



**SHANGHAI INTERNATIONAL  
SHANGHAI GROWTH INVESTMENT LIMITED**

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

**2015**  
**INTERIM REPORT**

INVESTMENT MANAGER  
SHANGHAI INTERNATIONAL ASSET MANAGEMENT (H.K.) CO., LTD.

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## CORPORATE INFORMATION

### DIRECTORS

#### *Executive Directors:*

Dr. WANG Ching  
Mr. WU Bin

#### *Independent Non-Executive Directors:*

Dr. HUA Min  
Mr. ONG Ka Thai  
Mr. YICK Wing Fat Simon

#### *Other Non-Executive Directors:*

Mr. CHEN Chi-chuan  
Mr. LEE Tien-chieh  
Mr. NI Jianwei (appointed 19 March 2015)  
Mr. TSENG Ta-mon  
Dr. ZHU Zhongqun (resigned 19 March 2015)

### COMPANY SECRETARY

Mr. LIANG Kwan Wah Andrew

### INVESTMENT MANAGER

Shanghai International Asset Management  
(Hong Kong) Company Limited

#### *In Hong Kong:*

Room 1703, 17/F  
Shanghai Industrial Investment Building  
48-62 Hennessy Road  
Wanchai, Hong Kong

#### *In Shanghai:*

16/F, Golden Bell Plaza  
No. 98 Huai Hai Zhong Road  
Shanghai 200021, China

### LEGAL ADVISERS

#### *In Hong Kong:*

Charltons Solicitors & Notary Public

#### *In the Cayman Islands:*

Maples and Calder

### AUDITORS

Ernst & Young  
*Certified Public Accountants*

### CUSTODIAN

Standard Chartered Bank (Hong Kong) Limited

### SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited  
Level 22 Hopewell Centre  
183 Queen's Road East  
Hong Kong

### REGISTERED OFFICE

P.O. Box 309, Uglund House  
Grand Cayman, KY1-1104  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS

Room 1703, 17/F  
Shanghai Industrial Investment Building  
48-62 Hennessy Road  
Wanchai, Hong Kong

### COMPANY'S WEBSITE

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

### STOCK CODE

770

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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 accompanying interim financial information set out on pages 5 to 25, which comprises the condensed statement of financial position of Shanghai International Shanghai Growth Investment Limited (the “Company”) as at 30 June 2015 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 Main Board Listing 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.

The directors 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 Hong Kong Institute of Certified Public Accountants. 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.

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

### 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*

22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

13 August 2015

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

*Six months ended 30 June 2015*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2015</b> <b>(Unaudited)</b> <b>US\$</b>	<b>2014</b> <b>(Unaudited)</b> <b>US\$</b>
<b>INCOME AND GAIN/(LOSS) ON INVESTMENTS</b>			
Interest income		127	216
Dividend income		29,057	12,815
Net change in unrealised (loss)/gain on financial asset at fair value through profit or loss		<b>(621,357)</b>	4,409,503
Net gain/(loss) on disposal of available-for-sale investments		<b>241,481</b>	(94,101)
Impairment loss on available-for-sale investments	15	–	(6,444)
Other income		<b>22,977</b>	–
		<b>(327,715)</b>	4,321,989
<b>EXPENSES</b>			
Investment manager's fees	14(a)	<b>(125,421)</b>	(132,517)
Administrative expenses		<b>(196,992)</b>	(231,313)
		<b>(322,413)</b>	(363,830)
Reversal of income tax provision	7	–	210,000
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<b>(650,128)</b>	4,168,159
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale investments:			
Changes in fair value of available-for-sale investments		<b>215,309</b>	(64,518)
Reclassification adjustment for (gain)/loss included in profit or loss upon disposal of available-for-sale investments		<b>(241,481)</b>	94,101
Impairment loss on available-for-sale investments		–	6,444
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>(26,172)</b>	36,027
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(676,300)</b>	4,204,186
<b>(LOSS)/EARNINGS PER SHARE – BASIC AND DILUTED</b>	9	<b>(7.30 cents)</b>	46.81 cents

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

30 June 2015

		<b>30 June 2015 (Unaudited) US\$</b>	31 December 2014 (Audited) US\$
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Available-for-sale investments	10	<b>2,951,211</b>	2,467,779
Financial asset at fair value through profit or loss	11	<b>6,862,135</b>	7,483,492
Total non-current assets		<b>9,813,346</b>	9,951,271
<b>CURRENT ASSETS</b>			
Prepayments and other receivables		<b>629,952</b>	106,299
Dividend receivable		<b>19,456</b>	1,212
Cash and bank balances		<b>868,840</b>	2,741,983
Total current assets		<b>1,518,248</b>	2,849,494
<b>CURRENT LIABILITIES</b>			
Payables and accruals		<b>128,573</b>	41,212
Amount due to the investment manager	14(b)	<b>22,087</b>	11,819
Total current liabilities		<b>150,660</b>	53,031
<b>NET CURRENT ASSETS</b>		<b>1,367,588</b>	2,796,463
<b>NET ASSETS</b>		<b>11,180,934</b>	12,747,734
<b>EQUITY</b>			
Share capital	12	<b>890,500</b>	890,500
Reserves		<b>10,290,434</b>	10,966,734
Proposed dividend		-	890,500
Total equity		<b>11,180,934</b>	12,747,734
<b>NET ASSET VALUE PER SHARE</b>	13	<b>1.26</b>	1.43

## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

*Six months ended 30 June 2015*

	Share capital US\$	Share premium* US\$	Available- for-sale investment revaluation reserve* US\$	Capital reserve* US\$	Accumulated losses* US\$	Proposed dividend US\$	Total US\$
At 1 January 2015 (audited)	890,500	11,176,435*	149,674*	1,636,034*	(1,995,409)*	890,500	12,747,734
Loss for the period	-	-	-	-	(650,128)	-	(650,128)
Other comprehensive income for the period:							
Changes in fair value of available-for-sale investments, net of tax ( <i>Note a</i> )	-	-	215,309	-	-	-	215,309
Reclassification adjustment for gain included in profit or loss upon disposal of available-for-sale investments	-	-	(241,481)	-	-	-	(241,481)
Total comprehensive income for the period	-	-	(26,172)	-	(650,128)	-	(676,300)
Transfers from accumulated losses ( <i>Note b</i> ):							
Net unrealised loss on change in fair value of financial assets at fair value through profit or loss	-	-	-	(621,357)	621,357	-	-
2014 special final dividend paid	-	-	-	-	-	(890,500)	(890,500)
At 30 June 2015 (unaudited)	890,500	11,176,435*	123,502*	1,014,677*	(2,024,180)*	-	11,180,934

\* These reserve accounts comprise the consolidated reserves of US\$10,290,434 (31 December 2014: US\$10,966,734) in the interim condensed statement of financial position.

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY** (Cont'd)

Six months ended 30 June 2015

	Share capital US\$	Share premium US\$	Available- for-sale investment revaluation reserve US\$	Capital reserve US\$	Accumulated losses US\$	Proposed dividend US\$	Total US\$
At 1 January 2014 (audited)	890,500	12,066,935	205,829	(1,291,812)	(1,476,501)	890,500	11,285,451
Profit for the period	-	-	-	-	4,168,159	-	4,168,159
Other comprehensive income for the period:							
Changes in fair value of available-for-sale investments, net of tax (Note a)	-	-	(64,518)	-	-	-	(64,518)
Reclassification adjustment for loss included in profit or loss upon disposal of available-for-sale investments	-	-	94,101	-	-	-	94,101
Impairment loss on available-for-sale investments	-	-	6,444	-	-	-	6,444
Total comprehensive income for the period	-	-	36,027	-	4,168,159	-	4,204,186
Transfers from accumulated losses (Note b):							
Net unrealised gain on change in fair value of financial assets at fair value through profit or loss	-	-	-	4,409,503	(4,409,503)	-	-
2013 special final dividend paid	-	-	-	-	-	(890,500)	(890,500)
At 30 June 2014 (unaudited)	890,500	12,066,935	241,856	3,117,691	(1,717,845)	-	14,599,137

*Notes:*

- a) Fair value changes of available-for-sale investments are dealt with in the available-for-sale investment revaluation reserve until the available-for-sale investments are sold or impaired, at which time the cumulative net gain or loss shall be reclassified to profit or loss.
- b) Pursuant to the Company's Amended Memorandum and Articles of Association passed on 12 May 2011, profits arising from the realisation of investments are 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.

At 30 June 2015 and 31 December 2014, the balance of the capital reserve represented the unrealised gain/loss on financial assets at fair value through profit or loss.

### INTERIM CONDENSED STATEMENT OF CASH FLOWS

*Six months ended 30 June 2015*

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>(Unaudited) US\$</b>	(Unaudited) US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit for the period	<b>(650,128)</b>	4,168,159
Adjustment for:		
Interest income	<b>(127)</b>	(216)
Dividend income	<b>(29,057)</b>	(12,815)
Reversal of tax provision	<b>–</b>	(210,000)
Net (gain)/loss on disposal of available-for-sale investments	<b>(241,481)</b>	94,101
Fair value loss/(gain) on investments in financial assets at fair value through profit or loss	<b>621,357</b>	(4,409,503)
Impairment loss on available-for-sale investments	<b>–</b>	6,444
	<b>(299,436)</b>	(363,830)
Operating cash flows before movements in working capital		
(Increase)/decrease in dividend, interest and other receivables and prepayments	<b>(523,653)</b>	89,065
Increase in accrued charges	<b>10,153</b>	60,057
Increase in an amount due to the investment manager	<b>10,268</b>	35,288
Increase/(decrease) in other payables	<b>77,208</b>	(134,959)
	<b>(725,460)</b>	(314,379)
Cash used in operations		
Interest received	<b>127</b>	216
Dividend received	<b>10,814</b>	12,815
	<b>(714,519)</b>	(301,348)
Net cash flows used in operating activities		

**INTERIM CONDENSED STATEMENT OF CASH FLOWS** (Cont'd)

Six months ended 30 June 2015

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>US\$</b>	US\$
Net cash flows used in operating activities	<b>(714,519)</b>	(301,348)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale investments	<b>1,381,753</b>	2,391,403
Purchase of available-for-sale investments	<b>(1,649,877)</b>	(1,610,643)
Net cash flows (used in)/from investing activities	<b>(268,124)</b>	780,760
CASH FLOWS FROM FINANCING ACTIVITIES	<b>(890,500)</b>	(890,500)
NET DECREASE IN CASH AND CASH EQUIVALENTS	<b>(1,873,143)</b>	(411,088)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<b>2,741,983</b>	3,958,766
CASH AND CASH EQUIVALENTS AT 30 JUNE	<b>868,840</b>	3,547,678
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	<b>868,840</b>	3,547,678

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

*Six months ended 30 June 2015*

### 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.

During the period, the Company was principally engaged in making investments in operating companies and other entities established or having significant operations in, or doing business with, the People’s Republic of China (“PRC”).

### 2. BASIS OF PREPARATION

The interim condensed financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). They have been prepared on the historical cost convention, except for financial assets at fair value through profit or loss and available-for-sale investments which have been measured at fair values. These interim condensed financial statements are presented in United States dollars (“US\$”).

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### 3. ACCOUNTING JUDGEMENTS AND ESTIMATES

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

The significant judgement 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 2014.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

Six months ended 30 June 2015

### 4. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2014, except for the adoption of the following new and revised HKFRSs as of 1 January 2015 as noted below:

<i>Annual Improvements 2010-2012 Cycle</i>	Amendments to a number of HKFRSs
<i>Annual Improvements 2011-2013 Cycle</i>	Amendments to a number of HKFRSs

The adoption of the new and revised HKFRSs has had no significant financial effect on these interim condensed financial statements. Further information about those HKFRSs that are applicable to the Company is as follows:

The Annual Improvements to *HKFRSs 2010-2012 Cycle and 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. None of the amendments are expected to have a significant financial impact on the Company. Details of the amendments most applicable to the Company are as follows:

**HKFRS 8 *Operating Segments*:** Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

**HKAS 24 *Related Party Disclosures*:** Clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

**HKFRS 13 *Fair Value Measurement*:** The amendment is applied prospectively and clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 (or HKAS 39, as applicable).

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

*Six months ended 30 June 2015*

### 4. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

The Company has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these interim condensed financial statements.

HKFRS 9	<i>Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i> <sup>1</sup>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <sup>1</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>2</sup>
Amendments to HKAS 1	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i> <sup>1</sup>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i> <sup>1</sup>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of HKFRSs <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

The Company is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. Management considers that these new and revised HKFRSs are unlikely to have a significant impact on the Company's results of operations and financial position.

### 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                           |

During the period ended 30 June 2015, the Company's only unlisted securities in C-Media Electronics Inc. ("C-Media") have been approved for listing. As a result, the Company does not have any unlisted securities investments as at 30 June 2015. Further details of the Company's investments are included in notes 10 and 11 to the interim condensed financial statements.

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS***Six months ended 30 June 2015***5. OPERATING SEGMENT INFORMATION** *(Cont'd)*

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

	<b>Listed securities</b> US\$	<b>Unlisted securities</b> US\$	<b>Total</b> US\$
<b>Six months ended 30 June 2015</b> <b>(unaudited)</b>			
Segment results	<b>(350,819)</b>	–	<b>(350,819)</b>
Bank interest income			<b>127</b>
Other income			<b>22,977</b>
Unallocated expenses			<b>(322,413)</b>
Loss for the period			<b>(650,128)</b>
<u>Six months ended 30 June 2014 (unaudited)</u>			
Segment results	4,328,217	(6,444)	4,321,773
Bank interest income			216
Unallocated expenses			(153,830)
Profit for the period			4,168,159

For the six months ended 30 June 2015 and 2014, segment results represented the net gain/ (loss) on disposal of listed and unlisted equity securities classified as available-for-sale investments, impairment loss recognised in respect of available-for-sale investments, net gain/ (loss) on fair value of listed equity securities classified as financial assets at fair value through profit or loss, and the corresponding interest income as well as dividend income earned by each segment without the allocation of administrative expenses and interest income from bank deposits and advances as well as investment manager's fees.

As management considers the Company's nature of business as 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 STATEMENTS**

*Six months ended 30 June 2015*

**5. OPERATING SEGMENT INFORMATION** *(Cont'd)*

The following is an analysis of the Company's assets by operating segment:

	<b>Listed securities</b>	<b>Unlisted securities</b>	<b>Total</b>
	US\$	US\$	US\$
<b><u>At 30 June 2015 (unaudited)</u></b>			
Available-for-sale investments	<b>2,951,211</b>	–	<b>2,951,211</b>
Financial assets at fair value through profit or loss	<b>6,862,135</b>	–	<b>6,862,135</b>
Total segment assets	<b>9,813,346</b>	–	<b>9,813,346</b>
Unallocated assets			<b>1,518,248</b>
Total assets			<b>11,331,594</b>
<b><u>At 31 December 2014 (audited)</u></b>			
Available-for-sale investments	1,808,655	659,124	2,467,779
Financial assets at fair value through profit or loss	7,483,492	–	7,483,492
Total segment assets	9,292,147	659,124	9,951,271
Unallocated assets			2,849,494
Total assets			12,800,765

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

All liabilities as at 30 June 2015 and 31 December 2014 are unallocated liabilities.

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS***Six months ended 30 June 2015***6. GAIN OR LOSS ON INVESTMENTS**

	<b>Listed securities US\$</b>	<b>Unlisted securities US\$</b>	<b>Total US\$</b>
<b>Six months ended 30 June 2015</b>			
<b>(unaudited)</b>			
<i>Included in profit or loss:</i>			
Realised gain:			
Available-for-sale investments	241,481	–	241,481
Unrealised loss:			
Financial asset at fair value through profit or loss	(621,357)	–	(621,357)
Total realised and unrealised losses included in profit or loss			
	<b>(379,876)</b>	–	<b>(379,876)</b>
<i>Included in other comprehensive income:</i>			
Unrealised loss:			
Available-for-sale investments at 30 June 2015	(26,172)	–	(26,172)
Total realised and unrealised losses for the period			
	<b>(406,048)</b>	–	<b>(406,048)</b>

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS**

*Six months ended 30 June 2015*

**6. GAIN OR LOSS ON INVESTMENTS** *(Cont'd)*

	Listed securities US\$	Unlisted securities US\$	Total US\$
<u>Six months ended 30 June 2014 (unaudited)</u>			
<i>Included in profit or loss:</i>			
Realised loss:			
Available-for-sale investments	(94,101)	–	(94,101)
Unrealised gain/(loss):			
Available-for-sale investments	–	(6,444)	(6,444)
Financial asset at fair value through profit or loss	4,409,503	–	4,409,503
	4,409,503	(6,444)	4,403,059
Total realised and unrealised gain/(losses) included in profit or loss	4,315,402	(6,444)	4,308,958
<i>Included in other comprehensive income:</i>			
Unrealised gain:			
Available-for-sale investments at 30 June 2014	65,839	–	65,839
Total realised and unrealised gain/(losses) for the period	4,381,241	(6,444)	4,374,797

**7. TAXATION**

No provision for Hong Kong profits tax has been made in the interim condensed financial statements as the Company did not generate assessable profits arising in Hong Kong for the six months ended 30 June 2015 (six months ended 30 June 2014 (unaudited): Nil). The tax provision of US\$210,000 for the assessment year 2007/08 was reversed in the prior period.

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS***Six months ended 30 June 2015***8. DIVIDEND**

The directors did not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014 (unaudited): Nil).

**9. (LOSS)/EARNINGS PER SHARE – BASIC AND DILUTED**

The calculation of basic loss per share is based on the loss for the period of US\$650,128 (six months ended 30 June 2014 (unaudited): profit of US\$4,168,159) and the weighted average number of ordinary shares of 8,905,000 (six months ended 30 June 2014 (unaudited): 8,905,000) in issue during the period.

No adjustment has been made to the basic loss per share amounts for the six month period ended 30 June 2015 (six months ended 30 June 2014: basic earnings per share) in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during the six month periods ended 30 June 2015 and 2014.

**10. AVAILABLE-FOR-SALE INVESTMENTS**

		<b>30 June 2015 (Unaudited) US\$</b>	31 December 2014 (Audited) US\$
Non-current:			
Listed equity investments, at fair value:			
Hong Kong	<i>(i)</i>	<b>2,702,936</b>	1,808,655
Taiwan	<i>(ii)</i>	<b>248,275</b>	–
Unlisted equity investments, at fair value:			
Taiwan	<i>(ii)</i>	–	659,124
		<b>2,951,211</b>	<b>2,467,779</b>

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

*Six months ended 30 June 2015*

### 10. AVAILABLE-FOR-SALE INVESTMENTS (Cont'd)

Notes:

- (i) The Company's investments in listed equity securities are held for long term and are non-trading in nature and designated as available-for-sale investments. Fair values of the investments in listed equity securities are determined by reference to closing prices quoted in active markets.

During the six months ended 30 June 2015, the net fair value gain in respect of the Company's Hong Kong listed available-for-sale investments recognised in other comprehensive income amounted to US\$79,373 (six months ended 30 June 2014 (unaudited): loss of US\$64,518), of which a gain of US\$98,583 (six months ended 30 June 2014 (unaudited): loss of US\$94,101) was reclassified from other comprehensive income to profit or loss upon disposal for the period.

- (ii) Equity investment in C-Media, a company listed in Taiwan, was acquired by the Company under a private placement subscription on 11 May 2010. The investment was subject to a maximum three-year lock-up restriction under the rules of the relevant jurisdiction from that day which expired in May 2013. During the period ended 30 June 2015, the application for listing of these equity securities have been approved by the relevant authority. As a result, the securities are listed on the GreTai Securities Market of Taiwan as at 30 June 2015.

During the six months ended 30 June 2015, the net fair value gain in respect of the Company's Hong Kong listed available-for-sale investments recognised in other comprehensive income amounted to US\$135,936 (six months ended 30 June 2014 (unaudited): loss of US\$6,444), of which a gain of US\$142,898 (six months ended 30 June 2014 (unaudited): Nil) was reclassified from other comprehensive income to profit or loss upon disposal for the period.

### 11. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2015 (Unaudited) US\$</b>	31 December 2014 (Audited) US\$
Non-current:		
Ordinary shares		
Global Market Group Limited ("GMG")	<b>6,862,135</b>	7,483,492

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS***Six months ended 30 June 2015***11. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS** *(Cont'd)*

The above financial asset at 30 June 2015 and 31 December 2014 was upon initial recognition, designated by the Company as at fair value through profit or loss.

As at 30 June 2015 and 31 December 2014, a total of 8,734,897 ordinary shares of GMG are held by the Company, representing 9.36% (31 December 2014: 9.36%) of GMG's total issued ordinary shares. The value of GMG's ordinary shares was recorded at closing price at each reporting date.

**12. SHARE CAPITAL**

	<b>30 June 2015 (Unaudited) US\$</b>	31 December 2014 (Audited) US\$
Authorised:		
18,000,000 (2014: 18,000,000) ordinary shares of US\$0.1 each	<b>1,800,000</b>	1,800,000
Issued and fully paid:		
8,905,000 (2014: 8,905,000) ordinary shares of US\$0.1 each	<b>890,500</b>	890,500

**13. NET ASSET VALUE PER SHARE**

The calculation of net asset value ("NAV") per share is based on the Company's NAV as at 30 June 2015 of US\$11,180,934 (31 December 2014 (audited): US\$12,747,734) and the number of ordinary shares of 8,905,000 in issue as at 30 June 2015 (31 December 2014 (audited): 8,905,000).

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

*Six months ended 30 June 2015*

### 14. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the interim condensed financial statements, the Company had the following transactions with related parties during the period:

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>US\$</b>	US\$
Investment management and administration fees charged by the investment manager	<b>125,421</b>	132,517

*Note:*

Certain directors of the investment manager, Shanghai International Asset Management (H.K.) Co., Ltd. (the "Investment Manager"), are common directors of the Company.

In accordance with the terms of the investment management agreement and the seven 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 exceeding the high watermark, 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 seventh supplemental agreement to the investment management agreement, the initial high watermark should be the NAV as at 31 December 2010, being US\$31,048,060).

During the six months ended 30 June 2015, the Investment Manager was not entitled to receive an incentive fee in relation to the performance of the Company (six months ended 30 June 2014 (unaudited): Nil), in accordance with the incentive fee calculation of the Investment Management Agreements.

**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS***Six months ended 30 June 2015***14. RELATED PARTY TRANSACTIONS** *(Cont'd)*

- (b) Outstanding balances with related parties:

The amount due to the Investment Manager is unsecured, interest-free, and repayable on demand.

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

The key management personnel of the Company comprise the directors of the Company. Details of directors' emoluments are as follows:

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>US\$</b>	US\$
Directors' fees	<b>23,221</b>	23,225

**15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

The available-for-sale investments and financial assets at fair value through profit or loss held by the Company (both current and non-current assets) are carried at fair value. All other financial assets and liabilities are carried at amortised cost and their carrying amounts approximate to their respective fair values due to the relatively short-term nature of these financial 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 audit committee of the Company. At each reporting date, the Investment Manager analyses the movements in the values of the financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors of the Company. The valuation process and results are discussed with the audit committee twice a year for interim and audit financial reporting.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

*Six months ended 30 June 2015*

### 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

*(Cont'd)*

The fair values of listed equity investments are based on quoted market prices. As at 31 December 2014, the fair value of C-Media had been estimated using an equity pricing model based on assumptions that were not supported by observable market prices or rates. The valuation required making estimates about the expected time for listing and volatility of the share price. Management believed that the estimated fair value resulting from the valuation technique, which was recorded in other comprehensive income, was reasonable, and that it was the most appropriate value at the end of the reporting period.

For the fair value of investment in C-Media, management has estimated the potential effect of using reasonably possible alternatives as input to the valuation model and the effect is insignificant.

The Company uses the following hierarchy for determining and disclosing the fair values of financial instruments:

#### Assets measured at fair value:

	Fair value measurement using			Total US\$
	Quoted price in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	US\$	US\$	US\$	

#### As at 30 June 2015 (unaudited)

*Financial assets at fair value through profit or loss*

Listed equity securities	6,862,135	-	-	6,862,135
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*Available-for-sale investments*

Listed equity securities	2,951,211	-	-	2,951,211
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Total	9,813,346	-	-	9,813,346
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**NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS***Six months ended 30 June 2015***15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS***(Cont'd)*

	Fair value measurement using			Total US\$
	Quoted price in active markets Level 1 US\$	Significant observable inputs Level 2 US\$	Significant unobservable inputs Level 3 US\$	
<i>As at 31 December 2014 (audited)</i>				
<i>Financial assets at fair value through profit or loss</i>				
Listed equity securities	7,483,492	–	–	7,483,492
<i>Available-for-sale investments</i>				
Listed equity securities	1,808,655	–	–	1,808,655
Unlisted equity securities	–	–	659,124	659,124
Total	9,292,147	–	659,124	9,951,271

The Company did not have any financial liabilities measured at fair value as at 30 June 2015 and 31 December 2014.

As detailed in note 10 to the interim condensed financial statements, as at 31 December 2014, the investment in C-Media was not yet listed. The fair value of the investment in C-Media is valued by the equity pricing model. Management considered the fair value of the investment in C-Media to be reliance on unobservable inputs and hence classified the investment's fair value as Level 3 of the fair value hierarchy.

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

*Six months ended 30 June 2015*

### 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

*(Cont'd)*

Reconciliation of Level 3 fair value measurements of financial assets is as follows:

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>US\$</b>	US\$
<i>Available-for-sale investments</i>		
At 1 January	<b>659,124</b>	749,850
Impairment recognised in profit or loss	–	(6,444)
Transfer into Level 1	<b>(659,124)</b>	–
	–	743,406
At 30 June		

During the six months ended 30 June 2015 and 2014, there were no transfers of fair value measurements between Level 1 and Level 2. There were no transfers into or out of Level 3 fair value measurements during the six months ended 30 June 2014. During the six months ended 30 June 2015, the Level 3 investment was transferred to Level 1 as it was listed on the GreTai Securities of Taiwan. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting periods.

### 16. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved and authorised for issue by the Board of Directors of the Company on 13 August 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

The Company recorded an unaudited loss of US\$650,128 for the six months ended 30 June 2015 (six months ended 30 June 2014: profit of US\$4,168,159). Such loss was mainly attributable to unrealised fair value loss in the Company's investment in Global Market Group Limited ("GMG"), which is currently listed on the Alternative Investment Market ("AIM") of the London Stock Exchange since 22 June 2012.

The market price of GMG increased steadily in the first half of 2014 after a share buy-back scheme and business cooperation with Guangzhou Daily Group. However, due to operating losses in the second half, GMG's share price gradually dropped slightly, coupled with the weakness of GBP exchange rate, the fair value of GMG as at 30 June 2015 dropped 23.45% as compared with that of 30 June 2014 (approximately 8.3% since 31 December 2014). The Company recorded a fair value loss of US\$621,357 on GMG for the six-months ended 30 June 2015 (six months ended 30 June 2014: fair value gain of US\$4,409,503).

The Company's unlisted investment in the private placement shares in C-Media Electronics Inc. ("C-Media") successfully got listed on the Taiwan GreTai Securities Market on 3 June 2015. Accordingly, the unlisted investment in C-Media has been re-classified as listed investment. The Investment Manager has been closely monitoring C-Media's price performance and prevailing market conditions to gradually cash out on this investment. Up to 30 June 2015, the Company has sold 70% of its holding in C-Media and recorded realised profits of US\$142,898 for the period ended 30 June 2015.

The Company recorded realised gain of US\$98,583 (six months ended 30 June 2014: US\$94,101 loss) on disposal of listed securities for the six months ended 30 June 2015. Owing to concerns about the uncertain domestic economic growth prospects and stability of the stock market, the Company continued to persist in a conservative investment strategy, which lowered market risk exposures. As a result the Company's listed securities portfolio benefited less from the Hong Kong stocks' boom in April 2015 and recorded a 4.38% gain in the first half. Dividend income from listed securities of US\$29,057 was recorded in the reporting period as compared to US\$12,815 in the last corresponding period.

The Company paid its shareholders a special final dividend of US\$0.10 per share in June 2015. As at 30 June 2015, the Company's net asset value ("NAV") per share was US\$1.26 as compared with US\$1.43 at the end of 2014; such decrease was mainly due to dividend payment and unrealised loss in the fair value of GMG.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC REVIEW

#### *China Economy*

Affected by factors such as weak overseas demand, excess capacity and deleveraging, Chinese economy remained weak in the first half of 2015. Gross Domestic Product (“GDP”) growth rate was only 7.0% in the first quarter, which was the lowest in the last 24 quarters. In the second quarter, despite continued slowdown in indicators of main sectors such as investment, consumption, exports and industrial production, GDP growth was still maintained at 7.0%. Overall, GDP grew by 7.0% year-on-year during the first half of 2015.

The Chinese Government focused on boosting domestic demand through stimulating consumption and investments coupled with accelerated approval and construction process of major infrastructure projects, promoted local government debt swaps and encouraged public entrepreneurship, e-commerce and consumer finance developments. Further policies are expected to be implemented to fine-tune economic structure and open the market with continued reforms of state-owned enterprises. In terms of monetary policy, the Central Bank is expected to maintain accommodative monetary environment in lowering corporate financing cost through cutting reserve rate and interest rate.

Looking ahead to the third quarter, as a result of growth stabilisation policies, less constraints on capital and low base effect, the Chinese economy may likely stabilise with a slight rally. However, with fundamentals to recovery remaining weak and continuing large downward pressure, implementation of growth stabilisation policies are expected to continue.

#### *Relevant stock markets' performance in the first half of 2015*

Indices	30 June 2015	31 December 2014	Change
Hang Seng Index	<b>26,250.03</b>	23,605.04	11.21%
Hang Seng China Enterprises Index	<b>12,981.23</b>	11,984.69	8.32%
Hang Seng China-Affiliated Corporations Index	<b>4,876.74</b>	4,350.00	12.11%
Shanghai SE Composite Index	<b>4,277.22</b>	3,234.68	32.23%
Shenzhen SE Composite Index	<b>2,464.23</b>	1,415.19	74.13%
Taiwan Exchange Index	<b>9,323.02</b>	9,307.26	0.17%
Dow Jones Industrial Average Index	<b>17,619.51</b>	17,823.07	-1.14%
Standard and Poor's 500 Index	<b>2,063.11</b>	2,058.90	0.20%
NASDAQ Composite Index	<b>4,986.87</b>	4,736.05	5.30%

Source: Bloomberg

## MANAGEMENT DISCUSSION AND ANALYSIS

### INVESTMENT REVIEW

#### Portfolio Allocation

	<b>30 June 2015</b>	31 December 2014
Listed investments		
– in Hong Kong	<b>24%</b>	14%
– in London	<b>61%</b>	59%
– in Taiwan	<b>3%</b>	–
Unlisted investment	–	5%
Cash and net receivables	<b>12%</b>	22%
Total	<b>100%</b>	100%

### LISTED INVESTMENTS REVIEW

#### Hong Kong stock market

During the first half of 2015, Hong Kong stocks fluctuated upwards in the first quarter, rocketed up in April, but then fell into a bearish slide in May. At the beginning of April, the Chinese Securities Regulatory Commission (“CSRC”) announced that mutual funds were allowed to directly invest in designated Hong Kong stocks through the “Hong Kong Stock Market Direct Access” Scheme without Qualified Domestic Institutional Investor (“QDII”) qualifications. Meanwhile, pushed by abundant liquidity conditions and high reform expectations, the Shanghai Composite Index rose steadily to reach 5,000 points. The widely anticipated eventual approval of capital interconnection policies led by the “Shenzhen Hong Kong Mutual Market Access” Scheme at one stage made the Hong Kong market sentiment extremely fevered. However, utilisation of “Hong Kong Stock Market Direct Access” Scheme quota was lower than expectations. On the other hand, CSRC’s overly aggressive deleverage measures created a domino effect, which caused successive huge slump in A shares, even the “double cut” policies published by People’s Bank of China in order to stabilise investor sentiment proved to be ineffective. As a result, Hong Kong stocks entered into a confirmed downward fluctuation slide. As of 30 June 2015, the Hang Seng Index closed at 26,250 points, still up by 11.21% compared to 23,605 points at the end of last year.

Owing to concerns about the uncertain domestic economic growth prospects and stability of the stock market, the Company continued to persist in a conservative investment strategy, which lowered market risk exposures. As a result the Company’s listed securities portfolio benefited less from the Hong Kong stocks’ boom in April 2015 and recorded a 4.38% gain in the first half.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *AIM, London stock market*

#### Global Market Group Limited (“GMG”)

The Company invested in GMG Preferred Shares for a consideration of US\$5 million in March 2008. In June 2010, the Company reinvested its dividend entitlement of US\$847,458 for additional GMG Preferred Shares to increase its equity interest to 9.67%. GMG’s ordinary shares are currently listed on the AIM of the London Stock Exchange. As at 30 June 2015, a total of 8,734,897 ordinary shares of GMG are held by the Company, representing 9.36% of GMG’s total issued ordinary shares.

GMG is a leading B2B internet trading service provider in the PRC. It focuses on providing an international trading service platform for high-end quality export manufacturers in China and international buyers. Currently, its internet trading service consists of M2B and M2C businesses.

During the two-year strategic adjustment period running from 2013 to 2014, over 30,000 manufacturers have been users of GMG. Gross revenue increased by 13.9% for the year ended 31 December 2014, wherein, GMG recorded revenue growth of 4.4% in M2B segment, online platform transactions increased by 40.6% and registered buyers increased 15% to 13.6 million. Despite achieving revenue growth, due to huge investment in developing Feifei ([www.feifei.com](http://www.feifei.com)), GMG recorded net losses in 2014.

GMG invested US\$12.9 million in Feifei. With the continuing support of Guangzhou Daily Group, FeiFei will transit its business model from an M2C to M2B2C model and focus more on serving the manufacturers, improving user experience and building up a service which will address the whole supply chain.

As at 30 June 2015, the market price of GMG was £0.50 per share (31 December 2014: £0.55), representing a fair value of US\$6,862,135. The Investment Manager considers that GMG’s current stock price still does not reflect its intrinsic value and will continue to monitor closely for appropriate exit opportunity.

### *Taiwan GreTai Securities Market*

#### C-Media Electronics Inc. (“C-Media”)

In May 2010, the Company participated in a private placement launched by C-Media by subscribing for 1 million new shares therein at an investment cost of US\$1.2 million approximately, whose common shares are listed on the Taiwan GreTai Securities Market (stock code 6237.TT). The Company recorded these private placement shares as unlisted investment.

Following the release of lock-up restriction of the private placement shares in May 2013, C-Media achieved satisfactory net profits and return on equity level in the year 2014 and therefore became qualified to list. The private shares commenced trading on Taiwan GreTai Securities Market effective on 3 June 2015. Accordingly, the Company’s unlisted investment in C-Media is re-classified as listed investment.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Investment Manager has been closely monitoring C-Media's price performance and prevailing market conditions to gradually cash out on this investment. Up to 30 June 2015, the Company sold 70% of its holding in C-Media and recorded realised profits of US\$142,898. As at 30 June 2015, the Company was holding 300,000 shares in C-Media, representing a market value of US\$248,275.

## UNLISTED INVESTMENT REVIEW

The Investment Manager studied several potential projects in the first half of 2015 in various sectors such as healthcare and mobile games etc. However, the Company did not make any new investments in view of limited cash resources.

## PROSPECTS

It is believed that China will experience deeper and more comprehensive market reform and economic transition in the second half of 2015. Financial systems reforms such as IPO registration system and marketisation of interest rate will gradually tackle the problem of capital flow inefficiency, help Small and Medium Enterprises (SMEs) to obtain finance and increase the efficiency of social assets allocation. Local Debt-Swap Plan is implemented to reduce debt systematic risk. Reform of state-owned enterprises will continue to increase their efficiency. At the same time, Chinese economy is transforming to an innovative economy, which is led by the new concept of "Internet +" to create new growth drivers and core competencies of national economy.

However, many risk factors of common concern still exist. From a domestic perspective, Chinese economy has slowed down significantly. The prospects of reform are as yet unclear while local governments and corporates debt level remain high. Deleveraging of stock market has yet to be completed with the stability of financial system still at risk. From a global perspective, increase in interest rate in the US has been widely anticipated; economic growth of Europe is weak with debt crisis of Greece failed to be tackled properly.

Opportunities and risks both exist in the Hong Kong market. From a horizontal view, valuation of Hong Kong stock market is attractive. However, only if domestic and global risks are relieved, can Hong Kong stock market attract more global capital to increase asset allocation. In the long run, Chinese capital is expected to choose Hong Kong as the primary bridgehead for capital outflow.

The Investment Manager has been actively looking for exit opportunities for C-Media and GMG, both of them are unlisted at the time of investment. C-Media was fully exited with realised profits at end of July 2015. On the listed securities front, the management team of the Investment Manager will continue to monitor the best timing to gradually overweight industries that will be reform beneficiaries and supported by state policies, such as healthcare, technology, media and telecom, and the finance sector. The Company will continue to adhere to its prudent investment strategy and always be aware of the risks.

## OTHER INFORMATION

### LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL COMMITMENT

During 2015, the Company did not participate in any new unlisted investment. The Company's bank balances as of 30 June 2015 were US\$868,840 (31 December 2014: US\$2,741,983) after a special dividend payout of US\$890,500 in June 2015. 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 investments as of 30 June 2015 and 31 December 2014 respectively.

### EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

Save for below-mentioned investments denominated in New Taiwan dollars ("NT\$") and Great Britain pounds ("£"), the Company's assets, liabilities and transactions are denominated either in Hong Kong dollars, US dollars or Renminbi ("RMB"). 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. The moderate depreciation of the RMB regime against the US dollar has a negligible impact on the Company. Accordingly, no hedging instruments were made nor transacted to cushion for such exposure.

As at 30 June 2015, the Company's investment in two listed securities are valued at NT\$7.66 million and £4.36 million respectively. There is no hedging policy, the value of these investments and currency exposure risk are monitored closely by the Investment Manager.

### EMPLOYEES

Other than maintaining a qualified accountant, the Company has no other employee. The Company continues to delegate the day-to-day administration of its investment portfolio to the Investment Manager.

### DIRECTORS' INTERESTS OR SHORT POSITIONS IN SHARES

As at 30 June 2015, 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 requested to be recorded pursuant to section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

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

<b>Name</b>	<b>Capacity and nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of total issued shares of the Company</b>	<i>Notes</i>
Mr. Bart M. Schwartz	Receiver of Gabriel Capital, L.P. and Ariel Fund Limited	1,061,817	11.92%	(1)
Mr. J. Ezra Merkin	Held by controlled corporation	494,843	5.56%	(1)
Gabriel Capital Corporation	Held by controlled corporation	1,127,739	12.66%	(1)
Ariel Fund Limited	Beneficial owner	632,896	7.11%	(1)
Mr. Hsu Sheng-yu	Held by controlled corporation	1,063,040	11.94%	(2)
Chung Chia Co., Ltd.	Beneficial owner	590,743	6.63%	(2)
Kwang Shun Co., Ltd.	Beneficial owner	472,297	5.30%	(2)
Ms. Hsu Tsui-hua	Held by controlled corporation	590,743	6.63%	(3)
Ms. Chang Hsiu-yen	Held by controlled corporation	472,297	5.30%	(4)
Shanghai International Group Corporation Ltd.	Held by controlled corporation	495,000	5.56%	(5)
Shanghai International Trust Corporation Ltd.	Beneficial owner	495,000	5.56%	(5)
Ruentex Industries Ltd.	Beneficial owner and held by controlled corporation	592,752	6.66%	(6)
Ruentex Development Co., Ltd.	Beneficial owner and held by controlled corporation	563,752	6.33%	(7)

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS (Cont'd)

*Notes:*

- (1) Mr. Bart M. Schwartz ("Receiver") was appointed on 29 May 2009 as the Receiver of Gabriel Capital, L.P. and Ariel Fund Limited, each of them were holding 428,921 shares and 632,896 shares of the Company respectively. Mr. J. Ezra Merkin's indirect interests in the Company were 494,843 shares by virtue of his 100% control over Gabriel Capital Corporation. Besides, Gabriel Capital Corporation was also deemed to be indirectly interested in the Company through its management of Ariel Fund Limited.
- (2) Mr. Hsu Sheng-yu has an indirect interest in the Company through his 50% beneficial interest in each of Chung Chia Co. Ltd., and Kwang Shun Co., Ltd.
- (3) Ms. Hsu Tsui-hua has an indirect interest in the Company through her 50% beneficial interest in Chung Chia Co., Ltd.
- (4) Ms. Chang Hsiu-yen has an indirect interest in the Company through her 50% beneficial interest in Kwang Shun Co. Ltd.
- (5) Shanghai International Group Corporation Ltd. has an indirect interest in the Company through its approximately 66.33% equity interest in Shanghai International Trust Corporation.
- (6) Apart from a direct holding of 257,000 shares in the Company, Ruentex Industries Limited has held indirect interest in the Company through its 100% ownership in Full Shine International Holdings Ltd.
- (7) Apart from a direct holding of 228,000 shares in the Company, Ruentex Development Co., Ltd. has an indirect interest in the Company through its 100% ownership in Ruentex Construction International (BVI) Ltd.

Save as disclosed above, as at 30 June 2015, 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.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2015, the Company did not purchase, redeem or sell any of the Company's listed securities.

## OTHER INFORMATION

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Shanghai International Shanghai Growth Investment Limited (the “Company”) is pleased to present its first Environmental, Social and Governance Report (“ESG Report”) to demonstrate its commitment to sustainable development. This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) of Hong Kong Exchanges and Clearing Limited (“HKEx”), which covers four subject areas, including workplace quality, environmental protection, operating practices and community involvement.

The Guide encourages an issuer to identify and disclose ESG information that is material and relevant to an issuer’s business. During the self-assessment of the Company’s business, the management has decided the following subject areas and aspects are material to the Company:

HKEx ESG Subject Areas		HKEx ESG Aspects	
A.	Workplace quality	A3.	Development and training
B.	Environmental protection	B1.	Emissions
		B2.	Uses of resources
C.	Operating practices	C2.	Product responsibility
		C3.	Anti-corruption
D.	Community involvement	D1.	Community investment

The reporting period of this ESG Report is from 1 January 2015 to 30 June 2015. Unless otherwise specified, the reporting boundary of this ESG Report is the same as this Interim Report.

#### A. *Workplace Quality*

##### *Development and Training*

The Company supports its staff to develop and enhance their professional knowledge and skills to cope with the evolving market environment and compliance level. On top of on-the-job training, the staff is encouraged to take external professional training to strengthen their work-related expertise. During the reporting period, the only staff of the Company has completed about 10 hours of training related to the professional Continuing Professional Development (CPD) requirements in order to discharge her duties professionally.

## OTHER INFORMATION

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Cont'd)*

#### B. *Environmental Protection*

##### *Emissions and Uses of resources*

According to the requirements of the Guide, the Company has quantified the greenhouse gas (GHG) emissions and resource usage of its office operation. The results<sup>1</sup> are summarised as follows:

	<b>Jan 2015 – Jun 2015</b>	Jan 2014 – Jun 2014
Electricity Consumed (kWh) <sup>2</sup>	<b>1,110</b>	899
Paper Used (kg)	<b>17.5</b>	18.3
Scope 1		
GHG Emissions (kg CO <sub>2e</sub> )	–	–
Scope 2		
GHG Emissions <sup>3</sup> (kg CO <sub>2e</sub> )	<b>818.8</b>	710.5
Scope 3		
GHG Emissions (kg CO <sub>2e</sub> )	<b>84</b>	88
Total GHG Emissions (kg CO <sub>2e</sub> )	<b>902.8</b>	798.5

##### *Notes:*

1. Please note that the Company's office also accommodates 5 other non-Company staff, all of whom are from the Investment Manager. As such, a factor of 1/6 or 0.167 is used to estimate the utility consumption accounted for the Company's staff. This ratio indicator method is based on the "Guidelines To Account for And Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong" published by the Environmental Protection Department and Electrical and Mechanical Services Department in 2010.
2. Consumption from the central building services including electricity usage due to the elevator and central air-conditioning are excluded from the reporting scope, because it was not within the operational boundary of the Company.
3. The power company-specific emission factor of HK Electric Company (0.79 kg/kWh) in the year 2014 is adopted for the calculation. The emission factor can be found in HK Electric Investment's 2014 sustainability report.

## OTHER INFORMATION

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Cont'd)*

#### B. *Environmental Protection (Cont'd)*

##### *Emissions and Uses of resources (Cont'd)*

The Company's operation is mainly office-based and it is committed to minimising the impact of businesses on the environment through adopting eco-friendly measures at the office. For example, staff is encouraged to reduce paper consumption by double-sided printing and reusing papers printed on one side. A mix of LED and fluorescent lights are used to reduce energy consumption for lighting. Staff is reminded to switch off lights and air-conditioning in the meeting room when it is not in use, and the room temperature is maintained at 25 degrees Celsius to save energy.

#### C. *Operating Practices*

##### *Product responsibility*

The Company puts high priority in maintaining business integrity and corporate governance standards to promote the long-term best interests to all its shareholders and stakeholders. The detailed corporate governance practices and internal control procedures regarding product responsibility will be listed in the "Corporate Governance Report" section of the Company's 2015 Annual report.

During the reporting period, the Company received no complaint of any violations of the corporate governance code and the services provided. The Company will continue to ensure applicable governmental and regulatory laws, rules, codes and regulations are complied with.

##### *Anti-corruption*

The Company upholds high standards on promoting anti-corruption, with all its employees and directors required to maintain a high level of business ethics. The Audit Committee has the overall responsibility for matters related to the internal controls of anti-corruption. To demonstrate our commitment, a written whistleblowing policy and relevant communication channels have been established for employees to raise, in confidence, concerns on possible improprieties directly to the Audit Committee.

During the reporting period, the Company's had no legal cases regarding corrupt practices brought against the Company or its employees.

## OTHER INFORMATION

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(Cont'd)*

#### *D. Community Involvement*

The Company is fully aware of the importance of interacting with the wider community in fulfilling corporate social responsibility. In this aspect, the Company and its Investment Manager would explore the possibility to identify suitable partners and support community and environmental programmes that align with the Company's missions and values.

It believes the best way for it to serve the community is to drive positive community impact through its investment portfolio. To create shared values with the community and stakeholders, the Company will explore the possibility to consider ESG factors in selecting future investment projects.

### CORPORATE GOVERNANCE CODE

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 2015, the Company has complied with the code provisions under the CG Code, save and except for the following:

Code A.4.1 which provides that non-executive directors should be appointed for a specific term and subject to re-election.

The Company's non-executive directors do not have a specific term of appointment. However, they are subject to retirement by rotation once every three years pursuant to the Company's Articles of Association.

Code A.6.7 which provides for independent non-executive directors and other non-executive directors to, inter alia, attend general meetings.

At the Company's last Annual General Meeting held on 12 May 2015, three non-executive directors were unable to attend due to respective prior engagements overseas at the relevant time.

## OTHER INFORMATION

### AUDIT COMMITTEE

The Company has established an Audit Committee since July 1999 and has formulated its written terms of reference, which have from time to time been modified in accordance with the prevailing provisions of the CG Code. The Audit Committee currently comprises Mr. YICK Wing Fat, Simon (chairman), Mr. ONG Ka Thai, Dr. HUA Min and Mr. CHEN Chi-chuan, all of whom are non-executive directors, with three of them being independent. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The Audit Committee has reviewed the Company's unaudited interim financial statements for the six months ended 30 June 2015 and discussed with management in conjunction with the external auditors. The Audit Committee also meets with management of the Investment Manager to supervise the Company's matters on internal control, risk management and financial reporting process.

### REMUNERATION COMMITTEE

In compliance with the CG Code, the Company established its Remuneration Committee in March 2005 and comprises all three independent non-executive directors ("INEDs"), namely, Mr. ONG Ka Thai (chairman), Mr. YICK Wing Fat Simon and Dr. HUA Min, and the two executive Directors, namely, Dr. WANG Ching and Mr. WU Bin.

### NOMINATION COMMITTEE

In compliance with the CG Code, the Company established its Nomination Committee in February 2012 and comprises all three INEDs, namely Dr. HUA Min (chairman), Mr. ONG Ka Thai and Mr. YICK Wing Fat Simon.

### 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 2015.

By order of the Board  
**Shanghai International Shanghai Growth Investment Limited**  
**WANG Ching**  
*Executive Director*

Hong Kong, 13 August 2015