the acquisition of the Properties in the normal course of businesses, the Group did not participate in any substantial acquisition or disposal during the period under review.

Contingent Liabilities

Save those incidents as disclosed in the section "Litigation" below, the Group had no material contingent liability as at 30th June 2011.

OTHER INFORMATION

LITIGATION

In relation to a civil action in the High Court initiated by a wholly-owned subsidiary of the Company, Stadium Holdings Limited ("Stadium"), as plaintiff on 5th June 2009 against an independent third party as defendant for recovering the deposit, legal cost and damages as the defendant failed to complete the sale of property in Hung Hom to Stadium pursuant to a provisional agreement for sale and purchase entered into between Stadium and the defendant on 22nd January 2009, an assessment of damages in the amount of approximately HK$2,414,000, other than deposit, interest and related legal costs, payable by the defendant to Stadium was ordered by the High Court. As at 30th June 2011, approximately HK$414,000 had been paid by the defendant to Stadium. At the date of this announcement, Stadium has already received the remaining whole balance of HK$2,000,000.

DIVIDEND

At the Company's annual general meeting held on 18th April 2011, the shareholders approved the final dividend of HK$0.015 per ordinary share for the year ended 31st December 2010 to be distributed to shareholders whose names appeared on the register of members of the Company on 18th April 2011. The final dividend amounting to approximately HK$29,799,000 was paid on 29th April 2011.

The Board resolved not to declare the payment of interim dividend for the six months ended 30th June 2011 (Six months ended 30th June 2010: 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 2011.

CORPORATE GOVERNANCE

The Company has adopted the code provisions of the Code on 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 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 of the Company and the Directors believe 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 2011.

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, 11th August 2011

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. Liu Sing Piu, Chris and Mr. Wong Ngo, Derick, and three independent non-executive Directors, namely Mr. Chung Koon Yan, Mr. Lee Kuo Ching, Stewart and Miss Chong Kally.