



SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 770)

2023 INTERIM REPORT

Investment Manager
Shanghai International Asset Management (Hong Kong) Company Limited

CONTENTS

	Page
CORPORATE INFORMATION	2
INDEPENDENT REVIEW REPORT	3
INTERIM CONDENSED FINANCIAL INFORMATION	
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income	5
Interim Condensed Statement of Financial Position	6
Interim Condensed Statement of Changes in Equity	7
Interim Condensed Statement of Cash Flows	9
Notes to Interim Condensed Financial Information	10
MANAGEMENT DISCUSSION AND ANALYSIS	23
OTHER INFORMATION	32

CORPORATE INFORMATION

DIRECTORS

Executive Director:

Mr. ZHAO Tian

Independent Non-Executive Directors:

Dr. HUA Min

Mr. ONG Ka Thai

Mr. YICK Wing Fat Simon

Non-Executive Director:

Mr. LU Xuefang

COMPANY SECRETARY

Ms. CHEUNG Yuet Fan

INVESTMENT MANAGER

Shanghai International Asset Management
(Hong Kong) Company Limited

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LEGAL ADVISERS

In Hong Kong:

Charltons Solicitors & Notary Public

In the Cayman Islands:

Maples and Calder

AUDITOR

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

CUSTODIAN

Standard Chartered Bank (Hong Kong) Limited

SHARE REGISTRAR AND TRANSFER OFFICE

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COMPANY'S WEBSITE

<http://shanghaigrowth.etnet.com.hk>

STOCK CODE

770

INDEPENDENT REVIEW REPORT



TO THE BOARD OF DIRECTORS OF
SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED
(An exempted company incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 5 to 22, which comprises the condensed statement of financial position of Shanghai International Shanghai Growth Investment Limited (the "Company") as at 30 June 2023 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

24 August 2023

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		For the six months ended 30 June	
	<i>Notes</i>	2023 (Unaudited) US\$	2022 (Unaudited) US\$
INCOME AND LOSS ON INVESTMENTS			
Interest income		5,620	16
Dividend income		16,883	14,130
Net change in unrealised loss on fair value of financial assets at fair value through profit or loss	6	(12,146)	(13,339)
Net gain/(loss) on disposal of financial assets at fair value through profit or loss	6	66,173	(375,352)
Exchange loss		(4,999)	(6,148)
Other income		–	4,078
		71,531	(376,615)
EXPENSES			
Investment manager's fees	15(a)	(19,992)	(28,094)
Administrative expenses		(219,989)	(203,380)
		(239,981)	(231,474)
Loss before tax	7	(168,450)	(608,089)
Income tax expense	8	–	–
LOSS FOR THE PERIOD		(168,450)	(608,089)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(168,450)	(608,089)
LOSS PER SHARE – BASIC AND DILUTED	10	US1.58 cents	US5.69 cents

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

30 June 2023

		30 June 2023 (Unaudited) US\$	31 December 2022 (Audited) US\$
	<i>Notes</i>		
NON-CURRENT ASSET			
Financial assets at fair value through profit or loss	11	–	452,856
Total non-current asset		–	452,856
CURRENT ASSETS			
Prepayments		19,340	43,675
Financial assets at fair value through profit or loss	11	341,769	–
Cash and bank balances	12	1,561,089	1,636,507
Total current assets		1,922,198	1,680,182
CURRENT LIABILITIES			
Provision and accruals		45,202	70,080
Amount due to the investment manager	15(b)	34,869	52,381
Total current liabilities		80,071	122,461
NET CURRENT ASSETS		1,842,127	1,557,721
NET ASSETS		1,842,127	2,010,577
EQUITY			
Share capital	13	1,068,600	1,068,600
Reserves		773,527	941,977
Total equity		1,842,127	2,010,577
NET ASSET VALUE PER SHARE	14	0.17	0.19

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share capital US\$	Share premium account US\$	Capital reserve US\$ <i>(Note a)</i>	Accumulated losses US\$	Total US\$
At 31 December 2022 (audited)	1,068,600	12,921,815*	(5,831,040)*	(6,148,798)*	2,010,577
Total comprehensive loss for the period	–	–	–	(168,450)	(168,450)
Transfer from accumulated losses <i>(Note a)</i> : Net change in unrealised loss on fair value of financial assets at fair value through profit or loss	–	–	(12,146)	12,146	–
At 30 June 2023 (unaudited)	1,068,600	12,921,815*	(5,843,186)*	(6,305,102)*	1,842,127
	Share capital US\$	Share premium account US\$	Capital reserve US\$ <i>(Note a)</i>	Accumulated losses US\$	Total US\$
At 31 December 2021 (audited)	1,068,600	12,921,815	(5,852,250)	(5,157,075)	2,981,090
Total comprehensive loss for the period	–	–	–	(608,089)	(608,089)
Transfer from accumulated losses <i>(Note a)</i> : Net change in unrealised loss on fair value of financial assets at fair value through profit or loss	–	–	(13,339)	13,339	–
At 30 June 2022 (unaudited)	1,068,600	12,921,815*	(5,865,589)*	(5,751,825)*	2,373,001

* These reserve accounts comprise the reserves of US\$773,527 (31 December 2022 (audited)); US\$941,977; six months ended 30 June 2022 (unaudited); US\$1,304,401) in the interim condensed statement of financial position.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

Note:

- (a) Pursuant to the Company's Amended and Restated Memorandum and Articles of Association passed on 29 November 2022, profits arising from the realisation of investments shall be available for distribution as dividends. Profits arising from revaluation of investments may be available for distribution as dividends only at the discretion of the board of directors. As a result, a net change in unrealised loss on fair value of financial assets at fair value through profit or loss is transferred from accumulated losses to capital reserve.

During the six months ended 30 June 2023, a net change in unrealised loss on fair value of financial assets at fair value through profit or loss of US\$12,146 was transferred from accumulated losses to capital reserve (six months ended 30 June 2022: net unrealised loss of US\$13,339).

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

Notes	For the six months ended 30 June	
	2023 (Unaudited) US\$	2022 (Unaudited) US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(168,450)	(608,089)
Adjustments for:		
Interest income	(5,620)	(16)
Dividend income	(16,883)	(14,130)
Net (gain)/loss on disposal of financial assets at fair value through profit or loss	6 (66,173)	375,352
Net change in unrealised loss on financial assets at fair value through profit or loss	6 12,146	13,339
Operating cash flows before movements in working capital	(244,980)	(233,544)
Decrease in financial assets at fair value through profit or loss	165,114	537,022
Decrease in prepayments and dividend receivables	24,335	25,328
Increase in amount due from a broker	–	(46,015)
Decrease in amount due to the investment manager	(17,512)	(12,957)
(Decrease)/increase in accruals	(24,878)	5,447
Cash (used in)/generated from operations	(97,921)	275,281
Interest received	5,620	16
Dividend received	16,883	11,960
Net cash flows (used in)/generated from operating activities	(75,418)	287,257
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(75,418)	287,257
Cash and cash equivalents at beginning of period	1,636,507	1,376,307
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,561,089	1,663,564
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	12 1,569,089	1,663,564
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS	1,561,089	1,663,564

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

1. CORPORATE INFORMATION

Shanghai International Shanghai Growth Investment Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability and the Company’s shares with stock code 770 are listed on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”). The registered office address of the Company is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment company whose principal business is to make investments in listed and unlisted equity and debt securities as well as in other financial instruments and investment vehicles which are established or have significant operations or businesses primarily in the Greater China Region.

2. BASIS OF PREPARATION

The interim condensed financial information for the six months ended 30 June 2023 has been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. This interim condensed financial information is presented in United States dollars (“US\$”) and all values are rounded to the nearest dollar except when otherwise indicated.

The interim condensed financial information does not include all the information and disclosures required in the Company’s annual financial statements for 2023 but is derived from those financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3. ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company’s interim condensed financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company’s accounting policies and key sources of uncertainty were the same as those applied in the preparation of the annual financial statements for the year ended 31 December 2022.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

4. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 31 December 2022.

5. OPERATING SEGMENT INFORMATION

For management purposes and information used by the Company's executive directors as the chief operating decision makers, the Company is organised into business units based on the categories of investments and has two reportable operating segments as follows:

Listed securities	–	Investments in equity securities listed on relevant stock exchanges
Unlisted securities	–	Investments in unlisted equity securities

Further details of the Company's investments are included in note 11 to the interim condensed financial information.

The following is an analysis of the Company's results by operating segments:

For the six months ended 30 June 2023	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
Segment results	70,910	–	70,910
Interest income from bank deposits			5,620
Exchange loss			(4,999)
Other income			–
Unallocated expenses			(239,981)
Loss before tax			(168,450)

For the six months ended 30 June 2023, segment results represented the net gain on disposal of listed equity securities classified as financial assets at fair value through profit or loss and net loss on change in fair value of listed equity securities classified as financial assets at fair value through profit or loss, and the corresponding dividend income earned by each segment without the allocation of interest income from bank deposits, administrative expenses as well as the investment manager's fees.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

5. OPERATING SEGMENT INFORMATION (Cont'd)

For the six months ended 30 June 2022	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
Segment results	(374,561)	–	(374,561)
Interest income from bank deposits			16
Exchange loss			(6,148)
Other income			4,078
Unallocated expenses			(231,474)
Loss before tax			(608,089)

For the six months ended 30 June 2022, segment results represented the net loss on disposal of listed equity securities classified as financial assets at fair value through profit or loss and net loss on change in fair value of listed equity securities classified as financial assets at fair value through profit or loss, and the corresponding dividend income earned by each segment without the allocation of interest income from bank deposits, administrative expenses as well as the investment manager's fees.

As management considers the Company's nature of business is investment holding, there was no information regarding major customers as determined by the Company and no segment revenue is presented.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

5. OPERATING SEGMENT INFORMATION (Cont'd)

The following tables present the asset information of the Company's operating segments as at 30 June 2023 and 31 December 2022:

As at 30 June 2023	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
Financial assets at fair value through profit or loss	341,769	–	341,769
Total segment assets	341,769	–	341,769
Unallocated assets			1,580,429
Total assets			1,922,198
As at 31 December 2022	Listed securities (Audited) US\$	Unlisted securities (Audited) US\$	Total (Audited) US\$
Financial assets at fair value through profit or loss	452,856	–	452,856
Total segment assets	452,856	–	452,856
Unallocated assets			1,680,182
Total assets			2,133,038

For the purpose of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments except prepayments, dividend receivables and cash and bank balances.

All liabilities as at 30 June 2023 and 31 December 2022 were unallocated liabilities.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

6. GAIN/(LOSS) ON INVESTMENTS

For the six months ended 30 June 2023	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
<i>Included in profit or loss:</i>			
Realised gain:			
Financial assets at fair value through profit or loss	66,173	–	66,173
Unrealised loss:			
Financial assets at fair value through profit or loss	(12,146)	–	(12,146)
Total realised and unrealised gain included in profit or loss	54,027	–	54,027
Total realised and unrealised gain for the period	54,027	–	54,027
<i>Included in profit or loss:</i>			
Realised loss:			
Financial assets at fair value through profit or loss	(375,352)	–	(375,352)
Unrealised loss:			
Financial assets at fair value through profit or loss	(13,339)	–	(13,339)
Total realised and unrealised loss included in profit or loss	(388,691)	–	(388,691)
Total realised and unrealised loss for the period	(388,691)	–	(388,691)

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

7. LOSS BEFORE TAX

The Company's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2023 (Unaudited) US\$	2022 (Unaudited) US\$
Auditor's remuneration	12,506	12,490
Custodian fee	4,075	4,666
Employee benefit expense (excluding directors' remuneration)		
Salaries and other benefits	80,270	92,622
Retirement benefit costs	1,912	2,319

8. TAXATION

No provision for Hong Kong profits tax has been made in the interim condensed financial information as the Company did not generate assessable profits arising in Hong Kong for the six months ended 30 June 2023 (six months ended 30 June 2022 (unaudited): Nil).

9. DIVIDEND

No interim dividend has been proposed by the directors for the six months ended 30 June 2023 (six months ended 30 June 2022 (unaudited): Nil).

10. LOSS PER SHARE – BASIC AND DILUTED

The calculation of the basic loss per share amount is based on the loss for the period of US\$168,450 (six months ended 30 June 2022 (unaudited): US\$608,089) and the weighted average number of ordinary shares of 10,686,000 (six months ended 30 June 2022 (unaudited): 10,686,000) in issue during the period.

No adjustment has been made to the basic loss per share amount for the six months ended 30 June 2023 and 2022 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2023 and 2022.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2023 (Unaudited) US\$	31 December 2022 (Audited) US\$
Non-current:		
Unlisted equity investment - Ordinary shares, at fair value:		
Global Market Group Limited ("GMG")	–	–
Listed equity investments, at fair value	–	452,856
Current:		
Listed equity investments, at fair value	341,769	–
Total	341,769	452,856

Unlisted equity investment – Ordinary shares, at fair value:

The above unlisted investment at 30 June 2023 was a total of 8,734,897 ordinary shares of GMG held by the Company (31 December 2022: 8,734,897 shares), representing 9.36% of GMG's total issued ordinary shares (31 December 2022: 9.36%).

As at 30 June 2023 and 31 December 2022, the value of GMG's ordinary shares was measured using the relative valuation model. Management considered both quantitative and qualitative information including GMG's financial performance and its ability to attract new funding in the future. During the six months ended 30 June 2023 and year ended 31 December 2022, based on the available financial information, management believed that GMG would not have sufficient working capital to maintain its business operation due to continuous operating losses and potential contingent liabilities involved. In addition, GMG had no clear business plan and capital raising plan in the near future. Hence, management believed that GMG's business model would not be sustainable. As at 30 June 2023, the unlisted investment was valued at nil (31 December 2022: Nil).

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Cont'd)*Listed equity investments, at fair value:*

The Company's investments in listed equity securities are designated by the Company as at fair value through profit or loss. The Company considered these investments to be strategic in nature.

During the six months ended 30 June 2023, the net fair value gain in respect of the Company's investments in Hong Kong recognised in profit or loss amounted to US\$54,027, of which a net gain of US\$66,173 was recognised upon disposal of the listed equity investments for the period.

During the six months ended 30 June 2022, the net fair value loss in respect of the Company's investments in Hong Kong recognised in profit or loss amounted to US\$388,691, of which a net loss of US\$375,352 was recognised upon disposal of the listed equity investments for the period.

12. CASH AND BANK BALANCES

Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with a creditworthy bank with no recent history of default.

13. SHARE CAPITAL

	30 June 2023 (Unaudited) US\$	31 December 2022 (Audited) US\$
Authorised:		
18,000,000 (2022: 18,000,000) ordinary shares of US\$0.10 each	1,800,000	1,800,000
Issued and fully paid:		
10,686,000 (2022: 10,686,000) ordinary shares of US\$0.10 each	1,068,600	1,068,600

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

14. NET ASSET VALUE PER SHARE

The calculation of the net asset value ("NAV") per share is based on the Company's NAV as at 30 June 2023 of US\$1,842,127 (31 December 2022 (audited): US\$2,010,577) and the number of ordinary shares of 10,686,000 in issue as at 30 June 2023 (31 December 2022 (audited): 10,686,000).

15. RELATED PARTY TRANSACTIONS

(a) Fees

In addition to the transactions detailed elsewhere in this interim condensed financial information, the Company had the following transactions with related parties during the period:

	Note	For the six months ended 30 June	
		2023 (Unaudited) US\$	2022 (Unaudited) US\$
Investment management and administration fees charged by the Investment Manager	(i)	19,992	28,094

Note:

- (i) Shanghai International Asset Management (Hong Kong) Company Limited (the "Investment Manager") provides key management personnel services to the Company. All directors of the Investment Manager are common directors of the Company.

In accordance with the terms of the investment management agreement and nine supplemental agreements (collectively the "Investment Management Agreements"), the management and administration fees are calculated and payable quarterly in advance at 0.5% of the NAV (calculated before deductions of the fees payable to the Investment Manager, and the custodian for that quarter) of the Company calculated on the last business day of the previous quarter.

With effect from the year ended 31 December 2014, the Investment Manager is entitled to an incentive fee equal to 20% of the excess amount by which the NAV of the Company as at 31 December of each year exceeds the high water mark, i.e. the highest NAV as at 31 December in any year less the aggregate amount of all dividends paid by the Company during the year. As defined in the Ninth Supplemental Agreement dated 17 March 2020 to the Investment Management Agreement, the high water mark has been reset to the NAV as at 31 December 2016, being US\$8,182,713.

During the six months ended 30 June 2023, the Investment Manager was not entitled to receive any incentive fee in relation to the performance of the Company (six months ended 30 June 2022 (unaudited): Nil) in accordance with the incentive fee calculation of the Investment Management Agreements.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

15. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) Outstanding balance with a related party:

The Company had an outstanding balance due to the investment manager of US\$34,869 (31 December 2022 (audited): US\$52,381) as at the end of the reporting period. This balance is unsecured, interest-free, and repayable on demand.

- (c) Compensation of key management personnel of the Company:

	For the six months ended 30 June	
	2023 (Unaudited) US\$	2022 (Unaudited) US\$
Directors' fees	24,864	24,902

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The financial assets at fair value through profit or loss held by the Company are carried at fair value.

Management has assessed that the fair values of all other financial assets and liabilities, carried at amortised cost, approximate to their respective carrying amounts due to the relatively short-term nature of these instruments.

The Investment Manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments and reports directly to the chief financial officer and the audit committee. At each reporting date, the Investment Manager analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer and the directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Cont'd)

The fair values of listed equity investments are based on quoted market prices. The fair value of an unlisted equity investment designated at fair value through profit or loss has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to sales ("EV/S") multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by a sales measure. The multiple is then discounted for considerations such as illiquidity based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding sales measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair value resulting from the valuation technique, further adjusted by the cash amount, potential contingent liabilities and non-controlling interests and decision to continuously valued at nil are reasonable and the most appropriate at the end of the reporting period.

Set out below is a summary of significant unobservable inputs to the valuation of a financial instrument together with a quantitative sensitivity analysis as at 30 June 2023 and 31 December 2022:

	Valuation technique	Significant unobservable input	Amount	Sensitivity of fair value to the input
Unlisted equity investment	Relative valuation model	*EV/S ratio	2023: 2.46X (2022: 0.77X)	10% (2022: 10%) increase/decrease in EV/S ratio would result in increase/decrease in fair value by Nil (2022: Nil).
		Revenue	2023: US\$7.02 million (2022: US\$6.54 million)	10% (2022: 10%) increase/decrease in revenue would result in increase/decrease in fair value by Nil (2022: Nil).
		Discount for lack of marketability	2023: 40% (2022: 40%)	10% (2022: 10%) increase/decrease in discount would result in increase/decrease in fair value by Nil (2022: Nil).

* The EV/S ratio stands for the Enterprise Value to Sales ratio.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

*(Cont'd)**Fair value hierarchy*

The following tables illustrate the fair value measurement hierarchy of the Company's financial instruments:

Assets measured at fair value:

As at 30 June 2023	Fair value measurement using			Total (Unaudited) US\$
	Quoted prices in active markets (Level 1) (Unaudited) US\$	Significant observable inputs (Level 2) (Unaudited) US\$	Significant unobservable inputs (Level 3) (Unaudited) US\$	
Financial assets at fair value through profit or loss				
Listed equity investments	341,769	–	–	341,769
Unlisted equity investment	–	–	–	–
Total	341,769	–	–	341,769

Financial assets at fair value through profit or loss

Listed equity investments	341,769	–	–	341,769
Unlisted equity investment	–	–	–	–
Total	341,769	–	–	341,769

As at 31 December 2022

Quoted price in active markets (Level 1) (Audited) US\$	Fair value measurement using			Total (Audited) US\$
	Significant observable inputs (Level 2) (Audited) US\$	Significant unobservable inputs (Level 3) (Audited) US\$		
Financial assets at fair value through profit or loss:				
Listed equity investments	452,856	–	–	452,856
Unlisted equity investment	–	–	–	–
	452,856	–	–	452,856

Financial assets at fair value through profit or loss:

Listed equity investments	452,856	–	–	452,856
Unlisted equity investment	–	–	–	–
	452,856	–	–	452,856

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2023

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Cont'd)

Fair value hierarchy (Cont'd)

Assets measured at fair value: *(Cont'd)*

The movements in fair value measurements within Level 3 during the period are as follows:

	2023	2022
	(Unaudited)	(Unaudited)
	US\$	US\$
Financial assets at fair value through profit or loss – unlisted:		
At 1 January	–	–
Change in fair value	–	–
	<hr/>	<hr/>
At 30 June	–	–
	<hr/> <hr/>	<hr/> <hr/>

The Company did not have any financial liabilities measured at fair value as at 30 June 2023 and 31 December 2022.

During the period, there was no transfer of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets at fair value through profit or loss (six months ended 30 June 2022 (unaudited): Nil)

17. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the Board of Directors of the Company on 24 August 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Company recorded an unaudited net loss of US\$168,450 for the six months ended 30 June 2023 (six months ended 30 June 2022: US\$608,089). The decrease in net losses was due to increase in gains on investment in listed securities as compared with same period last year.

For the six months ended 30 June 2023, the Company recorded a realised gain on disposal of listed securities of US\$66,173 (six months ended 30 June 2022: a realised loss of US\$375,352) and a net change in unrealised loss on listed securities of US\$12,146 (six months ended 30 June 2022: US\$13,339). Dividend income from listed securities of US\$16,883 was recorded in the reporting period as compared to US\$14,130 in the last corresponding period. As a result, the Company recorded overall gain of US\$70,910 on listed securities investment offset by the operating costs of US\$239,981 during the first half of 2023 that led to net loss.

Hong Kong stock market in 2023 started off strongly as the market focus on the rebound of economic activities after the end of COVID-19-related restrictions in China. For June 2023, Hang Seng Index closed at 18,916 point, fell by 4.37% and the Hang Seng China Enterprise Index was down by 4.18%. The most outperforming industry sectors for the period were oil, coal, banking and telecommunications while property management, healthcare, auto retailing and education were some of the most underperforming sectors. The Company's listed securities portfolio recorded a positive return of 3.55%, outperformed significantly against a falling market. The Company restricted to invest in five sectors during the period. These sectors are tech-related, healthcare, new energy, consumption and telecommunications and semiconductors, their performance ranged from -21.8% to +9.34% for the first half of 2023.

As at 30 June 2023, the company's net asset value ("NAV") was US\$0.17, which was lower than the NAV of US\$0.19 at the end of 2022. Owing to the fact that, while listed securities investment recorded a positive return, it was not enough to offset operating costs, resulting in a 10.53% drop in NAV. As at 30 June 2023, the Company's share price was US\$0.133, reflecting a 21.76% discount to the NAV per share.

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL INVESTMENT OBJECTIVE, POLICIES AND RESTRICTIONS

Principal Investment Objective

The principal investment objective of the Company is to achieve long term capital appreciation through investing in listed and unlisted equity and debt securities as well as in other financial instruments and investment vehicles (which are established or have significant operations or businesses primarily in the Greater China Region which consists of the People's Republic of China, Hong Kong and, the Macau Special Administration Region and Taiwan). The Company sought Shareholders' approval in November 2019 to broaden the scope of investment such that the Company have the flexibility to invest in a wider variety of investment products.

Investment Policies and Restrictions

The Board is responsible for formulating the Company's investment strategy, policies and guidelines. Based on these, the Investment Manager is responsible for identifying and evaluating investment opportunities, executing investment decisions, monitoring and enhancing investments of the Company. The Company will comply with investment restrictions as set out in the Listing Rules as updated from time to time, principally (i) it will not take legal or effective management control of any invested company through which it has or controls more than 30% of the voting rights; and (ii) a reasonable spread of investments will be maintained meaning that it will not invest more than 20% of the net asset value of the Company in securities issued in any one company at the time of making such investment.

INVESTMENT REVIEW

Portfolio Allocation

	30 June 2023	31 December 2022
Listed investments	19%	23%
Cash and cash equivalents	81%	77%
Unlisted investment	0%	0%
Total	100%	100%

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

China Economy

For the first half of 2023, China economy has been recovering steadily since COVID-19 appeared in 2019. Gross Domestic Product (“GDP”) for the first interim of 2023 grew by 5.5% year-on-year. On quarterly basis, the first quarter GDP went up 4.5%, and the second quarter increased by 6.3% year-on-year.

For international trade, China exports growth resumed strongly in the first quarter of 2023 and carried on such momentum into April which grew 8.5% year-on-year. However, exports in May and June recorded a drop of 7.5% and 12.4% respectively. Shipments of green technology products, including Chinese-made electric vehicles, batteries, and solar panels continued to grow rapidly which showed an export increase of 61.6% over same period last year.

Fiscal policy remained loose in China, including a cut of 25ppt of required reserve ratio in March and a 10 ppt cut in the Medium-term Lending Facility (MLF) in June. Market is expecting further lowering of interest rates is possible to revive the domestic retail markets especially on housing and discretionary consumption.

China economy has been recovering in the midst of geopolitical pressure, global inflationary environment and weak international trade. Further economic stimuli are required for the domestic market as well as expanding economic activities with new trading partners.

Relevant stock markets’ performance in the first half of 2023

Indices	30 June 2023	31 December 2022	Change
Hang Seng Index	18,916.43	19,781.41	-4.37%
Hang Seng China Enterprises Index	6,424.88	6,704.94	-4.18%
Hang Seng China-Affiliated Corporations Index	3,723.56	3,695.99	+0.75%
Shanghai SE Composite Index	3,202.06	3,089.26	+3.65%
SZSE Component Index	11,026.59	11,015.99	+0.10%
Taiwan Stock Exchange Weighted Index	16,915.54	14,137.69	+19.65%
Dow Jones Industrial Average Index	34,407.6	33,147.25	+3.80%
Standard and Poor’s 500 Index	4,450.38	3,839.50	+15.91%
NASDAQ Composite Index	13,787.92	10,466.48	+31.73%

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW

Hong Kong Stock Market

Hong Kong stock market in 2023 started off strongly as the market focus on the rebound of economic activities after the end of COVID-19-related restrictions in China.

In January, the Hang Seng Index (“HSI”) surged approximately 2,288 points to 22,069 point. In addition to the post-COVID-19 market re-opening, increasing fiscal spending and policies in support of property developments shored up investors’ confidence to the stock markets. Dampening inflationary pressure in the US also improved market sentiments.

However, geopolitical tension between the two largest economies heightened. Together with the hawkish Fed rhetoric regarding the interest rate outlook, the market took a dive of around 2,056 points, ending HSI below 20,000 points.

In the next two months, with the collapse of various mid-sized banks in the US, the HSI tanked to below 19,000 point. The market rebounded in April with some of the China’s largest tech companies showed upbeat earnings recovery and the US was pumping more liquidity to relieve the banking crisis. The weak RMB and the drama of debt ceiling in the US further exacerbated the market volatility in May to as low as 18,045 point.

In June, the market rebounded on China’s lowering interest rates and consideration of a broad package of stimulus measures. The US rate might halt for a short while also boosted market sentiment. The HSI ended for the month at 18,916 point.

For the first interim of 2023, the HSI and Hang Seng China Enterprise Index was down 4.37% and 4.18% respectively. The most outperforming industry sectors for the period were oil, coal, banking and telecommunications while property management, healthcare, auto retailing and education were some of the most underperforming sectors.

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)

Hong Kong Stock Market (Cont'd)

The return of the Company's listed investment portfolio for the first half of 2023 was a gain of 3.55%, outperformed significantly against a falling market. The five sectors' performances for the period, which we are restricted to invest in are shown as below:

The table below shows the 5 sectors' performance:

Industry Sectors	1st half of 2023
Tech-related (Cloud, software, media, IT platform)	-5.27%
Healthcare	-21.80%
New Energy (materials & power generations)	+2.70%
Consumption (clothing, jewellery, appliances, & drinks)	-7.13%
Telecommunication & Semi (tele-related, hardware & semiconductors)	+9.34%

Note: Since the two major sectors are tech-related and healthcare, in order to be representative, the above performance figures used are Hang Seng Tech Index and Hang Seng Healthcare Index. The other three sectors are simply average returns of stocks within each of the respective sector.

The Investment Manager started off the year 2023 with a cautious view because the stock market rally was started off in November 2022 and was built on economic recovery expectation. As such, it was often short-lived. Hence, the strategy was to sell into the market rally and took advantage of the situation by shifting into sectors that offer values and sustainability. That proved to be a rewarding strategy against a peaking stock market during January and started to decline from February. Tech-related stocks were sold in exchange of telecommunication stocks, which offered high yield and certainty in earnings outlook, regardless of geopolitical tensions.

Towards the mid-year, amid severe market correction, the Investment Manager re-entered into internet-related tech stocks believing that internet companies' fundamental profitability have improved, coupled with the soon-to-be-ended interest rate hike cycle, the internet sector will be one of the major beneficiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)

Listed Securities Portfolio

As at 30 June 2023

Listed securities	Nature of business	Number of shares held	% held of total issued shares %	Cost US\$	Market value US\$	% of net asset value %	% of total asset %	Dividend received US\$
<u>Listed on Hong Kong Stock Exchange</u>								
Tencent Holdings Limited	E-Commerce & internet services	3,900	0.000041	174,300	165,028	8.96	8.59	12,824
Global X China Biotech ETF	Healthcare	6,500	0.057522	50,266	45,968	2.50	2.39	–
China Mobile Limited	Telecommunication	16,000	0.000075	113,854	130,773	7.10	6.80	4,059
Total investment in listed securities				338,420	341,769	18.56	17.78	16,883

As at 31 December 2022

Listed securities	Nature of business	Number of shares held	% held of total issued shares %	Cost US\$	Market value US\$	% of net asset value %	% of total asset %	Dividend received US\$
<u>Listed on Hong Kong Stock Exchange</u>								
China Mobile Limited	Telecommunication	36,000	0.00017	249,391	238,797	11.88	11.20	17,160
Tencent Holdings Limited	E-commerce & internet services	5,000	0.000052	187,048	214,059	10.65	10.04	3,815
Other listed securities				–	–	–	–	3,041
Total investment in listed securities				436,439	452,856	22.53	21.24	24,016

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)

Listed Securities Portfolio (Cont'd)

Particulars of listed securities investments held by the Company as at 30 June 2023 are stated as follows:

Tencent Holdings Limited (“Tencent”, stock code 0700)

Tencent is an internet-based platform company providing online/mobile games, community value-added services, online advertising, payment related services and cloud services. 3,900 shares (approximately 0.000041% held of total issued shares) are held by the Company as at 30 June 2023 at a cost of US\$174,300, with a fair value of US\$165,028 (approximately 8.59% of the Company's total assets).

A dividend income of US\$12,824 and a realised gain of US\$19,503 from Tencent were recorded for the first half of 2023. An unrealised loss of US\$9,272 (-5.32%) was recorded as at 30 June 2023. The Investment Manager believes that internet companies are resuming back to healthy growth again.

China Mobile Limited (“CM”, stock code 0941)

CM is the largest wireless carrier in China, providing mobile voice and multimedia services nationwide. 16,000 shares (approximately 0.000075% held of total issued shares) are held by the Company as at 30 June 2023 at a cost of US\$113,854, with a fair value of US\$130,773 (approximately 6.80% of the Company's total assets).

A dividend income of US\$4,059 and a realised gain of US\$34,168 from CM were recorded for the first half of 2023. An unrealised gain of US\$16,919 (+14.86%) was recorded as at 30 June 2023. As the leading 5G mobile operator in China, the Investment Manager believes that CM offers stable dividend growth, strong cash flow and reasonably good balance against the volatile market.

Global X China Biotech ETF (“BiotechETF”, stock code 2820)

BiotechETF is a passive exchange-traded fund (ETF) and seeks to invest in companies involved in the development of biotechnology in China, including companies whose principal business is in research & development, manufacturing, and distribution of new drugs, therapies, or vaccines using biological materials. 6,500 shares (approximately 0.057522% held of total issued shares) are held by the Company as at 30 June 2023 at a cost of US\$50,266, with a fair value of US\$45,968 (approximately 2.39% of the Company's total assets).

No dividend was received for the first half of 2023. An unrealised loss of US\$4,298 (-8.55%) was recorded as at 30 June 2023. The Investment Manager believes that biotech companies in China will offer a strong growth in the near future given nearly two years of market consolidation.

MANAGEMENT DISCUSSION AND ANALYSIS

UNLISTED INVESTMENT REVIEW

As at 30 June 2023, the Company held one unlisted securities investment but was fully impaired. No new investment was consummated in the first half of 2023 in view of the Company's limited cash resources.

Unlisted Investment Portfolio

As at 30 June 2023 and 31 December 2022

Invested project	Nature of business	% of equity interest	Amount	Unrealised	Fair value	% of net	Dividend	Accumulated
			invested at cost	loss		asset value	income	dividend income
		%	US\$	US\$	US\$	%	US\$	US\$
Global Market Group Limited ^(Note)	B2B platform	9.36	5,847,458	(5,847,458)	-	-	-	1,814,613

Note: An investment in shares through private placement in a B2B internet trading service provider, whose common shares were once listed on London Alternative Investment Market and delisted in September 2015 and reclassified as the Company's unlisted securities investment. This investment was valued at nil since 30 June 2019.

PROSPECTS

The global economic outlook is fragile given the geopolitical tensions between China and the US, the magnitude of U.S. money printing and the breaking up of global supply chain. None of these outcomes are conclusive or going to be resolved within a short period of time. Hence, the stability of our economy depends entirely on China's ability to have a timely stimulus measures necessary to counterbalance the global headwind. Moreover, there is optimism on the interest rate outlook which most likely will stop hiking for a short period of time before the Fed start buying back its own debts.

Within the 5 industry sectors in listed securities investment, the Investment Manager will focus primarily on the recovery of domestic economic activities, hence internet-related tech stocks and consumption related themes will be the first priority in the investment portfolio. The outlook of healthcare companies is also becoming more promising as less macro-control are being imposed. Given the constrained opportunity and limited resources along with the diminishing asset size of the Company, the Investment Manager will continue to adhere the best possible investment strategy and remain cautious on any potential risks.

MANAGEMENT DISCUSSION AND ANALYSIS

KEY PERFORMANCE INDICATOR

The board of Directors (the “Board”) considers that periodic NAV of the Company is a significant financial indicator by which the development and performance of the Company’s business can be measured effectively.

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL COMMITMENT

During the first half of 2023, the Company did not participate in any new unlisted investment. The Company’s cash and bank balances as of 30 June 2023 were US\$1,561,089 (31 December 2022: US\$1,636,507). Apart from listed securities investments, cash were used for operating and administrative expenses. The Company did not have any bank borrowing or capital commitment on its unlisted investment as of 30 June 2023 and 31 December 2022 respectively.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company’s assets, liabilities and transactions are denominated either in Hong Kong dollars or US dollars. As long as the Hong Kong dollar continues its peg to the US dollar in the foreseeable future, the Company does not envisage any material exposure to exchange fluctuations. Accordingly, no hedging instruments were made nor transacted to cushion for such exposure. There is no hedging policy, the value of this investment and currency exposure risk are monitored closely by the Investment Manager.

EMPLOYEES

The Company has one employee and continues to delegate the day-to-day administration and its investment portfolio to the Investment Manager.

Save as disclosed above, information in relation to other matters set out in paragraph 32 of Appendix 16 of the Main Board Listing Rules has not changed materially from the information disclosed in the Company’s 2022 Annual Report.

OTHER INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, none of the Directors nor their associates had registered an interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2023, the following entities or persons had interests and short positions of 5% or more in the shares and underlying shares of the Company based solely on information recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the ordinary shares of US\$0.10 each of the Company

Name	Capacity	Number of shares	Percentage of total issued shares	Notes
Shanghai Industrial Investment (Holdings) Company Limited	Held by controlled corporation	1,884,792	17.64%	(1)
Mr. Yuan Chufeng	Held by controlled corporation	1,781,000	16.67%	(2)
Rosebrook Opportunities Fund LP	Investment manager	1,216,701	11.39%	

Notes:

- (1) Shanghai Industrial Investment (Holdings) Company Limited has an indirect interest of 1,884,792 shares in the Company through its 100% indirect ownership in Eternity Business (HK) Investment Limited.
- (2) Mr. Yuan Chufeng's indirect interest in the Company were 1,781,000 shares by virtue of his 100% control over ZKJK Capital Management Limited.

Save as disclosed above, as at 30 June 2023, no person had registered an interest or short position in shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2023, the Company did not purchase, sell or redeem any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company is committed to maintaining sound corporate governance standards and procedures to ensure integrity, transparency and quality of disclosure to promote the ongoing development of the long term best interests of the Company and to enhance value for all its shareholders. The Board has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company's code of corporate governance practices. During the six months ended 30 June 2023, the Company has complied with the code provisions (the "Code Provisions") under the CG Code, save and except for the deviations as described below.

Code Provisions C.2.1 to C.2.9 set out the division of responsibilities between the chairman and chief executive as well as set out key responsibilities of the chairman from a corporate governance perspective, including Code Provision C.2.7 which stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.

No chairman or chief executive has been appointed or designated by the Company. However, the Board is of the view that all Directors together bring diverse experience and expertise to the Board, and are collectively responsible for the stewardship of the Company. In view of the streamlined structure of the Company, contributions to the Company are made by the Board as a whole, while the investment portfolio and daily operations of the Company are managed by the Investment Manager under the supervision of the Board. The Board considers that this existing structure will not impair the balance of power and authority between the management of the Board and the management of its business as set out in the principle of C.2 of CG Code.

Code Provision F.2.2 provides that, among others, the chairman of the board should attend the annual general meeting of the listed issuer. As stated in the above, no chairman has been appointed or designated by the Company. Given all Directors are collectively responsible for the Company's stewardship, the Board considers that it was adequate for the Board to elect a Director to chair the annual general meeting of the Company held on 17 May 2023.

Code Provision B.2.4(b) provides that where all the Independent Non-executive Directors ("INEDs") of a listed company have served more than 9 years on the board, the listed company should appoint a new INED on the board at the forthcoming annual general meeting for the financial year commencing on or after 1 January 2023.

OTHER INFORMATION

CORPORATE GOVERNANCE *(Cont'd)*

During the six months ended 30 June 2023 and up to date of this interim report, all the INEDs of the Company have served more than 9 years on the Board. No new INED has been appointed to the Board as at the date of this interim report. The Board has considered the recruitment of INED through internal and external sources (for example, personal contacts of current Board members, or by referral of the Company's business associates). However, emigration wave in recent year which led to an outflow of talent and the macroeconomic conditions which brought economic volatility and uncertainties to the securities market and securities and investment industry posed difficulties for the Company in identifying a suitable INED candidate. The Board will keep searching for suitable candidates.

All the INEDs are familiar with the operation of the Company and continue to provide objective input and invaluable contribution to the Board. Notwithstanding the length of service of all the INEDs of the Company is longer than 9 years, the Board is of the view that the existing Board composition will not impair the independence of the Board. As stated in the above, in view of the streamlined structure of the Company, the Board as a whole is responsible for formulating the Company's investment strategy, policies and guidelines, based on which the Investment Manager is responsible for identifying and evaluating investment opportunities and manages the daily operations and administration of the Company's investment portfolio. None of the INEDs are involved in the daily management of the Company. The Board has also annually assessed the independence of the INEDs and is of the view that there are no relationships or circumstances which would interfere with the exercise of their independent judgment and ability to provide independent, balanced and objective view to the affairs of the Company.

THE BOARD

The Board currently has five Directors comprising one Executive Director, one Non-executive Director and three INEDs. Details of the composition of the Board are set out in the "Corporate Information" section on page 2. There is no designated chairman or chief executive of the Board. All Directors are, collectively and individually, aware of their responsibilities to shareholders of the Company.

BOARD COMMITTEES

The Board has established and delegated specific roles and responsibilities to the Audit Committee, Remuneration Committee, Nomination Committee and Investment Committee. These Committees have defined terms of reference which are available on the Company's and HKEX's websites.

OTHER INFORMATION

Audit Committee

The Audit Committee has been established since July 1999 and currently comprises three members, all of whom are INEDs of the Company, namely, Mr. YICK Wing Fat Simon (Chairman), Dr. HUA Min and Mr. ONG Ka Thai. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The Audit Committee has reviewed the Company's unaudited interim condensed financial information for the six months ended 30 June 2023 for the Board's approval. The Audit Committee has also met with management of the Investment Manager to supervise the Company's matters on risk management and internal controls, compliance procedures and financial reporting matters.

The unaudited interim condensed financial information has also been reviewed by the Company's independent auditors, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditors of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young's unmodified independent review report to the Board is included in this interim report.

Remuneration Committee

The Remuneration Committee has been established since March 2005 and currently comprises all three INEDs, namely, Mr. ONG Ka Thai (Chairman), Mr. YICK Wing Fat Simon and Dr. HUA Min, and one Executive Director, namely, Mr. ZHAO Tian.

Nomination Committee

The Nomination Committee has been established since February 2012 and currently comprises all three INEDs, namely Dr. HUA Min (Chairman), Mr. ONG Ka Thai and Mr. YICK Wing Fat Simon.

Investment Committee

The Investment Committee has been established pursuant to Article 109A(a) of the Articles of Association of the Company. The Investment Committee currently has three members comprising Mr. ZHAO Tian (Executive Director), Mr. LU Xuefang (Non-executive Director) and Mr. CHOW Wang (fund manager of the Investment Manager).

OTHER INFORMATION

CHANGES IN DIRECTOR'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, change of Director's information since the publication of the Company's 2022 Annual Report is set out below:

Name of Director	Change
Mr. LU Xuefang	Appointed as director of SIIC Capital (HK) Company Limited in March 2023

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding Directors' securities transactions. In response to specific enquiry by the Company, all Directors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2023.

By Order of the Board
Shanghai International Shanghai Growth Investment Limited
ZHAO Tian
Executive Director

Hong Kong, 24 August 2023