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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, 2009**

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, 2009 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)	
		2009	2008
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	4	24,789	332,021
Cost of sales and services (including write back of allowance of properties held for sale of HK\$10,300,000 (Six months ended 30th June, 2008: Nil))		4,875	(180,631)
Gross profit		29,664	151,390
Other financial net income/(expense)		14,357	(2,872)
Financial revenue		3,084	2,938
Other income		278	4,836
Selling and distribution costs		(572)	(557)
Administrative expenses		(6,832)	(6,939)
Gain in fair value of investment properties		210	–
Gain on disposals of subsidiaries		–	1,925
Profit before income tax	5	40,189	150,721
Income tax expense	6	(1,365)	(17,070)
Profit for the period		38,824	133,651
Other comprehensive income			
Exchange differences arising on translation of foreign operations		–	12,689
Other comprehensive income, net of tax		–	12,689
Total comprehensive income for the period		38,824	146,340
Profit for the period attributable to Equity holders of the Company		38,824	133,651
Total comprehensive income attributable to Equity holders of the Company		38,824	146,340
Earnings per share attributable to the equity holders of the Company	7		
– Basic		HK3.191 cents	HK10.883 cents
– Diluted		HK3.166 cents	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30th June, 2009 (Unaudited) HK\$'000	31st December, 2008 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	8	238,950	238,740
Property, plant and equipment	9	1,631	1,504
Prepaid lease payments		3,650	3,700
		<u>244,231</u>	<u>243,944</u>
Current assets			
Properties held for sale	10	607,574	486,500
Trade receivables	11	1,369	1,658
Other receivables, prepayments and deposits		13,007	7,094
Prepaid lease payments		100	100
Loan receivables	12	27,750	13,000
Financial assets held at fair value through profit or loss	13	5,910	65,263
Cash and cash equivalents		399,137	439,762
		<u>1,054,847</u>	<u>1,013,377</u>
Current liabilities			
Derivative financial instruments		–	96
Other payables, deposits received and accrued charges	14	72,680	66,654
Taxation payables		8,048	12,023
		<u>80,728</u>	<u>78,773</u>
Net current assets		<u>974,119</u>	<u>934,604</u>
Total assets less current liabilities		1,218,350	1,178,548
Non-current liabilities			
Deferred tax liabilities		15,742	15,742
Net assets		<u>1,202,608</u>	<u>1,162,806</u>
Equity			
Equity attributable to the equity holders of the Company			
Share capital		243,321	243,321
Reserves		959,287	919,485
Total equity		<u>1,202,608</u>	<u>1,162,806</u>

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”.

The unaudited condensed interim consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. Basis of preparation

The unaudited condensed interim consolidated financial statements for the six months ended 30th June, 2009 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”).

3. Principal accounting policies

The unaudited interim consolidated financial statements have 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, 2009 are consistent with those used in the preparation of the Group’s annual audited financial statements for the year ended 31st December, 2008 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 consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31st December, 2008 (the “2008 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, 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32, HKAS 39 & HKFRS 7 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate
HKFRS 2 (Amendment)	Share-based payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
Various	Annual improvements to HKFRSs 2008

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

HKAS 1 (Revised) Presentation of financial statements

The adoption of HKAS 1 (Revised) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognised directly in equity are not recognised in other comprehensive income, for example exchange loss/gain on translation of financial statements of foreign operations. HKAS 1 affects the presentation of owner changes in equity and introduces a "Statement of comprehensive income". Comparatives have been restated to conform with the revised standard.

HKFRS 8 Operating segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. Comparatives have been restated on a basis consistent with the new standard.

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

HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Item ¹
HKFRS 1 (Revised)	First-time Adoption of HKFRSs ¹
HKFRS 2 (Amendment)	Share-based payment – Group cash-settled share-based payment transactions ²
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 18	Transfers of Assets from Customers ³
Various	Annual Improvements to HKFRS 2009 ⁴

Note:

¹ Effective for annual periods beginning on or after 1st July, 2009.

² Effective for annual periods beginning on or after 1st January, 2010.

³ Effective for transfers received on or after 1st July, 2009.

⁴ Generally effective for annual periods beginning on or after 1st January, 2010 unless otherwise stated in the specific HKFRS.

4. Segment information

On adoption of 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 2008 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, 2009 and 30th June, 2008.

	Unaudited					Total HK\$'000
	Property investment HK\$'000	Property development and trading HK\$'000	Security investment and securities trading HK\$'000	Provision of financial services HK\$'000	Eliminations HK\$'000	
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	<u>21,568</u>	<u>-</u>	<u>-</u>	<u>27,216</u>	<u>(23,995)</u>	<u>24,789</u>
Reportable segment profit	<u>15,834</u>	<u>8,784</u>	<u>14,456</u>	<u>3,181</u>	<u>-</u>	<u>42,255</u>
Six months ended 30th June, 2008						
Revenue						
From external customers	13,778	315,856	-	2,387	-	332,021
Inter-segment sales	-	-	-	14,943	(14,943)	-
Reportable segment revenue	<u>13,778</u>	<u>315,856</u>	<u>-</u>	<u>17,330</u>	<u>(14,943)</u>	<u>332,021</u>
Reportable segment profit	<u>7,651</u>	<u>138,377</u>	<u>(2,872)</u>	<u>7,074</u>	<u>-</u>	<u>150,230</u>

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, 2009 and as at 31st December, 2008.

	Property investment	Property development and trading	Security investment and securities trading	Provision of financial services	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 30th June, 2009 (Unaudited)					
Reportable segment assets	248,974	615,415	7,051	27,750	899,190
Unallocated assets					399,888
Total assets					<u>1,299,078</u>
Reportable segment liabilities	43,042	27,431	–	1,188	71,661
Unallocated liabilities					24,809
Total liabilities					<u>96,470</u>
As at 31st December, 2008 (Audited)					
Reportable segment assets	249,100	486,509	67,263	13,000	815,872
Unallocated assets					441,449
Total assets					<u>1,257,321</u>
Reportable segment liabilities	44,290	19,865	96	861	65,112
Unallocated liabilities					29,403
Total liabilities					<u>94,515</u>

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)	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total reportable segment profit	42,255	150,230
Unallocated other income	3,003	5,218
Unallocated corporate expenses	(5,069)	(4,727)
Profit before income tax	<u>40,189</u>	<u>150,721</u>

5. Profit before income tax

**Six months ended 30th June,
(Unaudited)**

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>

Profit before income tax has been arrived at after charging:

Amortisation of prepaid lease payments	50	50
Depreciation	219	564
Minimum lease rentals in respect of rented premises	408	248

and after crediting:

Gross rental income	16,693	8,845
<i>Less: Outgoings</i>	<i>(4,118)</i>	<i>(3,558)</i>
Net rental income	12,575	5,287
Interest income on financial assets		
– Bank interest income	2,538	2,224
– Investment in debt securities	–	46
– Loan to third parties	3,221	2,802
Write back of allowance of properties held for sale	10,300	–
Reversal of the allowance on the amount due from a jointly controlled entity	–	2
	–	2

6. Income tax expense

**Six months ended 30th June,
(Unaudited)**

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>

Income tax expense comprises:

Current tax		
– Hong Kong Profits Tax		
Current tax for the period	–	16,486
– PRC Enterprise Income Tax		
Current tax for the period	1,388	584
Overprovision in prior period	(23)	–
	1,365	17,070
	1,365	17,070

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

For the six months ended 30th June, 2008, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profit 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.

7. Earnings per share

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

	Six months ended 30th June, (Unaudited)	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for basic earnings per share	38,824	133,651
	1,216,606	1,228,037
	9,786	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,226,392	1,228,037

The computation of diluted earnings per share for the six months ended 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.

The computation of diluted earnings per share for the six months ended 30th June, 2008 did not assume the exercise of the outstanding share options and warrants as the impact of the exercise of the share options and warrants was anti-dilutive.

8. 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, 2009, after having compared with the properties of their comparable grade and quality at their proximities. Investments properties are all held under the medium term of lease.

	30th June, 2009 (Unaudited) HK\$'000	31st December, 2008 (Audited) HK\$'000
In PRC	<u>238,950</u>	<u>238,740</u>

9. Property, plant and equipment

During the period, the Group acquired property, plant and equipment of approximately HK\$581,000 (Six months ended 30th June, 2008: approximately HK\$208,000).

10. Properties held for sale

	30th June, 2009 (Unaudited) HK\$'000	31st December, 2008 (Audited) HK\$'000
Cost	650,660	539,886
Less: Allowance of properties held for sale	<u>(43,086)</u>	<u>(53,386)</u>
	<u>607,574</u>	<u>486,500</u>
In Hong Kong, held on medium term lease	301,574	181,500
In the PRC, held on long term lease	<u>306,000</u>	<u>305,000</u>
	<u>607,574</u>	<u>486,500</u>

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

- (a) As at 30th June, 2009, a write-back of allowance of properties held for sale of HK\$10,300,000 was made as the directors consider that the current market value of these properties is higher than their carrying amount as at 31st December, 2008.
- (b) A property on the 30th Floor of United Centre, Queensway, Hong Kong was acquired at a consideration of approximately HK\$106,133,000 pursuant to a provisional sale and purchase agreement entered into between the Group and an independent third party. The acquisition was completed on 31st March, 2009. The related transaction costs amounted to approximately HK\$4,641,000.

11. 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 balance sheet date, based on invoice date, net of allowance, is as follows:

	30th June, 2009 (Unaudited) HK\$'000	31st December, 2008 (Audited) HK\$'000
Within 30 days	713	609
31 to 90 days	656	1,049
	<u>1,369</u>	<u>1,658</u>

12. Loan receivables

As at 30th June, 2009, except for an unsecured loan with a remaining principal amount of HK\$2,750,000, all other loan receivables are secured by the followings:

- a) 10.5% equity interest in an unlisted company and a personal guarantee executed by an executive director of a company listed on the Stock Exchange;
- b) 10,500,000 shares of a company listed in Australia; and
- c) a security deposit paid as stipulated in the tenancy agreement for an aggregate amount of HK\$30 million.

All loan receivables as at 31st December, 2008 were secured.

13. Financial assets held at fair value through profit or loss

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

As at 31st December, 2008, the carrying amount of approximately HK\$65,263,000 represented the market value of listed equity securities in Hong Kong of approximately HK\$27,855,000, listed equity securities in the PRC of approximately HK\$10,251,000 and fair value of unlisted equity-linked notes of approximately HK\$27,157,000.

14. Other payables, deposits received and accrued charges

As at 30th June, 2009, the balances include the security deposit received of HK\$30,000,000 (31st December, 2008: HK\$30,000,000) for the purpose of securing the tenancy agreement entered with the Group and as the pledge for loans and receivables of HK\$12,000,000 (31st December, 2008: HK\$10,000,000) in note 12.

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover of the Group for the six months ended 30th June, 2009 amounted to approximately HK\$24,789,000, representing a decrease of approximately 92.5% as compared to approximately HK\$332,021,000 in the corresponding period last year. The decrease in turnover was mainly due to the decrease in the sales of properties held for sale.

For the six months ended 30th June, 2009, gross profit of the Group was approximately HK\$29,664,000 (corresponding period in 2008: approximately HK\$151,390,000), a decrease of approximately 80.4%. The decrease was mainly attributable to the decrease in turnover.

During the period, the Group's consolidated net profit was approximately HK\$38,824,000 (corresponding period in 2008: approximately HK\$133,651,000), a decrease by 70.9% when compared with that of the corresponding period of last year.

Selling and distribution costs and administrative expenses during the period were approximately HK\$572,000 and HK\$6,832,000 respectively, increased by approximately HK\$15,000 (2.7%) and decreased by approximately HK\$107,000 (1.5%) respectively as compared to the corresponding period in 2008.

During the period, the Group's other financial net income (i.e., fair value gain on financial assets at fair value through profit or loss) was approximately HK\$14,357,000. For the corresponding period in 2008, other financial net expense (i.e., fair value loss on financial assets at fair value through profit or loss) of approximately HK\$2,872,000 was recorded.

BUSINESS REVIEW AND PROSPECTS

Property Development and Trading

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

Currently, the major project in property development and trading in the PRC is represented by Shun Jing Yuan in Beijing, a high-end residential apartment project.

Located in Chaoyang District in Beijing, Shun Jing Yuan is an European-style luxury residential apartment project with large unit design, targeting customers with particular interest in luxury residential apartments. Since the property market in the PRC has been turnaround in the second quarter of 2009, management shall contemplates to launch the sale of these properties at the most ideal price at appropriate time in order to get higher return from Shun Jing Yuan properties.

In Hong Kong, the Group is in the possession of properties of commercial use for sales in Central and Queensway, Hong Kong. During the period, the Group acquired commercial properties on 30th Floor, United Centre, Queensway, Hong Kong for trading purpose at a consideration of approximately HK\$106,133,000 from an independent third party, the related acquisition costs including stamp duty amounting to approximately HK\$4,641,000. The acquisition was completed on 31st March, 2009.

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 to acquire a property situated in Hung Hom, Hong Kong at a consideration of HK\$45,000,000 and deposit of HK\$4,500,000 was paid. The property is intended to be held for trading purpose and accounted for as properties held for sale. However, due to the reason that the vendor failed to provide the relevant documents relating to the said property, the acquisition of the property has not yet been completed. In order to protect the interests of the Company, legal proceedings was commenced in this respect.

In view of the recovery of the property market, management has an optimistic outlook for the property business as the properties value in Hong Kong and the PRC is expected to rise steadily.

Property Investment

For investment properties, the Group’s Dawning Tower, located in Shenzhen, the PRC, continued to secure a high occupancy rate. Rental income and building management fee of approximately HK\$9,491,000 during the period was recorded, representing a decrease of approximately 4.1% 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. It is expected that the occupancy rate will maintain at high level in the second half of the year. The Group, however, will continue to exercise stringent control of expenses in anticipation of further improving the earnings and revenue from Dawning Tower.

The properties for commercial uses at levels 4 and 5 of Beijing East Gate Plaza, the PRC with 5,100 square metres, generated rental income of approximately HK\$3,245,000 (corresponding period in 2008: approximately HK\$3,392,000) to the Group for the six months ended 30th June, 2009.

In the first half of 2009, the Group’s properties located at Queensway and Central, Hong Kong also contributed rental income of approximately HK\$8,832,000 (corresponding period in 2008: approximately HK\$489,000).

At the special general meeting held on 17th August, 2009, the acquisition by the Group of certain properties in Hong Kong and the PRC from Junny Diamond Co., Limited (“Junny Diamond”), which is ultimately wholly and beneficially owned by Mr. Wong Chung Tak (“Mr. Wong”), an Executive Director, the Chairman and substantial shareholder of the Company, at a consideration of HK\$278,000,000 (subject to adjustment) has been approved by the independent shareholders. Details of the transaction was set out in the Company’s circular dated 31st July, 2009. The investment property portfolio of the Group has been further strengthened after the transaction was completed on 19th August, 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 2009, performance of the financial and capital markets in Hong Kong as well as in the PRC has been satisfactory. The Group made a profit of approximately HK\$14,456,000 (corresponding period in 2008: a loss of approximately HK\$2,872,000) from the capital market investments.

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\$3,181,000 (corresponding period in 2008: approximately HK\$7,074,000) to the Group for the six months ended 30th June, 2009.

Other Businesses

Jingke Information

Wu Han Jingke Information Industry Co., Ltd. (“Jingke Information”) is mainly engaged in the manufacturing of quartz oscillators (semi-finished products) used in the production of various electronic products, resonators (final products), SMD and related devices. Sales revenue for the six months ended 30th June, 2009 was approximately HK\$9,635,000, representing a decrease of approximately 33.0% over the corresponding period of last year.

In respect of the amounts of RMB23,000,000 (equivalent to approximately HK\$26,136,000) in total owing to the Group by Jingke Information, the Group has engaged a PRC lawyer to recover the outstanding amounts.

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\$399,137,000 as at 30th June, 2009 (31st December, 2008: approximately HK\$439,762,000). The Group placed strict credit control on its trade receivable to ensure the adequacy of the working capital. As at 30th June, 2009, trade receivables of the Group amounted to approximately HK\$1,369,000 (31st December, 2008: approximately HK\$1,658,000). Current ratio as at 30th June, 2009 was 13.07 times while that as at 31st December, 2008 was 12.86 times. As at 30th June, 2009 and 31st December, 2008, the Group did not raise any bank loans. As at 30th June, 2009 and 31st December, 2008, 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 diversification of its investment portfolio to accommodate more current assets with higher liquidity, 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.

Purchase of all the outstanding unlisted warrants and issue of new unlisted warrants

Detailed information in relation to the purchase of all the outstanding unlisted warrants and issue of new unlisted warrants has been set out in the note 15 of Notes to Unaudited Condensed Consolidated Financial Statements of the Interim Report 2009.

Pledge of Assets

As of 30th June, 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 (including Jingke Information) had about 270 employees including managerial, executive and technical staffs and production labour in Hong Kong and the PRC as at 30th June, 2009 (31st December, 2008: about 300). 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 Hong Kong dollars (“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, 2009, cash and cash equivalents of the Group were mainly denominated in HK\$, US dollars and RMB.

Major and Connected Transaction, Substantial Disposal and Acquisition

Value Shine Limited (“Value Shine”), a direct wholly-owned subsidiary of the Company entered into an agreement on 4th June, 2009 and an supplemental agreement on 12th June, 2009 with Junny Diamond, which is ultimately wholly and beneficially owned by Mr. Wong, an Executive Director, the Chairman and substantial shareholder of the Company, who is the guarantor thereof, pursuant to which Junny Diamond has conditionally agreed to sell, and Value Shine has conditionally agreed to purchase, the entire share capital and shareholder’s loan of Yue Tin Development Limited (“Yue Tin”), at an aggregate consideration of HK\$278,000,000 (subject to adjustment) which will be satisfied by the issue and allotment of 650,000,000 ordinary shares of HK\$0.20 each in the capital of the Company and cash payment. Yue Tin is holding certain properties in Hong Kong and the PRC. The transaction has been approved by the independent shareholders at the special general meeting held on 17th August, 2009 and was completed on 19th August, 2009. Further details of this transaction have been set out in the circular of the Company dated 31st July, 2009.

Except for aforesaid, the Group has not participated in any substantial acquisition or disposal during the period under review.

Contingent Liabilities

The Group had no material contingent liability as at 30th June, 2009.

OTHER INFORMATION

INTERIM DIVIDEND

The Board resolved not to declare the payment of interim dividend for the six months ended 30th June, 2009 (Six months ended 30th June, 2008: 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, 2009.

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, 2009.

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.

DISCLOSURE OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Hong Kong Exchange and Clearing Limited at www.hkexnews.hk under “Latest Listed Company Information” and at the website at <http://www.finance.thestandard.com.hk/en/0106shenzhenhitec/index.asp>.

The Interim Report 2009 of the Company containing unaudited condensed interim consolidated financial statements and notes to the financial statements will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

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

Hong Kong, 11th September, 2009

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.