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

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

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2010

RESULTS

The board of directors (the "Board") of Shenzhen High-Tech Holdings Limited (the "Company") is pleased like to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December 2010 together with the comparative figures of 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2010

	Notes	**2010** **HK$'000**	2009 *HK$'000*
Revenue	*3, 4*	**712,404**	76,756
Cost of sales and services (including writeback of provision for properties held for sale of HK$428,000 (2009: HK$31,864,000))		**(492,979)**	5,539
Gross profit		**219,425**	82,295
Other net financial income	*5*	**27,311**	24,830
Other income		**2,262**	1,020
Selling and distribution costs		**(1,207)**	(2,642)
Administrative expenses		**(14,979)**	(15,421)
Gains on disposals of subsidiaries		**–**	3,525
Gain on disposal of amounts due from joint ventures		**–**	8,915
Impairment loss on available-for-sale financial assets		**(525)**	–
Gain/(Loss) in fair value of investment properties		**90,003**	(240)
Profit before income tax	*6*	**322,290**	102,282
Income tax expense	*7*	**(17,176)**	(6,870)
Profit for the year		**305,114**	95,412
Other comprehensive income			
Exchange difference on translation of foreign operations		**20,467**	–
Exchange difference on translation of foreign operations released upon disposal of a subsidiary		**–**	(887)
Statutory reserve released upon disposal of foreign operations		**–**	(190)
Other comprehensive income/(expenses) for the year, net of tax		**20,467**	(1,077)
Total comprehensive income for the year		**325,581**	94,335
Profit for the year attributable to:			
Owners of the Company		**305,114**	95,412
Total comprehensive income for the year attributable to:			
Owners of the Company		**325,581**	94,335
		HK$	*HK$*
Earnings per share attributable to the owners of the Company	*9*		
– Basic		**0.161**	0.065
– Diluted		**0.153**	0.063

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2010

	Notes	31st December 2010 HK$'000	31st December 2009 HK$'000 (restated)	1st January 2009 HK$'000 (restated)
ASSETS AND LIABILITIES				
Non-current assets				
Investment properties	10	**623,480**	533,477	238,740
Property, plant and equipment		**21,127**	21,897	5,304
Available-for-sale financial assets		**680**	2,300	–
		645,287	557,674	244,044
Current assets				
Properties held for sale	11	**132,702**	612,653	486,500
Trade receivables	12	**1,890**	3,333	1,658
Other receivables, prepayments and deposits	12	**1,142**	8,437	7,094
Loans and receivables	13	**11,353**	20,400	13,000
Financial assets at fair value through profit or loss		**57,124**	11,885	65,263
Cash and cash equivalents		**980,984**	325,970	439,762
		1,185,195	982,678	1,013,277
Assets classified as held for sale		**1,176**	–	–
		1,186,371	982,678	1,013,277
Current liabilities				
Derivative financial instruments		–	–	96
Other payables, deposits received and accrued charges		**18,124**	52,104	66,654
Tax payables		**8,848**	8,338	12,023
		26,972	60,442	78,773
Net current assets		**1,159,399**	922,236	934,504
Total assets less current liabilities		**1,804,686**	1,479,910	1,178,548
Non-current liabilities				
Deferred tax liabilities		**32,125**	17,880	15,742
Net assets		**1,772,561**	1,462,030	1,162,806
EQUITY				
Equity attributable to the owners of the Company				
Share capital		**397,321**	373,321	243,321
Reserves		**1,345,441**	1,088,709	919,485
Proposed final dividend		**29,799**	–	–
Total equity		**1,772,561**	1,462,030	1,162,806

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability. The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and 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 securities trading, and provision of financial services. There were no significant changes in the Group's operations during the year.

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

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

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

2. ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs – effective 1st January 2010

In the current year, the Group has applied for the first time the following revision and amendments to standards and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1st January 2010:

Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK Interpretation 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRSs (Amendments)	Improvements to HKFRSs 2009

Except as explained below, the adoption of these amended/revised standards and interpretations has no significant impact on the Group's financial statements.

HKFRS 3 (Revised) – Business Combinations and HKAS 27(Revised) – Consolidated and Separate Financial Statements

The revised accounting policies are effective prospectively for business combinations effected in financial periods beginning on or after 1st July 2009. Changes in HKFRS 3 include the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill and the results in the period that an acquisition occurs and future results. The adoption of revised HKFRS 3 has had no impact to the financial statements as there has been no business combination transaction during the year and the new accounting policy is applied prospectively according to the transitional provisions in HKFRS 3 (Revised).

The revised HKAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners, accordingly, such transactions are recognised within equity. When control is lost and any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The adoption of revised HKAS 27 has had no impact on the current year and the Group did not have these transactions during the year and the new accounting policies are applied prospectively according to the transitional provisions in the amendment.

HKAS 17 (Amendments) – Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the statement of financial position. The amendment to HKAS 17 has removed such a requirement and requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

The Group has reassessed the classification of unexpired leasehold land as at 1st January 2010 on the basis of information existing at the inception of those leases according to the transitional provision in the amendment, and recognised the leasehold land in Hong Kong as finance lease retrospectively. Accordingly, the Group has reclassified these interests from Prepaid lease payments to Property, plant and equipment. The corresponding amortisation has also been reclassified to depreciation. These amendments had no impact on the Group's retained earnings and current year results and the effects of the above changes are summarised below.

	2010	2009
	HK$'000	*HK$'000*
Consolidated statement of comprehensive income for the year ended 31st December		
Decrease in amortisation of prepaid lease payments	**(227)**	(140)
Increase in depreciation of property, plant and equipment	**227**	140
	–	–

	2010	2009
	HK$'000	*HK$'000*
Consolidated statement of financial position as at 31st December		
Decrease in prepaid lease payments	**(18,263)**	(18,490)
Increase in property, plant and equipment	**18,263**	18,490
	–	–
Consolidated statement of financial position at 1st January		
Decrease in prepaid lease payments, net		(3,800)
Increase in property, plant and equipment, net		3,800
		–

As a result of the above retrospective reclassification and restatement, an additional consolidated statement of financial position as at 1st January 2009 is presented in accordance with HKAS 1 Presentation of Financial Statements.

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

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010[2&3]
Amendments to HKAS 32	Classification of Rights Issues[1]
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments[2]
Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[4]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[5]
HKFRS 9	Financial Instruments[6]

[1] Effective for annual periods beginning on or after 1st February 2010
[2] Effective for annual periods beginning on or after 1st July 2010
[3] Effective for annual periods beginning on or after 1st January 2011
[4] Effective for annual periods beginning on or after 1st July 2011
[5] Effective for annual periods beginning on or after 1st January 2012
[6] Effective for annual periods beginning on or after 1st January 2013

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

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

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

The Group is in the process of making an assessment of the potential impact 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 Group's financial statements.

3. REVENUE

Revenue represented rental income, property management fee income, sales of properties and loan interest income. Revenue recognised during the year is as follows:

	2010	2009
	HK$'000	*HK$'000*
Sales of properties	**654,163**	20,897
Rental income	**44,506**	39,712
Property management fee income	**12,082**	10,306
Loan interest income	**1,653**	5,841
	712,404	76,756

4. SEGMENT INFORMATION

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

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

For the year ended 31st December 2010

	Property investment *HK$'000*	Property development and trading *HK$'000*	Securities investment and securities trading *HK$'000*	Provision of financial services *HK$'000*	Total *HK$'000*
Revenue					
From external customers	**56,588**	**654,163**	–	**1,653**	**712,404**
Inter-segment revenue *(note)*	–	–	–	**50,942**	**50,942**
Reportable segment revenue	**56,588**	**654,163**	–	**52,595**	**763,346**
Reportable segment profit	**129,185**	**173,751**	**13,986**	**1,570**	**318,492**
Depreciation of property, plant and equipment	**957**	–	–	–	**957**
Fair value gain on financial assets at fair value through profit or loss	–	–	**13,573**	–	**13,573**
Gain in fair value of investment properties	**90,003**	–	–	–	**90,003**
Write back of provision for properties held for sale (included in cost of sales)	–	**428**	–	–	**428**
Reportable segment assets	**630,455**	**132,810**	**57,124**	**11,556**	**831,945**
Additions to non-current segment assets	**457**	–	–	–	**457**
Reportable segment liabilities	**12,953**	**2,426**	–	**803**	**16,182**

4. SEGMENT INFORMATION (CONTINUED)

For the year ended 31st December 2009

	Property investment *HK$'000*	Property development and trading *HK$'000*	Securities investment and securities trading *HK$'000*	Provision of financial services *HK$'000*	Total *HK$'000*
Revenue					
From external customers	50,018	20,897	–	5,841	76,756
Inter-segment revenue *(note)*	–	–	–	44,099	44,099
Reportable segment revenue	50,018	20,897	–	49,940	120,855
Reportable segment profit	35,465	34,695	21,434	5,747	97,341
Depreciation of property, plant and equipment (restated)	614	–	–	–	614
Fair value gain on financial assets/ (liabilities) at fair value through profit or loss	–	–	19,726	–	19,726
Interest income on financial assets at fair value through profit or loss	–	–	1,026	–	1,026
Loss in fair value of investment properties	240	–	–	–	240
Write back of provision for properties held for sale (included in cost of sales)	–	31,864	–	–	31,864
Reportable segment assets	540,710	618,741	14,791	20,529	1,194,771
Additions to non-current segment assets	310,260	–	–	–	310,260
Reportable segment liabilities	46,973	2,421	–	876	50,270

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

4. SEGMENT INFORMATION (CONTINUED)

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

	2010	2009
	HK$'000	*HK$'000*
Reportable segment revenue	**763,346**	120,855
Elimination of inter-segment revenue	**(50,942)**	(44,099)
Group revenue	**712,404**	76,756
Reportable segment profit	**318,492**	97,341
Gain on disposal of subsidiaries	**–**	3,525
Gain on disposal of amounts due from joint ventures	**–**	8,915
Bank interest income	**13,380**	4,078
Loan interest income	**358**	–
Unallocated corporate income	**375**	49
Impairment loss on available-for-sale financial assets	**(525)**	–
Unallocated corporate expenses	**(9,790)**	(11,626)
Profit before income tax	**322,290**	102,282

	2010	2009
	HK$'000	*HK$'000*
		(restated)
Reportable segment assets	**831,945**	1,194,771
Other financial assets	**1,856**	2,300
Property, plant and equipment	**16,272**	14,790
Cash and cash equivalents	**980,984**	325,970
Other corporate assets	**601**	2,521
Group assets	**1,831,658**	1,540,352
Reportable segment liabilities	**16,182**	50,270
Deferred tax liabilities	**32,125**	17,880
Other corporate liabilities	**1,942**	1,834
Tax payables	**8,848**	8,338
Group liabilities	**59,097**	78,322

4. SEGMENT INFORMATION (CONTINUED)

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

	Revenue from external customers		Non-current assets	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (domicile)	**298,043**	30,153	**393,521**	321,049
Mainland China (the "PRC")	**414,361**	46,603	**251,086**	234,098
Total	**712,404**	76,756	**644,607**	555,147

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

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

5. OTHER NET FINANCIAL INCOME

Other net financial income recognised during the year is as follows:

	2010	2009
	HK$'000	*HK$'000*
Financial assets at fair value through profit or loss:		
– fair value gain of investment in equity securities held for trading	**13,573**	18,890
– fair value gain of investment in compound financial instruments designated as such upon initial recognition	**–**	380
– interest income	**–**	1,026
	13,573	20,296
Financial liabilities at fair value through profit or loss:		
– fair value gain of the derivative the financial instruments	**–**	456
Interest income on financial assets at amortised cost:		
– bank interest income	**13,380**	4,078
– loan interest income	**358**	–
	13,738	4,078
Total of other net financial income	**27,311**	24,830

6. PROFIT BEFORE INCOME TAX

	2010	2009
	HK$'000	*HK$'000*
		(restated)
Profit before income tax has been arrived at after charging/(crediting):		
Auditors' remuneration	**500**	600
Depreciation of property, plant and equipment	**1,106**	710
Impairment loss on available-for-sale financial assets	**525**	–
Loss on disposals of property, plant and equipment	**66**	49
Minimum lease rentals in respect of rented premises	**–**	515
Write back of provision for properties held for sale	**(428)**	(31,864)
Write-off other payables and accruals	**(5)**	(325)
Rental income under operating leases, less outgoings of HK$11,498,000 (2009: HK$9,840,000)	**(33,008)**	(29,872)

7. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
Current tax		
– Hong Kong profits tax		
Tax for the year	**152**	928
Under provision in prior year	**–**	731
– PRC enterprise income tax		
Tax for the year	**4,306**	3,096
Overprovision in prior year	**(1,527)**	(23)
	2,931	4,732
Deferred tax		
Current year	**14,245**	2,138
	14,245	2,138
Total income tax expense	**17,176**	6,870

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) 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.

8. DIVIDEND

	2010	2009
	HK$'000	*HK$'000*
Proposed final dividend of HK$0.015 (2009: Nil) per ordinary share	**29,799**	–

The final dividend proposed after the reporting date has not been recognised as a liability at the reporting date, but reflected as an appropriation of retained profits for the year ended 31st December 2010.

9. EARNINGS PER SHARE

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

	2010	2009
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	**305,114**	95,412
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share *(Note(a))*	**1,897,757**	1,457,017
Weighted average number of ordinary shares deemed to be issued at nil consideration on the assumed exercise of the warrants *(Note(b))*	**92,683**	55,821
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,990,440**	1,512,838

Notes:

(a) For the year ended 31st December 2010, the above weighted average number of ordinary shares for the calculation of basic earnings per share has taken into account of the number of shares issued upon the exercise of all the unlisted warrants.

For the years ended 31st December 2010 and 2009, the above weighted average number of ordinary shares for the calculation of basic earnings per share has taken into account of the issue of consideration shares upon acquisition of a subsidiary and cancellation of repurchased ordinary shares.

(b) For the years ended 31st December 2010 and 2009, the computation of diluted earnings per share did not assume the exercise of the outstanding share options as the exercise of the share options was anti-dilutive.

10. INVESTMENT PROPERTIES

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

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

	2010	2009
	HK$'000	*HK$'000*
Carrying amounts at 1st January	**533,477**	238,740
Acquisition of a subsidiary	**–**	294,977
Net gain/(loss) from fair value adjustments	**90,003**	(240)
Carrying amounts at 31st December	**623,480**	533,477

Investment properties were valued at open market value by reference to market prices for similar properties as at 31st December 2009 and 2010 by independent and professional qualified valuers, Savills, who is a member of Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of similar properties.

11. PROPERTIES HELD FOR SALE

	2010	2009
	HK$'000	*HK$'000*
Cost	**132,702**	634,175
Less: Allowance of properties held for sale	**–**	(21,522)
	132,702	612,653
In Hong Kong, held on long-term lease	**132,702**	313,991
In the PRC, held on long-term lease	**–**	298,662
	132,702	612,653

12. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

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

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**1,890**	3,333
Other receivables, prepayments and deposits	**1,142**	8,437
	3,032	11,770

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

	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**573**	2,090
31 to 90 days	**1,317**	1,243
	1,890	3,333

13. LOANS AND RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Loans and receivables		
– secured	**2,353**	14,150
– unsecured	**9,000**	6,250
Total of loans and receivables	**11,353**	20,400

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The revenue of the Group for the year ended 31st December 2010 amounted to approximately HK$712,404,000, representing approximately 828.1% increase as compared to approximately HK$76,756,000 for the year ended 31st December 2009. The increase in revenue is attributable to the increase in the sales of trading properties during the year.

For the year ended 31st December 2010, gross profit of the Group was approximately HK$219,425,000, representing an increase of approximately HK$137,130,000 (approximately 166.6%) as compared to that of year 2009, which was mainly due to the increase in turnover.

For the year ended 31st December 2010, net profit attributable to shareholders of the Company was approximately HK$305,114,000, representing an increase of approximately HK$209,702,000 (approximately 219.8%) as compared to that of year 2009, which was attributable to the increase in turnover and the gain in fair value of the investment properties of approximately HK$90,003,000 as compared to the loss in fair value of approximately HK$240,000 in 2009.

For the year ended 31st December 2010, selling and distribution costs and administrative expenses were approximately HK$1,207,000 and approximately HK$14,979,000 respectively, representing decreases by approximately HK$1,435,000 (approximately 54.3%) and approximately HK$442,000 (approximately 2.9%) respectively as compared to those of year 2009.

BUSINESS REVIEW AND PROSPECTS

Property Development and trading

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

The transaction in relation to the return of certain properties in Shun Jing Yuan, Beijing to its original developer was completed in February 2010, and the proceeds was also fully received by the Group.

In Hong Kong, the Group is in possession of certain commercial properties for sale and most of them are situated at the prime commercial districts, Central and Queensway, Hong Kong. On 26th October 2010, GOI Limited, a wholly-owned subsidiary of the Company, as seller, had sold to an independent third party a property held for sale situated at Office No. 2101, 21st Floor, World-Wide House, No. 19 Des Voeux Road Central, Central, Hong Kong, at a consideration of HK$57,799,500. The gross profit before related transaction costs amounted to approximately HK$11,073,000.

On 20th July 2010, Grandtex Development Limited, a wholly-owned subsidiary of the Company, as seller, had sold to an independent third party as buyer the properties held for sale situated at Shops B, C, D and E on Ground Floor and Shops A and B on 1st, 2nd, 3rd and 4th Floors, On Fung Building, 110, 112, 112A, 114, 116 and 118 Caine Road, Mid-Levels, Hong Kong at a consideration of HK$210,000,000. The gross profit before related transaction costs amounted to approximately HK$75,000,000.

In view of the control on the residential prices and the assets inflation in the PRC, the PRC government has introduced policies on tightened credit for transactions in property markets in 2010, the PRC residential prices have been stabilised. However, on the premise the appreciation of Renminbi is anticipated, the investors still have intense interests in the high quality residential and office properties in the PRC. In Hong Kong, the Hong Kong government has also launched a series of control measures in residential property segment, the properties prices are still in rising momentum. From the view point of the Company's management, given advantages, namely the interest rate remains low, economic fundamentals remain solid and investment conditions are stable, the properties in Hong Kong continue to attract the attention of investors from mainland China and other regions, hence the outlook for the property investment markets in both the PRC and Hong Kong remains sound and well. In spite of the management of the Company has an optimistic outlook for the property business and expects the value of properties in Hong Kong and the PRC to rise steadily in the long term, the Group's disposal of the two properties held for sale aforesaid not only allows the Group to lock in profits, but also provides financial resources for other investment projects in future.

Property Investment

For investment properties, Dawning Tower, located in Shenzhen, the PRC, continued to secure a high occupancy rate. For the year ended 31st December 2010, the Group recognised an income of approximately HK$21,178,000, representing an increase of approximately 10.5% over the year 2009.

In order to maintain the prestigious status of Dawning Tower in the area, 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 occupancy rate will continue to maintain at high level in the year of 2011. High occupancy rate and effective cost control of Dawning Tower have secured steady net operating return.

The properties for commercial uses at levels 4 and 5 of Beijing East Gate Plaza, the PRC with aggregate office area of approximately 5,100 square metres, generated a rental income of approximately HK$6,819,000 to the Group for the year ended 31st December 2010, an increase of approximately HK$288,000 as compared with the year 2009.

After the Group acquired the entire equity of Yue Tin Development Limited in August 2009, the portfolio of Hong Kong investment properties of the Group was significantly strengthened. For the year ended 31st December 2010, all of Hong Kong properties of the Group contributed revenue of approximately HK$28,591,000 to the Group from tenancies, an increase of approximately HK$4,278,000 (approximately 17.6%) as compared to approximately HK$24,313,000 in 2009.

The global economic conditions have been recovered steadily in the year 2010. Thanks to the growth in domestic consumption in the PRC, there is a real demand for the residential and commercial properties in the PRC and Hong Kong, it is expected that the average rental income per square metre from the properties available for lease will increase in 2011, generating steady cash inflow to the Group.

The Group will continue specialising property investment and trading in the PRC and Hong Kong in anticipation of steady return. Besides, the Group will also continue looking for suitable investment opportunities in other areas, such as projects characterised by stable cash inflows and simple management mechanism.

Capital Market Investment and Financial Services

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

In 2010, notwithstanding the poor performance of financial and capital market in the PRC, there was a good momentum in the financial and capital markets in Hong Kong. For the year ended 31st December 2010, the Group managed to make profit of approximately HK$13,986,000 (2009: approximately HK$21,434,000) from investment activities in capital market. The profitable result was due to the recovery of the capital market in Hong Kong.

The Group maintained a modest operation in provisions of financial services business, providing short to medium term loans to the business associates and partners. In view of the Group's sufficient working capital in the current period, as well as in the future, and bank deposits interest rates remaining minimal, the business contributes a satisfactory return to the Group, earning a profit of approximately HK$1,570,000 for the year ended 31st December 2010 (2009: approximately HK$5,747,000). The Group at all time emphasises the importance of risk control and executes seriously effective risk control policies, which include assessment of the credit risks involved and/or obtaining valuable securities.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group managed to maintain its liquidity at a healthy level, with the Group's cash and cash equivalents amounting to approximately HK$980,984,000 as at 31st December 2010 (31st December 2009: approximately HK$325,970,000). The Group exercised strict credit control on its trade receivable to ensure the adequacy of the working capital. As at 31st December 2010, trade receivable of the Group amounted to approximately HK$1,890,000 (31st December 2009: approximately HK$3,333,000). The current ratio as at 31st December 2010 was 44.0 while that as at 31st December 2009 was 16.3. As at 31st December 2010 and 31st December 2009, the Group did not have any outstanding bank loan. As at 31st December 2010 and 31st December 2009, the Group's gearing ratio (on the basis of total borrowings divided by shareholders' equity) was maintained at a level of zero.

Treasury Management

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

Capital Structure

The Group has mainly relied on its equity and internally generated cash flow to finance its operations. As at 31st December 2010 and 31st December 2009, the Group had no outstanding borrowings.

During the year 2010, the Company has issued 240,000,000 new ordinary shares at HK$0.20 each upon exercise of warrants.

During the year 2010, the Company has repurchased 120,000,000 ordinary shares of HK$0.20 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") according to the general mandate granted at the annual general meeting, at an average cost of HK$0.523 each. The funds for repurchases of the ordinary shares of the Company were derived from internal resources. 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 of shares were for the purpose of enhancement of shareholders value in the long term.

Pledge of Assets

As of 31st December 2010 and 31st December 2009, the Group has not pledged any of its assets and bank deposits to obtain general banking facilities or short-term bank borrowings.

Employees' Remuneration and Benefits

The Group had 25 employees including managerial, executive, technical and general staffs in Hong Kong and the PRC as at 31st December 2010 (31st December 2009: 47). The level of remuneration, the promotion and the magnitude of remuneration adjustment are justified according to their job duties, working performance and professional experience. All staff and executive directors in Hong Kong office have participated in the mandatory provident fund scheme. Other employees' benefits include the granting of share options by the Board under the share option scheme adopted by the Company.

Foreign Exchange and Currency Risk

All incomes and funds applied to 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 for the Group to use any financial instruments for hedging purpose, and the Group's exposure to the fluctuation of the exchange risk was minimal. During the year under review, the Group has not engaged in any hedging activities. As of 31st December 2010, cash and cash equivalents 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 2010 of the Company.

Substantial Acquisition and Disposal

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

Contingent Liabilities

Save the incident as disclosed in the section "Litigation" below, the Group had no material contingent liability as at 31st December 2010 and 31st December 2009.

LITIGATION

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

FINAL DIVIDEND

The Board resolved to recommend to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Monday, 18th April 2011 ("2011 AGM") a final dividend of HK$0.015 (2009: Nil) per share to be paid on Friday, 29th April 2011 to those shareholders whose names appear on the register of members of the Company on Monday, 18th April 2011. The final dividend will amount to approximately HK$29,799,000.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 14th April 2011 to Monday, 18th April 2011, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the proposed final dividend and to attend the 2011 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 13th April 2011.

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

For the year ended 31st December 2010, the Company has repurchased a total of 120,000,000 ordinary shares of HK$0.2 each in the capital of the Company on the Stock Exchange at prices ranging from HK$0.49 to HK$0.53 per share. Excluding related expenses, the aggregate consideration paid for the repurchases amounted to approximately HK$62,723,000.

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 2010.

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.

Save for Mr. Wong Chung Tak acquired certain shares of the Company on 9th March 2010, being the date of publication of the announcement of final results of the Company for the year ended 31st December 2009, which failed to comply with Rule A3 of the Model Code. The Company has adopted procedure to notify the Directors the actual publication date of any future results announcements of the Company.

Save as aforesaid, 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 2010.

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 separated. 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 2010.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive Directors, including Mr. Chung Koon Yan, Mr. Lee Kuo Ching, Stewart and Miss Chong Kally. The principal duties of the Audit Committee include the review of the Company's financial reporting procedure, internal controls and results of the Group. The 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, 3rd March 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. 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.