SHUN HO TECHNOLOGY HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 219)

2011 INTERIM RESULTS

RESULTS

The board of directors (the "Board") of Shun Ho Technology Holdings Limited (the "Company") announces that the unaudited consolidated profit after taxation of the Company and its subsidiaries (together the "Group") for the six months ended 30th June, 2011 amounted to approximately HK$338,242,000 (six months ended 30th June, 2010: HK$185,474,000) and the unaudited consolidated profit after non-controlling interests of the Group for the six months ended 30th June, 2011 amounted to HK$231,270,000 (six months ended 30th June, 2010: HK$106,307,000). The unaudited consolidated results of the Group for the period, together with comparative figures for the previous period, are as follows:

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30th June, 2011

		Six months ended	
		30.6.2011	30.6.2010
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**162,379**	141,763
Cost of sales		**(1,451)**	(1,772)
Other service costs		**(51,255)**	(46,742)
Depreciation of property, plant and equipment and release of prepaid lease payments for land		**(11,927)**	(13,340)
Gross profit		**97,746**	79,909
Increase in fair value of investment properties		**324,280**	152,030
Other income		**7,671**	8,100
Loss on fair value changes of investments held for trading		**(2)**	(1)
Loss on disposal of a subsidiary		**-**	(19)
Administrative expenses		**(11,563)**	(10,744)
- Depreciation		**(2,867)**	(2,412)
- Others		**(8,696)**	(8,332)
Other expenses		**(10,578)**	(5,931)
Finance costs	*5*	**(2,591)**	(2,409)
Profit before taxation		**404,963**	220,935
Income tax expense	*6*	**(66,721)**	(35,461)
Profit for the period	*7*	**338,242**	185,474
Other comprehensive income (expense)			
Exchange differences arising on translation of foreign operations		**1,548**	(351)
Gain on fair value changes of available-for-sale investments		**1,252**	10,016
Other comprehensive income for the period		**2,800**	9,665
Total comprehensive income for the period		**341,042**	195,139

Condensed Consolidated Statement of Comprehensive Income *(continued)*
For the six months ended 30th June, 2011

		Six months ended	
	Note	**30.6.2011** ***HK$'000*** **(unaudited)**	30.6.2010 *HK$'000* (unaudited)
Profit for the period attributable to:			
Owners of the Company		**231,270**	106,307
Non-controlling interests		**106,972**	79,167
		338,242	185,474
Total comprehensive income attributable to:			
Owners of the Company		**232,560**	111,787
Non-controlling interests		**108,482**	83,352
		341,042	195,139
		HK cents	HK cents
Earnings per share			
Basic and diluted	*8*	**49.32**	22.67

Condensed Consolidated Statement of Financial Position
At 30th June, 2011

	NOTES	As at 30.6.2011 HK$'000 (unaudited)	As at 31.12.2010 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**1,348,463**	929,539
Prepaid lease payments for land		**60,683**	60,767
Investment properties		**2,653,130**	2,328,850
Properties under development		**1,374,668**	1,680,680
Available-for-sale investments		**75,903**	74,651
Deposit for acquisition of property, plant and equipment		**-**	2,591
		5,512,847	5,077,078
Current assets			
Inventories		**745**	520
Properties held for sale		**21,650**	21,650
Investments held for trading		**4**	6
Prepaid lease payments for land		**1,502**	1,502
Trade and other receivables	*10*	**9,320**	12,910
Other deposits and prepayments		**5,955**	4,260
Pledged bank deposits		**110**	110
Bank balances and cash		**55,128**	41,909
		94,414	82,867
Current liabilities			
Trade and other payables	*11*	**83,800**	29,495
Rental and other deposits received		**3,958**	16,711
Advance from immediate holding company		**1,170**	1,675
Advance from ultimate holding company		**61,571**	61,211
Tax liabilities		**24,476**	12,468
Bank loans		**1,032,785**	1,034,792
		1,207,760	1,156,352
Net current liabilities		**(1,113,346)**	(1,073,485)
Total assets less current liabilities		**4,399,501**	4,003,593
Capital and reserves			
Share capital		**268,538**	268,538
Share premium and reserves		**2,573,782**	2,023,618
Equity attributable to owners of the Company		**2,842,320**	2,292,156
Non-controlling interests		**1,095,481**	1,312,362
		3,937,801	3,604,518
Non-current liabilities			
Rental deposits received		**28,502**	18,888
Deferred tax liabilities		**433,198**	380,187
		461,700	399,075
		4,399,501	4,003,593

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30th June, 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2010.

In the current interim period, the Group has applied, for the first time, the following new and revised standards and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (as revised in 2009)	Related Party Disclosure
HKAS 32 (Amendments)	Classification of Right Issues
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Revenue represents the aggregate of income from operation of hotels and property rental, and is analysed as follows:

	Six months ended	
	30.6.2011	30.6.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Income from operation of hotels	**115,841**	96,615
Property rental	**46,538**	45,148
	162,379	141,763

4. SEGMENT INFORMATION

The Group's operating and reportable segments, based on information reported to the chief operating decision maker, Chairman of the Company, for the purpose of resources allocation and performance assessment are as follows:

1. Hospitality services - Ramada Hotel Kowloon
2. Hospitality services - Ramada Hong Kong Hotel
3. Hospitality services - Best Western Hotel Taipa, Macau
4. Hospitality services - Magnificent International Hotel, Shanghai
5. Hospitality services - Best Western Hotel Causeway Bay
6. Property investment - 633 King's Road
7. Property investment - Shun Ho Tower
8. Property investment - Shops
9. Securities investment and trading
10. Property development for hotel - 239-251 Queen's Road West
11. Property development for hotel - 19-23 Austin Avenue
12. Property development for hotel - 30-40 Bowrington Road
13. Property development for hotel - 338-346 Queen's Road West

The following is an analysis of the Group's revenue and results by operating and reportable segment for the periods under review:

	Segment revenue Six months ended		**Segment profit (loss) Six months ended**	
	30.6.2011	30.6.2010	**30.6.2011**	30.6.2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Hospitality services	**115,841**	96,615	**51,824**	34,976
- Ramada Hotel Kowloon	**34,346**	27,920	**12,450**	5,819
- Ramada Hong Kong Hotel	**43,512**	35,455	**25,237**	16,577
- Best Western Hotel Taipa, Macau	**27,214**	22,174	**13,659**	9,277
- Magnificent International Hotel, Shanghai	**8,361**	11,066	**833**	3,303
- Best Western Hotel Causeway Bay	**2,408**	-	**(355)**	-
Property investment	**46,538**	45,148	**370,202**	196,963
- 633 King's Road	**34,145**	31,838	**313,646**	141,724
- Shun Ho Tower	**7,988**	8,849	**20,151**	29,677
- Shops	**4,405**	4,461	**36,405**	25,562
Securities investment and trading	**-**	-	**(2)**	(1)
Property development for hotel	**-**	-	**-**	-
- 239-251 Queen's Road West	**-**	-	**-**	-
- 19-23 Austin Avenue	**-**	-	**-**	-
- 30-40 Bowrington Road	**-**	-	**-**	-
- 338-346 Queen's Road West	**-**	-	**-**	-
	162,379	141,763	**422,024**	231,938
Other income			**7,671**	8,100
Other expenses			**(10,578)**	(5,931)
Loss on disposal of a subsidiary			**-**	(19)
Central administration costs and directors' salaries			**(11,563)**	(10,744)
Finance costs			**(2,591)**	(2,409)
Profit before taxation			**404,963**	220,935

4. SEGMENT INFORMATION *(continued)*

The following is an analysis of the Group's assets by operating and reportable segment:

	As at 30.6.2011 ***HK$'000*** **(unaudited)**	As at 31.12.2010 *HK$'000* (audited)
Segment assets		
Hospitality services	**1,289,495**	881,878
- Ramada Hotel Kowloon	**300,454**	308,429
- Ramada Hong Kong Hotel	**342,982**	345,711
- Best Western Hotel Taipa, Macau	**133,004**	134,860
- Magnificent International Hotel, Shanghai	**92,849**	92,878
- Best Western Hotel Causeway Bay	**420,206**	-
Property investment	**2,655,548**	2,332,310
- 633 King's Road	**1,822,144**	1,543,182
- Shun Ho Tower	**465,504**	453,228
- Shops	**367,900**	335,900
Securities investment and trading	**75,946**	74,695
Property development for hotel	**1,375,667**	1,682,826
- 239-251 Queen's Road West	**422,138**	376,330
- 19-23 Austin Avenue	**735,565**	709,885
- 30-40 Bowrington Road	**-**	384,405
- 338-346 Queen's Road West	**217,964**	212,206
	5,396,656	4,971,709
Unallocated assets	**210,605**	188,236
	5,607,261	5,159,945

5. FINANCE COSTS

	Six months ended	
	30.6.2011 ***HK$'000*** **(unaudited)**	30.6.2010 *HK$'000* (unaudited)
Interests on :		
Bank loans wholly repayable within five years	**6,400**	5,489
Advance from ultimate holding company wholly repayable within five years	**360**	332
Advance from immediate holding company wholly repayable within five years	**8**	13
Other	**13**	11
	6,781	5,845
Less: amounts capitalised in properties under development	**(4,190)**	(3,436)
	2,591	2,409

6. INCOME TAX EXPENSE

	Six months ended	
	30.6.2011	30.6.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax		
Hong Kong	**12,205**	9,315
The People's Republic of China ("PRC")	**139**	985
Other jurisdiction	**1,366**	840
	13,710	11,140
Deferred tax		
Current period	**53,011**	24,321
	66,721	35,461

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The annual tax rate used is 16.5% for the six months ended 30th June, 2011 (six months ended 30th June, 2010: 16.5%).

Taxation arising in other jurisdiction is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year prevailing in the relevant jurisdictions.

7. PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2011	30.6.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Release of prepaid lease payments for land	**751**	751
Depreciation of property, plant and equipment	**14,043**	15,001
Pre-operating expenses (included in other expenses)	**4,146**	-
Interest on bank deposits (included in other income)	**(4)**	(4)

8. EARNINGS PER SHARE

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

Earnings

	Six months ended	
	30.6.2011	30.6.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period and earnings for the purposes of basic and diluted earnings per share	**231,270**	106,307

Number of shares

	'000	*'000*
	(unaudited)	(unaudited)
Number of ordinary shares for the purposes of basic and diluted earnings per share	**468,937**	468,937

During the current period, the mandatory convertible bonds issued by a subsidiary were converted into ordinary shares by the Group. The computation of diluted earnings per share does not assume the conversion of the Group's outstanding mandatory convertible bonds prior to the conversion since the assumed conversion would result in an increase in earnings per share for both periods.

9. DIVIDEND

No dividends were paid, declared or proposed during the reported period. The directors have resolved not to declare an interim dividend for the six months ended 30th June, 2011 (six months ended 30th June, 2010: nil).

10. TRADE AND OTHER RECEIVABLES

Except for a credit period of 30 to 60 days granted to travel agencies and customers of the hotels, the Group does not allow any credit period to its other customers. The following is an analysis of trade receivables by age, presented based on the invoice date, at the end of reporting period:

	As at	As at
	30.6.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 - 30 days	**7,869**	10,727
31 - 60 days	**-**	87
	7,869	10,814

Analysed for reporting as:

Trade receivables	**7,869**	10,814
Other receivables	**1,451**	2,096
	9,320	12,910

11. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date, at the end of the reporting period:

	As at 30.6.2011 *HK$'000* **(unaudited)**	As at 31.12.2010 *HK$'000* (audited)
0 - 30 days	**1,725**	1,780
31 - 60 days	**34**	620
Over 60 days	**852**	1,191
	2,611	3,591
Analysed for reporting as:		
Trade payables	**2,611**	3,591
Other payables (*Note*)	**81,189**	25,904
	83,800	29,495

Note: Other payables include construction costs payable of HK$60,870,000 (six months ended 30th June, 2010: HK$15,648,000).

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30th June, 2011 (six months ended 30th June, 2010: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Group through its major subsidiary, Magnificent Estates Limited ("Magnificent Estates"), continued with its operations of properties investment, properties development and operation of hotels.

- The unaudited consolidated profit after non-controlling interests of the Group for the six months ended 30th June, 2011 amounted to HK$231,270,000 (six months ended 30th June, 2010: HK$106,307,000).

- For the six months ended 30th June, 2011, the Group's income was mostly derived from the aggregate of income from operation of hotels and properties rental income.

  The hotels operation income increased by 20% to HK$116 million (six months ended 30th June, 2010: HK$97 million). The increase of revenue for the period was due to substantial improvement in hotel revenue.

  The properties rental income was derived from office buildings of Shun Ho Tower, 633 King's Road and shops from Ramada Hotel Kowloon, Ramada Hong Kong Hotel and Best Western Hotel Taipa, Macau amounted to HK$47 million (six months ended 30th June, 2010: HK$45 million). The growth was derived from 633 King's Road. At the date of this announcement, 633 King's Road provided an annual rental income of HK$71 million (excluding rates and management fee).

  Other income amounted to HK$7.7 million (six months ended 30th June, 2010: HK$8.1 million) which was mostly property management fee income of HK$7.4 million (six months ended 30th June, 2010: HK$7.7 million) with related expenses of HK$6.4 million (six months ended 30th June, 2010: HK$5.9 million).

- Overall service costs for the Group for the period was HK$51.2 million (six months ended 30th June, 2010: HK$47 million), which HK$50.7 million (six months ended 30th June, 2010: HK$46.5 million) was for the hotel operations including food and beverage and costs of sales and HK$0.5 million (six months ended 30th June, 2010: HK$0.5 million) was mainly for leasing commission paid for investment properties. The leasing commissions paid for the leased premises represent total commissions payable for the three years of rental period.

  During the period, the administrative expenses excluding depreciation was HK$8.7 million (six months ended 30th June, 2010: HK$8.3 million) for corporate management office including directors' fees, salaries for executive staff and employees, rental, marketing expenses and office expenses.

  Other expenses were HK$10.5 million (six months ended 30th June, 2010: HK$5.9 million) which included property management expenses of HK$6.4 million (six months ended 30th June, 2010: HK$5.9 million) and pre-operating expenses of Best Western Hotel Causeway Bay of HK$4.1 million (six months ended 30th June 2010: N/A). The 8% increase of property management expenses was due to the increase of cost of staff and utilities while the management fee remained unchanged.

- At 30th June, 2011, the overall debt of the Group was HK$1,096 million (31st December, 2010: HK$1,098 million). All the debt was borrowed by Magnificent Estates Group. The gearing ratio of the Group (including Magnificent Estates Group) was approximately 28% (31st December, 2010: 30%) in terms of bank borrowings of HK$1,033 million (31st December, 2010: HK$1,035 million) and HK$63 million (31st December, 2010: HK$63 million) was advance from shareholders against funds employed of HK$3,938 million (31st December, 2010: HK$3,605 million).

  The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong dollar. Accordingly, the exchange risk of the Group is minimal. During the period under review, there was about 10% increase in the Group's staffing level compared to 31st December 2010. Remuneration and benefit were set with reference to the market.

- For the period under review, the investment properties such as Shun Ho Tower and shops in Ramada Hotel Kowloon, Ramada Hong Kong Hotel and Best Western Hotel Taipa, Macau were almost fully let. It is expected that the rental revenue from these properties will have modest increase in 2011.

  As at the date of this announcement, the leasing of the grade A office building at 633 King's Road achieved HK$71 million (excluding rates and management fee) per annum. The management envisages the office building will have modest rental increase in 2011 as most leases are due for renewal.

  For the period under review, there was no significant property being disposed of. The houses at Gold Coast, New Territories are already available for leasing and rental income.

- In the coming year, it is envisaged that the hotel business would be improving due to the continuous increase of inbound tourists, devaluation of Hong Kong dollar against Renminbi. The leisure travelling continues to improve due to continuous increase of inbound tour from global interests in Asia and implementation of the CEPA and further relaxation of mainlanders to travel freely. The management of the hotels will endeavour to maintain the high occupancy but will focus on obtaining higher room rates.

Nos. 239-251 Queen's Road West Hotel Development

The hotel has been named Best Western Hotel Harbour View. The concrete superstructure construction has been completed on the date of this announcement. Occupation permit is expected to be obtained in early 2012. The construction of the Western MTR Line will improve future value of this property significantly.

Nos. 338-346 Queen's Road West Hotel Development

A 214 serviced apartments hotel development was approved to be built. Foundation construction is well under way. Approval has been obtained to increase the plot ratio from 12 to 13.2 with no premium payment required. The construction of the Western MTR Line will improve future value and business of this property significantly.

Nos. 19-23 Austin Avenue, Tsimshatsui Hotel Development

The 397 rooms hotel development in the excellent shopping location in Tsimshatsui, superstructure construction is well underway. Operation commencement is expected in 2012.

Looking ahead, the management expects 2011 will be a much improved year for hotel operation. The hotels occupancy remain high because of the increasing leisure travelling from the PRC and their further visa relaxation and devaluation of Hong Kong dollar against Renminbi. The hotels room rates will increase due to the return of higher yield commercial travellers. Thus, the management expects higher yield commercial travellers will return in trade fair seasons that will compliment the already busy leisure travelling market which will result in room rates and revenue increment at second half of this year. The improving hotel business will help to increase the Group's overall turnover.

The management is most pleased with the commencement of operation of the Best Western Hotel Causeway Bay and its immediate remarkable nearly full occupancies since July and its ability to increase the Group's future hotel revenue.

The management is most looking forward to the completion of the 435 rooms Best Western Hotel Harbour View and the 397 rooms hotel in Tsimshatsui in 2012 and their potential substantial increase of the Group's hotel revenue next year.

The rental incomes of the commercial buildings and shops are expected to enjoy modest increase since most leases are due for renewal in 2010/2012.

The low interest rate environment, weakness of Hong Kong dollar and inflation back the demand in the local property market that benefits the Group's property portfolio especially the office buildings in Central and North Point. The conservative 14% debt ratio ensures the Group's stability over any further unforeseeable global financial turmoils.

Recent global debt crisis has materially dampened worldwide economical growth and significantly affecting the banking confidence. The management is cautious to any possible adverse effects to our banking facilities.

The management will continue to adopt a conservative approach and to make best endeavour to complete the construction of the three new hotels in Hong Kong to substantially increase the earning base and value for the Group. In view of the substantial construction costs outlay for 2011 to 2012, the management is trying best endeavour to streamline cashflow in order to ensure the Group's future obligations are met.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the period.

CORPORATE GOVERNANCE

(a) Compliance with the Code on Corporate Governance Practices

During the period, the Company has complied with the code provisions set out in the Code of Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except the following:

Code Provision A.2.1

The Company does not have separate appointments for Chairman and Chief Executive Officer. Mr. William Cheng Kai Man holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It will also facilitate the planning and execution of the Company's strategy and is hence, for the interests of the Company and its shareholders.

Code Provision A.4.1

Non-executive directors of the Company have no set term of office but retire from office on a rotational basis at least once every three years. According to the articles of association of the Company, every director shall be subject to retirement by rotation at least once every three years. The Company considers that sufficient measures have been taken to ensure that its corporate governance practices are no less exacting than those in the Code.

(b) Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the period.

REVIEW BY THE AUDIT COMMITTEE

The audit committee has reviewed the unaudited financial results of the Group for the six months ended 30th June, 2011

By Order of the Board

William CHENG Kai Man
Chairman

Hong Kong, 30th August, 2011

As at the date hereof, the Board comprises six Directors, of which two are Executive Directors, namely Mr. William Cheng Kai Man and, Mr. Albert Hui Wing Ho; one is Non-executive Director, Madam Mabel Lui Fung Mei Yee; and three are Independent Non-executive Directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Hui Kin Hing.