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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2008

RESULTS

The board of directors (the “Board”) of Shenzhen High-Tech Holdings Limited (the “Company”) would like to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31st December 2008 together with the comparative figures of 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2008

	<i>Notes</i>	2008 HK\$'000	2007 HK\$'000
Revenue	3	352,469	31,778
Cost of sales and services (including allowance of properties held for sale of HK\$53,386,000 (2007: write back of provision for properties held for sale of HK\$40,840,000))		(238,632)	33,866
Gross profit		113,837	65,644
Other financial net (expense)/income		(20,845)	28,679
Other revenue		14,168	18,314
Selling and distribution costs		(1,089)	(941)
Administrative expenses		(15,474)	(27,797)
Gains on disposals of subsidiaries		2,497	1,984
(Loss)/Gain in fair value of investment properties		(6,260)	47,275
Write-off of goodwill		–	(11,297)

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Profit before income tax	4	86,834	121,861
Income tax expense	5	(18,269)	(19,639)
Profit for the year		<u>68,565</u>	<u>102,222</u>
<i>Attributable to:</i>			
Equity holders of the Company		<u>68,565</u>	<u>102,222</u>
Earnings per share	6	<i>HK cents</i>	<i>HK cents</i>
Earnings per share attributable to the equity holders of the Company			
– Basic		5.61	9.13
– Diluted		N/A	9.10

CONSOLIDATED BALANCE SHEET

As at 31st December 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	7	238,740	245,000
Property, plant and equipment		1,504	2,016
Prepaid lease payments		3,700	3,800
Interests in joint ventures		–	–
Loan and receivables	10	–	3,000
		<hr/>	<hr/>
		243,944	253,816
Current assets			
Properties held for sale	8	486,500	479,840
Trade receivables	9	1,658	1,194
Other receivables, prepayments and deposits	9	7,094	1,818
Prepaid lease payments		100	100
Amounts due from a joint venture		–	–
Loan and receivables	10	13,000	110,891
Investments in debt securities		–	15,956
Financial assets held at fair value through profit or loss		65,263	12,187
Cash and cash equivalents		439,762	228,138
		<hr/>	<hr/>
		1,013,377	850,124
Investment properties classified as held for sale	7	–	52,248
		<hr/>	<hr/>
		1,013,377	902,372

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current liabilities		
Derivative financial instruments	96	–
Other payables, deposits received and accrued charges	66,654	42,690
Taxation payables	12,023	6,432
	<u>78,773</u>	<u>49,122</u>
Net current assets	<u>934,604</u>	<u>853,250</u>
Total assets less current liabilities	1,178,548	1,107,066
Non-current liabilities		
Deferred tax liabilities	<u>15,742</u>	<u>15,375</u>
Net assets	<u>1,162,806</u>	<u>1,091,691</u>
EQUITY		
Equity attributable to the equity holders of the Company		
Share capital	243,321	247,944
Reserves	<u>919,485</u>	<u>843,747</u>
Total equity	<u>1,162,806</u>	<u>1,091,691</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The Company was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and Unit 2406, World-Wide House, 19 Des Voeux Road Central, Hong Kong respectively.

The Company is an investment holding company. The Group is principally engaged in property investment, development and trading, securities investment and trading, and provision of financial services.

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

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

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

2. Adoption of new and amended HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the “new HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1st January 2008.

HK(IFRIC) – Int 11

HKFRS 2 – Group and Treasury Share Transactions

HKAS 39 (Amendments)

Reclassification of Financial Assets

The new HKFRSs have no material effect on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

The following new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32, HKAS 39 & HKFRS 7 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 39 (Amendment)	Eligible Hedged Items ²
HKFRS 1 (Revised)	First-time adoption of HKFRSs ²
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate ¹
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 2	Members’ Shares in Co-operative Entities and Similar Instruments ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁴
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfers of Assets from Customers ³
Various	Annual Improvements to HKFRS 2008 ⁵

¹ Effective for annual periods beginning on or after 1st January 2009

² Effective for annual periods beginning on or after 1st July 2009

³ Effective for annual periods beginning on or after 1st July 2008

⁴ Effective for annual periods beginning on or after 1st October 2008

⁵ Generally effective for annual periods beginning on or after 1st January 2009 unless otherwise stated in the specific HKFRS

The directors anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning after the effective date of the pronouncement.

Amongst these new standards and interpretations, HKAS 1 (Revised) Presentation of Financial Statements is expected to materially change the presentation of the Group’s financial statements. The amendments affect the presentation of owner changes in equity and introduce a statement of comprehensive income. The Group will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The amendment does not affect the financial position or results of the Group but will give rise to additional disclosures.

In addition, HKFRS 8 Operating Segments may result in new or amended disclosures. The directors are in the process of identifying reportable operating segments as defined in HKFRS 8.

The directors are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the directors have preliminarily concluded that the initial application of these HKFRSs is unlikely to have a significant impact on the Group's results and financial position.

3. Segment information

Business segments

The Group is organised into four main business segments:

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

For the year ended 31st December 2008

	Property investment <i>HK\$'000</i>	Property development and trading <i>HK\$'000</i>	Securities investment and securities trading <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE						
External sales	33,511	315,856	–	3,102	–	352,469
Inter-segment sales	–	–	–	31,540	(31,540)	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>33,511</u>	<u>315,856</u>	<u>–</u>	<u>34,642</u>	<u>(31,540)</u>	<u>352,469</u>
SEGMENT RESULTS	<u>13,926</u>	<u>84,818</u>	<u>(19,902)</u>	<u>7,228</u>		86,070
Unallocated other income						11,114
Unallocated corporate expenses						<u>(10,350)</u>
Profit before income tax						86,834
Income tax expense						<u>(18,269)</u>
Profit for the year						<u><u>68,565</u></u>

For the year ended 31st December 2007

	Property investment <i>HK\$'000</i>	Property development and trading <i>HK\$'000</i>	Securities investment and securities trading <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE						
External sales	27,921	–	–	3,857	–	31,778
Inter-segment sales	–	–	–	21,089	(21,089)	–
Total	<u>27,921</u>	<u>–</u>	<u>–</u>	<u>24,946</u>	<u>(21,089)</u>	<u>31,778</u>
SEGMENT RESULTS	<u>47,818</u>	<u>40,251</u>	<u>28,679</u>	<u>7,577</u>		124,325
Unallocated other income						17,689
Unallocated corporate expenses						<u>(20,153)</u>
Profit before income tax						121,861
Income tax expense						<u>(19,639)</u>
Profit for the year						<u>102,222</u>

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

For the year ended 31st December 2008

	Property investment <i>HK\$'000</i>	Property development and trading <i>HK\$'000</i>	Securities investment and securities trading <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	249,100	486,509	67,263	13,000	815,872
Unallocated assets					441,449
					<u>1,257,321</u>
Total assets					<u>1,257,321</u>
Segment liabilities	44,290	19,865	96	861	65,112
Unallocated liabilities					29,403
					<u>94,515</u>
Total liabilities					<u>94,515</u>
OTHER SEGMENT INFORMATION:					
Depreciation	703	-	-	-	703
Unallocated depreciation					107
Amortisation of prepaid lease payments – unallocated					100
Capital additions in respect of property, plant and equipment	<u>357</u>	<u>110</u>	<u>-</u>	<u>-</u>	<u>467</u>

For the year ended 31st December 2007

	Property investment <i>HK\$'000</i>	Property development and trading <i>HK\$'000</i>	Securities investment and securities trading <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	305,053	479,918	28,143	113,929	927,043
Unallocated assets					229,145
Total assets					<u>1,156,188</u>
Segment liabilities	14,733	24,610	–	785	40,128
Unallocated liabilities					24,369
Total liabilities					<u>64,497</u>
OTHER SEGMENT INFORMATION:					
Depreciation	1,220	–	–	–	1,220
Unallocated depreciation					158
Amortisation of prepaid lease payments – unallocated					100
Capital additions in respect of property, plant and equipment	1,402	–	–	–	1,402
Write-off of goodwill	11,297	–	–	–	11,297
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Geographical segments

	PRC (other than Hong Kong)		Hong Kong		Australia		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue								
External sales								
(by location of customers)	<u>27,325</u>	<u>24,248</u>	<u>325,144</u>	<u>5,974</u>	<u>–</u>	<u>1,556</u>	<u>352,469</u>	<u>31,778</u>
Other segment information (by location of assets)								
Segment assets	<u>560,551</u>	<u>625,008</u>	<u>255,321</u>	<u>288,268</u>	<u>–</u>	<u>13,767</u>	<u>815,872</u>	<u>927,043</u>
Capital additions	<u>44</u>	<u>29</u>	<u>423</u>	<u>1,373</u>	<u>–</u>	<u>–</u>	<u>467</u>	<u>1,402</u>

4. Profit before income tax

	2008	2007
	HK\$'000	HK\$'000
Profit before income tax has been arrived at after charging/(crediting):		
Auditors' remuneration	720	600
Depreciation	810	1,378
Loss on disposals of property, plant and equipment	85	–
Amortisation of prepaid lease payments	100	100
Minimum lease rentals in respect of rented premises	478	486
Write-off of other payables	(40)	(3,072)
Write-off of other receivables	104	2,582
Write-off of goodwill	–	11,297
Fair value loss/(gain) on financial assets at fair value through profit or loss	20,845	(28,679)
Rental income under operating leases, less outgoings of HK\$8,259,000 (2007: HK\$6,974,000)	<u>(15,159)</u>	<u>(12,575)</u>

5. Income tax expense

	2008	2007
	HK\$'000	HK\$'000
Current tax		
– Hong Kong profits tax		
Tax for the year	16,407	2,161
Overprovision in prior year	(966)	–
– PRC enterprise income tax		
Tax for the year	<u>2,820</u>	<u>3,051</u>
	18,261	5,212
Deferred tax		
Current year	10	14,427
Attributable to reduction in tax rate	<u>(2)</u>	<u>–</u>
	8	14,427
Total income tax expense	<u><u>18,269</u></u>	<u><u>19,639</u></u>

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on the profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations, and practices in respect thereof.

6. Earnings per share

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

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Earnings		
Profit attributable to equity holders of the Company	68,565	102,222
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>Note</i>)	1,222,290	1,119,883
Weighted average number of ordinary shares deemed to be issued at nil consideration on the assumed exercise of the warrants	—	3,726
Weighted average number of ordinary shares for the purposes of diluted earning per share (<i>Note</i>)	1,222,290	1,123,609

Note:

For the year ended 31st December 2007, the above weighted average number of ordinary shares for the calculation of the basic earnings per share had been adjusted to take into account of the consolidation of shares of the Company approved by equity holders of the Company at the special general meeting held on 12th February 2007.

For the year ended 31st December 2008, the computation of diluted earnings per share 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.

The computation of the diluted earnings per share for the year ended 31st December 2007 did not assume the exercise of the outstanding share options as the impact of the exercise of the share options was anti-dilutive.

7. Investment properties/Investment properties classified as held for sale

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

Changes to the carrying amounts in the balance sheet are summarised as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Carrying amounts at 1st January	245,000	150,000
Additions	–	326,893
Disposals	–	(51,920)
Transfer to properties held for sale	–	(175,000)
Net (loss)/gain from fair value adjustments	(6,260)	47,275
	238,740	297,248
Investment property classified as held for sale	–	(52,248)
	238,740	245,000

Investment properties are held under the medium term of lease and were valued at open market value by reference to market prices for similar properties as at 31st December 2008 by an independent and professional qualified valuer.

8. Properties held for sale

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Cost	539,886	479,840
Less: Allowance of properties held for sale	(53,386)	–
	486,500	479,840
In Hong Kong, held on medium term lease	181,500	175,000
In the PRC, held on long term lease	305,000	304,840
	486,500	479,840

9. Trade and other receivables

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

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Trade receivables	1,658	1,194
Other receivables, prepayments and deposits	7,094	1,818
	<u>8,752</u>	<u>3,012</u>

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

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Within 30 days	609	446
31 to 90 days	1,049	748
	<u>1,658</u>	<u>1,194</u>

10. Loan and receivables

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Loan and receivables analysed for reporting purposes as:		
Non-current portion	–	3,000
Current portion	13,000	110,891
	<u>13,000</u>	<u>113,891</u>

All loans are secured.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31st December 2008 (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The turnover of the Group for the year ended 31st December 2008 amounted to approximately HK\$352,469,000, representing approximately 10 times increase compared to approximately HK\$31,778,000 for the year ended 31st December 2007.

For the year ended 31st December 2008, gross profit of the Group was approximately HK\$113,837,000 (2007: approximately HK\$65,644,000), an increase of approximately HK\$48,193,000 (73.4%). The Group has provided an allowance of approximately HK\$53,386,000 (2007: write-back of allowance of approximately HK\$40,840,000) in respect of the properties held for sale. The increase of gross profit was because of the increase in turnover from the sale of properties held for sale.

Facing the turbulent economic environment in the year under review, the Group has managed to operate in lucrative businesses with ample resources. The Group continued to deliver positive result again in year 2008 by reducing costs and concentration on businesses of promising return. For the year ended 31st December 2008, the Group's consolidated net profit was approximately HK\$68,565,000 (2007: approximately HK\$102,222,000), representing a decrease of 32.9%.

During the year under review, the Group did not have substantial losses/expenses attributable to the impairment losses on goodwill arising on the acquisition of subsidiaries, disposals of subsidiary and recognition of share options granted as staff cost at fair value. However, the Group had to account for the allowance for properties held for sale of approximately HK\$53,386,000 (2007: write back of provision of approximately HK\$40,840,000), loss in fair value of investment properties of approximately HK\$6,260,000 (2007: gain in fair value of approximately HK\$47,275,000) and other financial net expense of approximately HK\$20,845,000 (2007: other financial net income of approximately HK\$28,679,000).

BUSINESS REVIEW AND PROSPECTS

Property Development and Trading

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

Currently, the major property projects in the PRC is Shun Jing Yuan in Chaoyang, Beijing, a high-end residential apartment project with an European-style luxury design.

With the current unfavourable economic conditions, the Group focused on the fundamental works of the current projects and imposed strict requirements on the particulars and improved it continuously, pending for the reversal of market conditions, in order to sell the properties at an ideal price in the market.

In Hong Kong, the Group is in the possession of properties of commercial use for sale. During the year under review, the Group sold commercial properties situated at 20th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong at a total consideration of approximately HK\$315,856,000, yielding a gross profit of approximately HK\$139,000,000.

In April 2008, the Group had acquired a property situated at the whole of the 6th Floor, Wings Building, 110-116 Queen's Road Central, 53-61 Stanley Street, Hong Kong at a consideration of HK\$21,000,000. The property was acquired together with existing tenancy for trading purpose and was accounted for as properties held for sale.

In May 2008, the Group had acquired certain properties on the ground floor, 1st Floor, 2nd Floor, 3rd Floor and 4th Floor of On Fung Building, 110-118 Caine Road, Central, Hong Kong at a total consideration of HK\$150,000,000. The properties was acquired for trading purpose and was accounted for as properties held for sale.

In July 2008, the Group purchased from an independent third party an office at Unit 2101, 21st Floor of World-Wide House, 19 Des Voeux Road Central, Hong Kong for trading purpose at a consideration of HK\$45,000,000. The property was accounted for as properties held for sale.

Property Investment

For investment properties, Dawning Tower, located in Shenzhen, the PRC, continued to secure a high occupancy rate. Accordingly, the Group recognised an income of approximately HK\$20,397,000 from tenancies and building management operations, representing an increase of approximately 8.9% over the previous year.

In order to maintain the prestigious status of Dawning Tower among commercial buildings, the Group will continue to enhance the management quality at Dawning Tower and maintain good relationship with its customers. It is expected that the building's occupation rate will continue to maintain at high level in the year of 2009. High occupancy rate and effective cost control of Dawning Tower has secured steady rental income to the Group.

The properties for commercial uses at levels 4 and 5 of Beijing East Gate Plaza, the PRC with 5,100 square metres, generated a rental income of approximately HK\$6,928,000 to the Group for the year ended 31st December 2008.

For the year ended 31st December 2008, the Group's properties in Hong Kong also contributed rental income of approximately HK\$6,186,000.

The erratic global economic condition in year 2009 would likely cause a fall in demands for leases of commercial properties in the PRC and Hong Kong. However, most of existing tenancy contracts of the Group's properties will expire after 2009; therefore, the impact on the rental income in 2009 is expected to be insignificant.

The Company will continue specialising in the PRC and Hong Kong property investment and trading with prudent strategy in anticipation of steady return. Besides, the Company will continue looking for suitable investment opportunities in other areas but with stable returns in the basis industries, 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 current assets, therefore having diversified its investment portfolio to accommodate more current assets with higher liquidity, including securities, debt securities, currency-linked notes and equity-linked notes, all being financial products with defined and limited risks, and not belonging to any kind of accumulators.

Due to the unfavourable turnabout in financial and capital markets worldwide in 2008, the performance of the capital market investment was not satisfactory, a loss of approximately HK\$19,902,000 was incurred for the year ended 31st December 2008. Nevertheless, with the capital market investments trend to dip, it is a good opportunity for the Group to add good quality properties at comparatively low price to its property portfolio.

The Group maintained a modest operation in provisions of financial services business, providing short to medium term loans to the business associates and partners. In view of the Group's sufficient working capital in the current period, as well as in the future, the business contributes a higher return to the Group than the bank deposits interest, earning a profit of approximately HK\$7,228,000 for the year ended 31st December 2008. The Group at all time emphasises the importance of risks control, effective risk control policies are in place including assessing the credit risks involved and/or obtaining valuable securities.

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 year ended 31st December 2008 was HK\$26,956,000, representing a slight increase of approximately 1.8% over the year 2007; however, Jingke Information had an operating loss of HK\$2,325,000 in year 2008.

In respect of the amount of RMB23,000,000 (equivalent to approximately HK\$26,136,000) in aggregate 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 totalling HK\$439,762,000 as at 31st December 2008 (31st December 2007: approximately HK\$228,138,000). The Group exercised strict credit control on its accounts receivable to ensure the adequacy of the working capital. As at 31st December 2008, accounts receivable of the Group amounted to HK\$1,658,000 (31st December 2007: approximately HK\$1,194,000). The current ratio as at 31st December 2008 was 12.86 while that as at 31st December 2007 was 18.37. As at 31st December 2008 and 31st December 2007, the Group did not have any outstanding bank loan. As at 31st December 2008 and 31st December 2007, the Group's gearing ratio (on the basis of total borrowings divided by shareholders' equity) was maintained at a level of zero.

Treasury Management

In respect of financial resources management, the Group continued diversification of its investment portfolio to accommodate more current assets with higher liquidity, including securities, in order to enhance the return of current assets. The aggressive and yet prudent financial resources management policy would be continued to maximize investments return within a reasonable risk level. Meanwhile, the Board is of the opinion that the retaining of high level of cash and cash equivalents can ensure the Group opportunities of more investment choices in the current financial crisis, when the assets prices are falling.

Repurchase of Shares of the Company

For the year ended 31st December 2008, the Company has repurchased 23,116,000 shares of HK\$0.20 each from the market according to the general mandate granted at the annual general meeting, at the prices ranging from HK\$0.34 to HK\$0.465 per share. All the repurchased shares were cancelled accordingly. The funds for repurchases of the shares of the Company were derived from internal resources.

Pledge of Assets

As of 31st December 2008, the Group has not pledged any of its assets and bank deposits to obtain general banking facilities or short term bank borrowings.

Employees' Remuneration and Benefits

The Group (including Jingke Information) had about 300 employees including managerial, executive and technical staffs and production labour in Hong Kong and the PRC as at 31st December 2008 (31st December 2007: about 300). The level of remuneration, the promotion and the magnitude of remuneration adjustment are justified according to their job duties, working performance and professional experience. All staff and executive directors in Hong Kong office have participated in the mandatory provident fund scheme. Other employees' benefits include the granting of share options by the Board of the Group 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 were dominated in Hong Kong dollars and Renminbi; 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 year under review, the Group has not engaged in any hedging activities. As of 31st December 2008, cash in hand and bank balances of the Group were mainly denominated in Hong Kong dollars, US dollars and Renminbi. The other information of foreign exchange and currency risks of the Company is to be set out in the section "Financial Risk Management Objectives and Policies" in the notes to the financial statements of the annual report 2008 of the Company.

Substantial Disposals and Acquisitions

The Group had not participated in any substantial acquisition and disposal during the year under review.

Contingent Liabilities

The Group had no material contingent liability as at 31st December 2008 and 31st December 2007.

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

For the year ended 31st December 2008, the Company repurchased 23,116,000 shares of the Company's listed securities on the Stock Exchange at an aggregated consideration of HK\$10,080,160 before expenses. The shares repurchased during the year were detailed as follows:

Month of repurchase	Number of shares repurchased	The highest price paid per share <i>HK\$</i>	The lowest price paid per share <i>HK\$</i>	Aggregate consideration <i>HK\$</i>
March 2008	23,116,000	0.465	0.340	10,080,160

All repurchased shares were subsequently cancelled. The nominal value of the cancelled shares was transferred to the capital redemption reserve and the premium payable on repurchase was charged against the share premium account. The repurchases were for the purposes of enhancement of shareholder value in the long term.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. The Company confirms that, having made specific enquiries of all the directors, all directors have complied with the required standards as set out in the Model Code during the year ended 31st December 2008.

CORPORATE GOVERNANCE PRACTICE

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 believe that such arrangement enables different talents and expertise of the Directors to be best utilized to the benefits of the Group as a whole.

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 complied with all the code provisions set out in the CG Code for the year ended 31st December 2008.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive directors, including Mr. Liu Sing Piu, Chris, Mr. Lee Kuo Ching, Stewart, and Miss Chong Kally. The principal duties of the Audit Committee include the review of the Company's financial reporting procedure, internal controls and results of the Group. The audited consolidated financial statements have been reviewed by the Audit Committee.

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

Hong Kong, 6th March 2009

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