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 2012

The board (the "Board") of directors (the "Directors") 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 2012 together with the comparative figures. The unaudited condensed interim consolidated results have been reviewed by the Company's audit committee (the "Audit Committee").

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30th June (Unaudited) 2012 HK$'000	2011 HK$'000
Revenue	4, 5	**43,928**	25,169
Cost of sales and services		**(6,472)**	(5,809)
Gross profit		**37,456**	19,360
Fair value gain/(loss) on financial assets at fair value through profit or loss		**6,442**	(1,305)
Other financial income		**12,085**	14,052
Other income	6	**481**	1,861
Selling and distribution costs		**(296)**	(336)
Administrative expenses		**(16,338)**	(6,049)
Gain in fair value of investment properties		**–**	403
Profit before income tax	7	**39,830**	27,986
Income tax expense	8	**(3,367)**	(4,055)
Profit for the period		**36,463**	23,931
Other comprehensive income, net of tax		**–**	–
Total comprehensive income for the period		**36,463**	23,931
Profit for the period attributable to owners of the Company		**36,463**	23,931
Total comprehensive income attributable to:			
Owners of the Company		**36,463**	23,931
Earnings per share attributable to owners of the Company	10		
– Basic		**HK$0.018**	HK$0.012
– Diluted		**HK$0.018**	HK$0.012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30th June 2012 (Unaudited)** ***HK$'000***	31st December 2011 (Audited) *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	11	**659,700**	659,700
Property, plant and equipment	12	**7,096**	7,514
Loans and receivables	16	**130,500**	133,500
Available-for-sale financial assets	13	**383**	383
		797,679	801,097
Current assets			
Properties held for sale	14	**299,402**	299,402
Trade receivables	15	**2,323**	2,220
Other receivables, prepayments and deposits		**18,354**	8,839
Loans and receivables	16	**13,500**	19,000
Financial assets at fair value through profit or loss	17	**165,526**	57,115
Cash and cash equivalents		**453,418**	719,031
		952,523	1,105,607
Current liabilities			
Other payables, deposits received and accrued charges	18	**20,731**	19,884
Tax payables		**6,463**	9,561
		27,194	29,445
Net current assets		**925,329**	1,076,162
Total assets less current liabilities		**1,723,008**	1,877,259
Non-current liabilities			
Deferred tax liabilities		**22,158**	22,158
Net assets		**1,700,850**	1,855,101
EQUITY			
Equity attributable to owners of the Company			
Share capital		**397,321**	397,321
Reserves		**1,303,529**	1,457,780
Total equity		**1,700,850**	1,855,101

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 17/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong respectively.

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

2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements of the Group for the six months ended 30th June 2012 (the "Unaudited Condensed Interim Financial Information") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

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

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies adopted for the six months ended 30th June 2012 are consistent with those used in the preparation of the 2011 Annual Financial Statements except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations) as disclosed below.

The Unaudited Condensed Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the 2011 Annual Financial Statements, which have been prepared in accordance with HKFRSs.

In the current interim period, the Group has applied, for the first time, of the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on or after 1st January 2012:

Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets

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

The Group has not early adopted the following HKFRSs, which are potentially relevant to the Group, that have been issued but are not yet effective:

Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurements[2]
HKAS 1 Amendments	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (2011)	Employee Benefits[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 Amendments	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities[3]
Annual Improvements 2009 – 2011 Cycle	Amendments to a number of HKFRSs contained in Annual Improvements 2009 – 2011 issued in June 2012[2]

Notes:

1 Effective for annual periods beginning on or after 1st July 2012
2 Effective for annual periods beginning on or after 1st January 2013
3 Effective for annual periods beginning on or after 1st January 2014
4 Effective for annual periods beginning on or after 1st January 2015

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors are not yet in a position to quantify the effects on the Unaudited Condensed Interim Financial Information.

4. REVENUE

Revenue, which is also the Group's turnover, represents rental income, property management fee income and loan interest income.

	Six months ended 30th June (Unaudited)	
	2012	2011
	HK$'000	*HK$'000*
Rental income	**18,728**	17,754
Property management fee income	**7,082**	6,245
Loan interest income	**18,118**	1,170
	43,928	25,169

5. SEGMENT INFORMATION

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 2011 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 2012 and 30th June 2011.

	Unaudited				
	Property investment	**Property development and trading**	**Securities investment and securities trading**	**Provision of financial services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30th June 2012					
Revenue					
From external customers	**25,810**	**–**	**–**	**18,118**	**43,928**
Inter-segment sales	**–**	**–**	**–**	**22,420**	**22,420**
Reportable segment revenue	**25,810**	**–**	**–**	**40,538**	**66,348**
Reportable segment profit/(loss)	**17,159**	**(78)**	**7,739**	**18,290**	**43,110**
Six months ended 30th June 2011					
Revenue					
From external customers	23,999	–	–	1,170	25,169
Inter-segment sales	–	–	–	21,623	21,623
Reportable segment revenue	23,999	–	–	22,793	46,792
Reportable segment profit/(loss)	16,548	318	(411)	1,034	17,489

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

The following tables present operating segment assets and liabilities information of the Group as at 30th June 2012 and as at 31st December 2011.

	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*
As at 30th June 2012 (Unaudited)					
Reportable segment assets	**667,396**	**299,706**	**182,064**	**144,087**	**1,293,253**
Other financial assets					**383**
Property, plant and equipment					**2,010**
Cash and cash equivalents					**453,418**
Other corporate assets					**1,138**
Group assets					**1,750,202**
Reportable segment liabilities	**14,655**	**3,302**	**–**	**2,013**	**19,970**
Deferred tax liabilities					**22,158**
Other corporate liabilities					**761**
Tax payables					**6,463**
Group liabilities					**49,352**
As at 31st December 2011 (Audited)					
Reportable segment assets	667,829	299,702	62,839	152,639	1,183,009
Other financial assets					2,298
Property, plant and equipment					1,904
Cash and cash equivalents					719,031
Other corporate assets					462
Group assets					1,906,704
Reportable segment liabilities	13,319	3,275	–	1,860	18,454
Deferred tax liabilities					22,158
Other corporate liabilities					1,430
Tax payables					9,561
Group liabilities					51,603

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)	
	2012	2011
	HK$'000	*HK$'000*
Reportable segment revenue	**66,348**	46,792
Elimination of inter-segment revenue	**(22,420)**	(21,623)
	43,928	25,169
Total reportable segment profit	**43,110**	17,489
Gain on sale of available-for-sale financial assets	**–**	94
Bank interest income	**10,788**	13,892
Unallocated corporate income	**195**	310
Unallocated corporate expenses	**(14,263)**	(3,799)
Profit before income tax	**39,830**	27,986

6. OTHER INCOME

	Six months ended 30th June (Unaudited)	
	2012	2011
	HK$'000	*HK$'000*
Compensation income	**–**	94
Dividend income	**286**	895
Exchange gain	**–**	313
Sundry income	**195**	559
	481	1,861

7. PROFIT BEFORE INCOME TAX

	Six months ended 30th June (Unaudited)	
	2012	2011
	HK$'000	*HK$'000*
Profit before income tax has been arrived at after charging:		
Depreciation of property, plant and equipment	**436**	524
and after crediting:		
Gross rental income	**18,728**	17,754
Less: Outgoings	**(6,472)**	(5,809)
Net rental income	**12,256**	11,945
Interest income on financial assets at amortised cost:		
– Bank interest income	**10,788**	13,892
– Interest income from loans to third parties	**18,118**	1,170
Interest income from debt securities	**1,297**	–

8. INCOME TAX EXPENSE

	Six months ended 30th June (Unaudited)	
	2012	2011
	HK$'000	*HK$'000*
– People's Republic of China (the "PRC") enterprise income tax		
Current tax for the period	**3,677**	4,139
(Over)/Under-provision in prior period	**(310)**	33
	3,367	4,172
Deferred tax		
Current period	**–**	(117)
	3,367	4,055

For both of the six months ended 30th June 2012 and 30th June 2011, Hong Kong profits tax has not been provided as the Group did not derive any assessable profits arising in Hong Kong.

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

9. DIVIDEND

	Six months ended 30th June (Unaudited)	
	2012	2011
	HK$'000	*HK$'000*
Dividend declared and paid during the period:		
2011 final dividend – HK$0.016 per ordinary share (Six months ended 30th June 2011: 2010 final dividend – HK$0.015 per ordinary share) and special dividend of HK$0.08 per ordinary share (Six months ended 30th June 2011: Nil)	**190,714**	29,799

10. EARNINGS PER SHARE

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

	Six months ended 30th June (Unaudited)	
	2012	2011
	HK$'000	*HK$'000*
Profit for basic earnings per share	**36,463**	23,931

	Six months ended 30th June (Unaudited)	
	2012	2011
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for basic and diluted earnings per share	**1,986,606**	1,986,606

The computation of diluted earnings per share for both of the six months ended 30th June 2012 and 30th June 2011 did not assume the exercise of the outstanding share options as the impact of the exercise of the share options was anti-dilutive.

11. 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 2012, after having compared with the properties of their comparable grade and quality at their proximities. Investment properties are held under the medium and long-terms of lease.

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

	30th June 2012 (Unaudited)	31st December 2011 (Audited)
	HK$'000	*HK$'000*
In Hong Kong, held on:		
Medium-term lease of between 10 to 50 years	**39,100**	39,100
Long-term lease more than 50 years	**364,400**	364,400
	403,500	403,500
Outside Hong Kong, held on:		
Medium-term lease of between 10 to 50 years	**256,200**	256,200
	659,700	659,700

12. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of approximately HK$19,000 (Six months ended 30th June 2011: approximately HK$963,000).

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

These are all unlisted equity investments and are stated at cost less provision for impairment because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair value cannot be measured reliably.

14. PROPERTIES HELD FOR SALE

	30th June 2012 (Unaudited)	31st December 2011 (Audited)
	HK$'000	*HK$'000*
Cost	**311,952**	311,952
Less: Provision for properties held for sale	**(12,550)**	(12,550)
	299,402	299,402
In Hong Kong, held on long-term lease	**299,402**	299,402

15. TRADE RECEIVABLES

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

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

	30th June 2012 (Unaudited) ***HK$'000***	31st December 2011 (Audited) *HK$'000*
Within 30 days	**945**	749
31 to 90 days	**1,288**	1,471
91 to 180 days	**90**	–
	2,323	2,220

16. LOANS AND RECEIVABLES

	30th June 2012 (Unaudited) ***HK$'000***	31st December 2011 (Audited) *HK$'000*
– Current portion	**15,969**	21,469
– Non-current portion	**130,500**	133,500
	146,469	154,969
Provision for impairment loss	**(2,469)**	(2,469)
Total of loans and receivables	**144,000**	152,500
– secured	**133,969**	142,469
– unsecured	**12,500**	12,500
	146,469	154,969
Provision for impairment loss	**(2,469)**	(2,469)
Total of loans and receivables	**144,000**	152,500

As at 30th June 2012, the secured balances are secured by the following:

(a) A property located in Hong Kong;

(b) Personal guarantee executed by a sole shareholder of a borrower; and

(c) All issued share capital of an unlisted borrower.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The balances as at 30th June 2012 and 31st December 2011 represent the investments in Hong Kong listed equity securities and debt securities, which are held for trading, the fair value of which has been determined by reference to their quoted prices in active markets at the statement of financial position dates.

The balances of financial assets at fair value through profit or loss are analysed as follows:

	30th June 2012 (Unaudited)	31st December 2011 (Audited)
	HK$'000	*HK$'000*
Listed equity securities in Hong Kong	**111,657**	57,115
Debt securities	**53,869**	–
	165,526	57,115

18. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

As at 30th June 2012, the balances include the tenancy deposits amounting to approximately HK$11,725,000 received from tenants (31st December 2011: approximately HK$10,869,000).

19. POST STATEMENT OF FINANCIAL POSITION EVENT

On 1st August 2012, Trinity Sino Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party to acquire certain properties located on Ground Floor, 1st Floor and 2nd Floor and Advertising Spaces of Glory Rise, No. 128 Chun Yeung Street, North Point, Hong Kong at a consideration of HK$78,500,000. The acquired properties will be classified as properties held for sale.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Turnover of the Group for the six months ended 30th June 2012 amounted to approximately HK$43,928,000, representing an increase of approximately 74.5% as compared to approximately HK$25,169,000 in the corresponding period last year. The increase in turnover was mainly due to increase in loan interest income generated from a loan in the amount of HK$130,000,000 granted to an independent third party in July 2011 for term of two years. Details of the loan was set out in the announcement published on 20th July 2011.

For the six months ended 30th June 2012, gross profit of the Group was approximately HK$37,456,000 (corresponding period in 2011: approximately HK$19,360,000), an increase of approximately 93.5% over the same period of last year. The increase was mainly attributable to the increase in turnover.

For the six months ended 30th June 2012, the Group's profit after tax was approximately HK$36,463,000 (corresponding period in 2011: approximately HK$23,931,000), an increase by approximately 52.4% when compared with that of the corresponding period of 2011.

Selling and distribution costs and administrative expenses of the Group during the six months ended 30th June 2012 were approximately HK$296,000 and approximately HK$16,338,000 respectively, decreased by approximately HK$40,000 (11.9%) and increased by approximately HK$10,289,000 (170.1%) respectively as compared to the corresponding period in 2011. The increase in administrative expenses was mainly due to exchange loss of approximately HK$10,336,000 (corresponding period in 2011: a gain of approximately HK$313,000) recorded for the six months ended 30th June 2012.

During the six months ended 30th June 2012, the Group's fair value gain on financial assets at fair value through profit or loss was approximately HK$6,442,000 (corresponding period in 2011: net loss of approximately HK$1,305,000).

BUSINESS REVIEW AND PROSPECTS

Property Development and Trading

The property businesses of the Group are mainly property development and trading, and property investments. In Hong Kong, the Group is in possession of certain commercial properties for sale and most of them are situated at the prime commercial districts, like Central, Queensway and Wan Chai. For both of the six months ended 30th June 2012 and 30th June 2011, no property held for sale was sold by the Group.

In the first half of 2012, the global economy remained complicated and fast changing; the economic development in the PRC and Hong Kong has slowed down, the Group did not take a rush advance to acquire additional properties held for sale. The bank reserve requirement ratio, followed by bank interest rates, was reduced, that has positive impact on the PRC's property markets. In regard to residential property market in Hong Kong, there is keen demand, but limited supply, the property prices are more likely to maintain at high level. From the view point of the Company's management, given that the interest rates remain low, economic fundamentals remain solid and investment conditions are stable, the residential and commercial properties in Hong Kong continue to attract the attention of investors from worldwide, in particular the outlook for high grade commercial properties is comparatively sound and well.

Property Investment

The Group's investment properties, namely Dawning Tower, located in Shenzhen, the PRC, continued to secure a high occupancy rate. The Group recognised an income of approximately HK$11,872,000 during the six months ended 30th June 2012, representing an increase of approximately 9.1% over the same period of last year. Since Dawning Tower is favourably located and its building management quality is satisfactory, it is expected that the occupancy rate will maintain at high level in the second half of 2012. High occupancy rate and effective cost control of Dawning Tower have secured steady net operating profit from the building.

The properties for commercial uses at levels 4 and 5 of Beijing East Gate Plaza, the PRC with total gross floor area of approximately 5,100 square metres, generated rental income of approximately HK$4,920,000 (corresponding period in 2011: approximately HK$3,695,000) to the Group for the six months ended 30th June 2012.

In the first half of 2012, rental income from all properties of the Group in Hong Kong was approximately HK$9,018,000, a decrease of 4.3% as compared to approximately HK$9,426,000 of corresponding period in 2011.

Apart from continuously specialising in the PRC and Hong Kong property investments and trading, the Group is 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 diversifying its investment portfolio to accommodate more current assets with higher liquidity, including securities and debt securities.

In the first half of 2012, the Group recorded a gain of approximately HK$6,442,000 (corresponding period in 2011: loss of approximately HK$1,305,000) from the capital market investments, despite there was persistent turbulence in Hong Kong capital market during the period.

The financial services of the Group had an increase in operation in providing short to medium-term loans to the business associates and partners. The financial services business of the Group recorded a profit of approximately HK$18,290,000 (corresponding period in 2011: approximately HK$1,034,000) for the six months ended 30th June 2012.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained its strong liquidity level, with the Group's cash and cash equivalents totaling approximately HK$453,418,000 as at 30th June 2012 (31st December 2011: approximately HK$719,031,000). The Group placed strict credit controls on its trade receivables to maintain adequate working capital. As at 30th June 2012, trade receivables and loans and receivables of the Group amounted to approximately HK$2,323,000 and approximately HK$144,000,000 respectively (31st December 2011: approximately HK$2,220,000 and approximately HK$152,500,000 respectively). Current ratio as at 30th June 2012 was 35.0 times while that as at 31st December 2011 was 37.5 times. As at 30th June 2012 and 31st December 2011, the Group did not raise any bank loans. As at 30th June 2012 and 31st December 2011, the Group's gearing ratio (on the basis of total borrowings divided by shareholders' equity) was maintained at zero.

Treasury Management

The Company has continuously implemented prudent financial resources management and financial risk management policies. The Group continues to diversify its investment portfolio to accommodate more current assets with higher liquidity and return, including securities and debt securities in order to improve the return of its current assets and endeavours to maximise investment returns within a reasonable risk level. The Board is of the opinion that the retaining of excessive cash and cash equivalents as short-term deposits can ensure the Group to catch investment opportunities agilely, thus increasing the return from investments.

Pledge of Assets

As of 30th June 2012 and 31st December 2011, the Group had no pledge of assets and bank deposits in order to obtain general banking facilities or short-term bank borrowings.

Employees' Remuneration and Benefits

The Group had 23 employees including managerial, executive, technical and general staffs in Hong Kong and the PRC as at 30th June 2012 (31st December 2011: 25). The level of remuneration, promotion and the magnitude of remuneration adjustment are justified according to their job duties, working performance and professional qualification. All staff and Executive Directors in Hong Kong have participated in the mandatory provident fund scheme. Other employees' benefits include the grant of share options by the Board under the share option scheme adopted by the Company.

Foreign Exchange and Currency Risk

All income and funds applied to the direct costs, the purchases of equipment and the payments of salaries are denominated in HK$ and 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 2012, cash and cash equivalents and financial assets of the Group were mainly denominated in HK$, United States dollars and RMB.

Substantial Acquisition and Disposal

The Group did not participate in any substantial acquisition or disposal during six months ended 30th June 2012.

Contingent Liabilities

The Group had no material contingent liability as at 30th June 2012.

OTHER INFORMATION

DIVIDEND

At the Company's annual general meeting held on 25th April 2012, the shareholders approved the final dividend of HK$0.016 per ordinary share for the year ended 31st December 2011 and a special dividend of HK$0.08 per ordinary share which were distributed to shareholders whose names appeared on the register of members of the Company on 2nd May 2012. The final dividend and special dividend amounting to approximately HK$190,714,000 were paid on 11th May 2012.

The Board resolved not to declare the payment of an interim dividend for the six months ended 30th June 2012 (Six months ended 30th June 2011: 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 to 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 2012.

CORPORATE GOVERNANCE

The Company has adopted the code provisions of the Code on Corporate Governance Practices (the "Former CG Code") contained in Appendix 14 to the Listing Rules, which came into effect on 1st January 2005 and was recently revised and renamed as Corporate Governance Code and Corporate Governance Report (the "New CG Code") with effect from 1st April 2012, as its own code of corporate governance practices.

During the six months ended 30th June 2012, the Company was in compliance with all the code provisions under the Former CG Code except for the deviations from code provisions A.2.1 and A.4.1 which are explained as follows:

- Under the code provision A.2.1, the responsibilities between the chairman and chief executive officer should be segregated. Currently, the office of chief executive officer is vacant. The roles and functions of the chief executive officer have been performed by the Board of the Company and the Directors believe that such arrangement enables different talents and expertise of the Directors to be best utilised 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 ("Bye-Laws").

During the six months ended 30th June 2012, the Company was also in compliance with all the code provisions under the New CG Code except for the deviations from code provision D.1.4. which is explained as follows:

- Under the code provision D.1.4, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors. However, the Directors are subject to retirement by rotation at least once every three years in accordance with the Bye-Laws. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Save as those mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the Former CG Code and New CG Code during the six months ended 30th June 2012.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive Directors, including Mr. Chung Koon Yan (as chairman), Mr. Lee Kuo Ching, Stewart and Miss Chong Kally. The principal duties of the Audit Committee include the review of the Company's financial reporting procedure, internal controls and results of the Group. The unaudited condensed consolidated interim financial statements have been reviewed by the Audit Committee.

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

Hong Kong, 6th August 2012

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