



2021

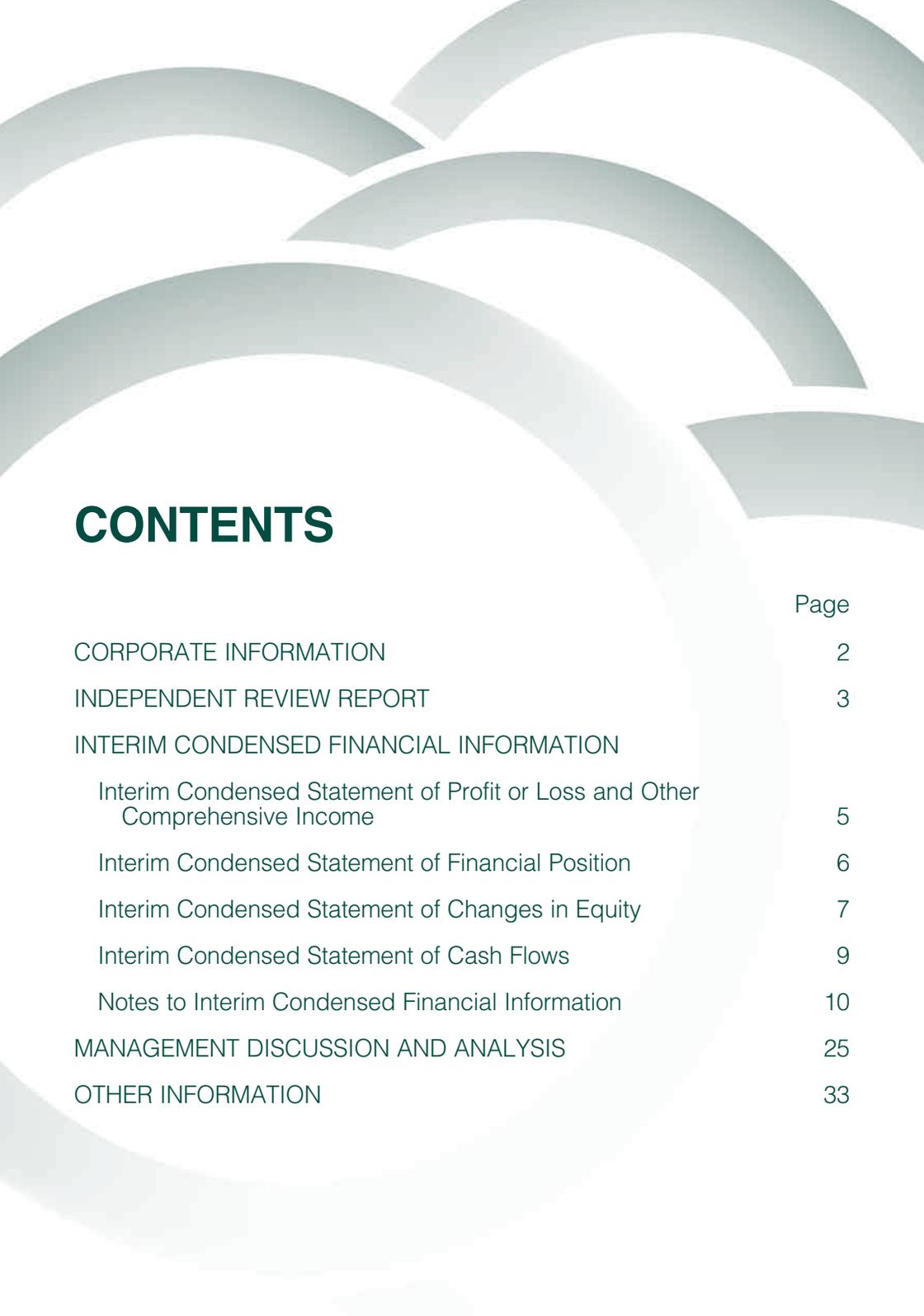
INTERIM REPORT

SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED

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

Investment Manager

Shanghai International Asset Management (Hong Kong) Company Limited



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CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Dr. WANG Ching

Mr. ZHAO Tian (*appointed on 28 June 2021*)

Mr. WU Bin (*resigned on 15 June 2021*)

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. NG Yin Yuet Jenny

INVESTMENT MANAGER

Shanghai International Asset Management
(Hong Kong) Company Limited

In Hong Kong:

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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

CUSTODIAN

Standard Chartered Bank (Hong Kong) Limited

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

REGISTERED OFFICE

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PRINCIPAL PLACE OF BUSINESS

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Wanchai, Hong Kong

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 24, which comprises the condensed statement of financial position of Shanghai International Shanghai Growth Investment Limited (the "Company") as at 30 June 2021 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 2021

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

30 June 2021

		30 June 2021 (Unaudited) US\$	31 December 2020 (Audited) US\$
	<i>Notes</i>		
NON-CURRENT ASSET			
Financial assets at fair value through profit or loss	11	780,751	286,518
Total non-current asset		780,751	286,518
CURRENT ASSETS			
Prepayments		18,390	45,815
Dividend receivables		540	–
Cash and bank balances	12	2,665,600	3,458,439
Total current assets		2,684,530	3,504,254
CURRENT LIABILITIES			
Accruals		52,424	49,603
Amount due to the investment manager	15(b)	43,326	51,834
Total current liabilities		95,750	101,437
NET CURRENT ASSETS		2,588,780	3,402,817
NET ASSETS		3,369,531	3,689,335
EQUITY			
Share capital	13	1,068,600	1,068,600
Reserves		2,300,931	2,620,735
Total equity		3,369,531	3,689,335
NET ASSET VALUE PER SHARE	14	0.32	0.35

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital US\$	Share premium account US\$	Capital reserve US\$ (Note a)	Accumulated losses US\$	Total US\$
At 31 December 2020 (audited)	1,068,600	12,921,815*	(5,804,463)*	(4,496,617)*	3,689,335
Total comprehensive loss for the period	-	-	-	(319,804)	(319,804)
Transfer from accumulated losses (Note a):					
Net unrealised loss on change in fair value of financial assets at fair value through profit or loss	-	-	(58,901)	58,901	-
At 30 June 2021 (unaudited)	1,068,600	12,921,815*	(5,863,364)*	(4,757,520)*	3,369,531
	Share capital US\$	Share premium account US\$	Capital reserve US\$ (Note a)	Accumulated losses US\$	Total US\$
At 31 December 2019 (audited)	1,068,600	12,921,815	(5,836,550)	(4,502,361)	3,651,504
Total comprehensive income for the period	-	-	-	64,429	64,429
Transfer from accumulated losses (Note a):					
Net unrealised gain on change in fair value of financial assets at fair value through profit or loss	-	-	251,045	(251,045)	-
At 30 June 2020 (unaudited)	1,068,600	12,921,815*	(5,585,505)*	(4,688,977)*	3,715,933

* These reserve accounts comprise the reserves of US\$2,300,931 (31 December 2020 (audited): US\$2,620,735; six months ended 30 June 2020 (unaudited): US\$2,647,333) in the interim condensed statement of financial position.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

Note:

- a) Pursuant to the Company's Amended and Restated Memorandum and Articles of Association passed on 26 November 2019, 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 unrealised gain/(loss) on change in 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 2021, a net unrealised loss on change in fair value of financial assets at fair value through profit or loss of US\$58,901 was transferred from accumulated losses to capital reserve (six months ended 30 June 2020: net unrealised gain of US\$251,045).

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

Notes	For the six months ended 30 June	
	2021 (Unaudited) US\$	2020 (Unaudited) US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(319,804)	64,429
Adjustments for:		
Interest income	(23)	(31)
Dividend income	(6,659)	(9,899)
Net loss/(gain) on disposal of financial assets at fair value through profit or loss	6 8,579	(70,913)
Net change in unrealised loss/(gain) on financial assets at fair value through profit or loss	6 58,901	(251,045)
Operating cash flows before movements in working capital	(259,006)	(267,459)
Increase in financial assets at fair value through profit or loss	(561,713)	(579,325)
Decrease in prepayments and dividend receivables	27,425	20,341
Increase in amount due from a broker	–	(88,497)
(Decrease)/increase in amount due to the investment manager	(8,508)	423
Increase/(decrease) in accruals	2,821	(8,474)
Cash used in operations	(798,981)	(922,991)
Interest received	23	31
Dividend received	6,119	9,899
Net cash flows used in operating activities	(792,839)	(913,061)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(792,839)	(913,061)
Cash and cash equivalents at beginning of period	3,458,439	3,419,680
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,665,600	2,506,619
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	12 2,665,600	2,506,619
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS	2,665,600	2,506,619

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

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 2021 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 2021 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 2020, 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 2020.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

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 2020.

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:

Six months ended 30 June 2021	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
Segment results	(60,821)	–	(60,821)
Interest income from bank deposits			23
Exchange loss			(3,242)
Other income			506
Unallocated expenses			(256,270)
Loss before tax			(319,804)

For the six months ended 30 June 2021, 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.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

5. OPERATING SEGMENT INFORMATION (Cont'd)

Six months ended 30 June 2020	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
Segment results	331,857	–	331,857
Interest income from bank deposits			31
Exchange gain			10,121
Unallocated expenses			(277,580)
Profit before tax			64,429

For the six months ended 30 June 2020, 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 gain 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 2021

5. OPERATING SEGMENT INFORMATION (Cont'd)

The following tables present the asset information of the Company's operating segments as at 30 June 2021 and 31 December 2020:

30 June 2021	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
Financial assets at fair value through profit or loss	780,751	–	780,751
Dividend receivables	540	–	540
Total segment assets	781,291	–	781,291
Unallocated assets			2,683,990
Total assets			3,465,281
31 December 2020	Listed securities (Audited) US\$	Unlisted securities (Audited) US\$	Total (Audited) US\$
Financial assets at fair value through profit or loss	286,518	–	286,518
Total segment assets	286,518	–	286,518
Unallocated assets			3,504,254
Total assets			3,790,772

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 2021 and 31 December 2020 were unallocated liabilities.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

6. GAIN OR LOSS ON INVESTMENTS

For the six months ended 30 June 2021

	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
<i>Included in profit or loss:</i>			
Realised loss:			
Financial assets at fair value through profit or loss	(8,579)	-	(8,579)
Unrealised loss:			
Financial assets at fair value through profit or loss	(58,901)	-	(58,901)
Total realised and unrealised loss included in profit or loss	(67,480)	-	(67,480)
Total realised and unrealised loss for the period	(67,480)	-	(67,480)

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

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

For the six months ended 30 June 2020	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	70,913	–	70,913
Unrealised gain:			
Financial assets at fair value through profit or loss	251,045	–	251,045
Total realised and unrealised gain included in profit or loss	<u>321,958</u>	–	<u>321,958</u>
Total realised and unrealised gain for the period	<u>321,958</u>	–	<u>321,958</u>

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

7. (LOSS)/PROFIT BEFORE TAX

The Company's (loss)/profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2021 (Unaudited) US\$	2020 (Unaudited) US\$
Auditor's remuneration	12,621	12,483
Custodian fee	4,409	5,045
Employee benefit expense (excluding directors' remuneration)		
Salaries and other benefits	92,128	82,923
Retirement benefit costs	2,319	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 2021 (six months ended 30 June 2020 (unaudited): Nil).

9. DIVIDEND

No interim dividend has been proposed by the directors for the six months ended 30 June 2021 (six months ended 30 June 2020 (unaudited): Nil).

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

The calculation of the basic loss per share amount is based on the loss for the period of US\$319,804 (six months ended 30 June 2020 (unaudited): profit of US\$64,429) and the weighted average number of ordinary shares of 10,686,000 (six months ended 30 June 2020 (unaudited): 10,686,000) in issue during the period.

No adjustment has been made to the basic (loss)/earnings per share amount for the six months ended 30 June 2021 and 2020 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2021 and 2020.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 (Unaudited) US\$	31 December 2020 (Audited) US\$
Non-current:		
Unlisted equity investment - Ordinary shares, at fair value:		
Global Market Group Limited ("GMG")	–	–
Listed equity investments, at fair value	780,751	286,518
Total	780,751	286,518

Unlisted equity investment - Ordinary shares, at fair value:

The above unlisted investment at 30 June 2021 was a total of 8,734,897 ordinary shares of GMG held by the Company (31 December 2020: 8,734,897 shares), representing 9.36% of GMG's total issued ordinary shares (31 December 2020: 9.36%).

As at 30 June 2021 and 31 December 2020, 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 2021 and year ended 31 December 2020, 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 2021, the unlisted investment was valued at nil (31 December 2020: Nil).

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

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 2021, the net fair value loss in respect of the Company's investments in Hong Kong recognised in profit or loss amounted to US\$67,480, of which a net loss of US\$8,579 was recognised upon disposal of the listed equity investments for the period.

During the six months ended 30 June 2020, the net fair value gain in respect of the Company's investments in Hong Kong recognised in profit or loss amounted to US\$321,958, of which a net gain of US\$70,913 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 2021 (Unaudited) US\$	31 December 2020 (Audited) US\$
Authorised:		
18,000,000 (2020: 18,000,000) ordinary shares of US\$0.10 each	1,800,000	1,800,000
Issued and fully paid:		
10,686,000 (2020: 10,686,000) ordinary shares of US\$0.10 each	1,068,600	1,068,600

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

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 2021 of US\$3,369,531 (31 December 2020 (audited): US\$3,689,335) and the number of ordinary shares of 10,686,000 in issue as at 30 June 2021 (31 December 2020 (audited): 10,686,000).

15. RELATED PARTY TRANSACTIONS

- (a) 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:

		For the six months ended 30 June	
		2021	2020
	<i>Note</i>	(Unaudited)	(Unaudited)
		US\$	US\$
Investment management and administration fees charged by the Investment Manager	(i)	36,331	35,774

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 2021, the Investment Manager was not entitled to receive any incentive fee in relation to the performance of the Company (six months ended 30 June 2020 (unaudited): Nil) in accordance with the incentive fee calculation of the Investment Management Agreements.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

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\$43,326 (31 December 2020 (audited): US\$51,834) 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	
	2021	2020
	(Unaudited)	(Unaudited)
	US\$	US\$
Directors' fees	25,119	25,112

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 2021

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 the decision to continuously valued at nil are reasonable and the most appropriate value 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 2021 and 31 December 2020:

	Valuation technique	Significant unobservable input	Amount	Sensitivity of fair value to the input
Unlisted equity investment	Relative valuation model	*EV/S ratio	2021: 1.06X (2020: 1.81X)	10% (2020: 10%) increase/decrease in EV/S ratio would result in increase/decrease in fair value by Nil (2020: Nil).
		Revenue	2021: US\$5.46 million (2020: US\$5.61 million)	10% (2020: 10%) increase/decrease in revenue would result in increase/decrease in fair value by Nil (2020: Nil).
		Discount for lack of marketability	2021: 40% (2020: 40%)	10% (2020: 10%) increase/decrease in discount would result in increase/decrease in fair value by Nil (2020: Nil).

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

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

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 2021

	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	780,751	–	–	780,751
Unlisted equity investment**	–	–	–	–
Total	780,751	–	–	780,751

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

As at 31 December 2020	Fair value measurement using			Total (Audited) US\$
	Quoted prices in active markets (Level 1) (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	286,518	–	–	286,518
Unlisted equity investment**	–	–	–	–
Total	286,518	–	–	286,518

** Level 3 contained the unlisted equity security of the Company that has been continuously valued at nil. Please refer to note 11 to the interim condensed financial information.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2021

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS*(Cont'd)**Fair value hierarchy (Cont'd)*

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

	2021	2020
	(Unaudited)	(Unaudited)
	US\$	US\$
Equity investment 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 2021 and 31 December 2020.

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 2020 (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 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Company recorded an unaudited net loss of US\$319,804 for the six months ended 30 June 2021 (six months ended 30 June 2020: unaudited net profit of US\$64,429). The last corresponding period's profits was derived from gain on investment in listed securities after deduction of the Company's operating expenses, while net loss on investment in listed securities was recorded in the first half of 2021.

For the six months ended 30 June 2021, the Company recorded a realised loss on disposal of listed securities of US\$8,579 (six months ended 30 June 2020: realised gain of US\$70,913) and a net change in unrealised loss on listed securities of US\$58,901 (six months ended 30 June 2020: unrealised gain of US\$251,045). Dividend income from listed securities of US\$6,659 was recorded in the reporting period as compared to US\$9,899 in the last corresponding period. As a result, the Company recorded an overall loss of US\$67,480 on listed securities investment which is insufficient to cover operating costs during the first half of 2021 and leading to net loss.

In view of the continuation of COVID-19 pandemic, the Investment Manager constructed the Company's listed securities portfolio in phases cautiously with emphasizes on allocating a right proportion and nature of stocks along the different cycle of the market throughout the year. The Investment Manager was cautious upon the rapid ramp-up of the stock market during the first quarter of 2021, stock exposures were fairly low. While the portfolio return did not gain much in January, neither was the portfolio suffered severe losses when the market went into deep correction the latter half of first quarter. The major shortfall, however, was not taking full advantage of buying stocks during earlier part of the second quarter. Coupled with the lackluster rebounding performance of some major internet-related stocks, the return on the Company's listed securities portfolio underperformed against the benchmarks. The Investment Manager has also altered its investment sphere by limiting potential sectors into the following, namely new energy, high tech & internet-related, consumptions and healthcare-related.

For the first half of 2021, Hang Seng Index ("HSI") closed at 28,828, was up by 5.86% and the Hang Seng China Enterprise Index ("HSCEI") was down by 0.70% whilst the Company's listed securities portfolio recorded a slight negative return of 1.69%.

As at 30 June 2021, the Company's net asset value ("NAV") per share was US\$0.32 as compared with US\$0.35 at the end of 2020, a 8.57% drop mainly due to negative returns on listed securities investment. As at 30 June 2021, the Company's share price was US\$0.305, reflecting a 4.69% 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 2021	31 December 2020
Listed investments	23%	8%
Cash and cash equivalents	77%	92%
Unlisted investment	0%	0%
Total	100%	100%

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

China Economy

Being the first year of China “14th five-year plan”, the Gross Domestic Product (“GDP”) grew 12.7% year-on-year during the first half of 2021. On a quarterly basis, the first quarter GDP and the second quarter GDP jumped 18.3% and 7.9% over the year respectively. After adjusting the abnormal effect on last year’s first quarter GDP due to pandemic outbreak, China economic growth indicated a strong underlying strength of its recovery.

As COVID-19 was well under-constrained in China, the re-opening of economic activities continued to widen its spectrum. As economic leading indicator, the Purchasing Manager’s Index (“PMI”) has been stable above the threshold in six consecutive months. However, the China economy remained under pressure. The domestic consumption and investment have not restored to the pre-pandemic period. The rising commodity prices have been discounting the recovery of China industries and slowdown in exports will happen when the global industrial value chains resume.

In the second half of 2021, China exports growth may come under pressure following the improvement in Euro-U.S. market and uplifting restrictions due to pandemic. Further tightening policy in the U.S. may also be implemented amid inflationary pressure. Due to the major focus for China is sustainable economic growth, the People’s Bank of China decided to lower required reserve ratio (“RRR”) by 0.5% on 15 July, which was the preemption policy to sustain economic growth, especially providing sufficient operating capital for those small-medium enterprises.

Relevant stock markets’ performance in the first half of 2021

Indices	30 June 2021	31 December 2020	Change
Hang Seng Index	28,827.95	27,231.13	5.86%
Hang Seng China Enterprises Index	10,663.39	10,738.40	-0.70%
Hang Seng China-Affiliated Corporations Index	3,992.37	3,799.56	5.07%
Shanghai SE Composite Index	3,591.20	3,473.07	3.40%
SZSE Component Index	15,161.70	14,470.68	4.78%
Taiwan Stock Exchange Weighted Index	17,755.46	14,732.50	20.52%
Dow Jones Industrial Average Index	34,502.51	30,606.48	12.73%
Standard and Poor’s 500 Index	4,297.50	3,756.07	14.41%
NASDAQ Composite Index	14,503.95	12,888.28	12.54%

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW

Hong Kong Stock Market

The year 2021 marked the monumental change of the Hang Seng Index (“HSI”) by including many of the technology-related stocks, for instance, Meituan, Xiaomi, Kuaishou, Alibaba, etc. as HSI constituent stocks. Such inclusion ignited a buying frenzy from mainland investors through the China-HK Stock Connect program, especially when the theme of “new economy” was very favourable. Investors were also optimistic on the relationship between China and the U.S. after the inauguration of the U.S. President, Biden’s administration. With the sudden surge of liquidity, HSI jumped nearly 3,000 points in 16 trading days since the beginning of the year, but gave up more than 1,900 in 4 trading days afterwards. The index reached its high in mid-February at 31,183 and then subsequently fell to 27,505 in late March, nearly a 12% correction. The selloff was a combination of market overbought, spike in the U.S. 10-year Treasury yield and the failed improve relationship between China and the U.S. By the end of first quarter of 2021, HSI closed at 28,378, up 4.2%.

Over the second quarter of 2021, the HSI first approached its low at 27,718 near mid-May with concerns over higher inflation especially commodity prices and delta variant of COVID-19 virus worldwide. In June 2021, the U.S. Federal reassured the markets of unchanged interest rate policy, which lifted the market sentiment and ending the month at the index level of 28,828. For the first half of 2021, the HSI gained 5.8% and the Hang Seng China Enterprise Index (“HSCEI”) ended at 10,663, down 0.7%. Leading sectors during the period were property management and healthcare sectors.

The return of the Company’s listed investment portfolio for the first interim was -1.69%, underperformed both the HSI and HSCEI.

Monthly year-to-date performance of listed securities portfolio vs the Hang Seng Index

2021	January	February	March	April	May	June
	Year-to-date performance (%)					
Listed securities portfolio	0.25%	0.18%	0.08%	-0.59%	-1.10%	-1.69%
Hang Seng Index	3.87%	6.42%	4.21%	5.49%	7.05%	5.86%

During the first quarter, the Investment Manager was cautious upon the rapid ramp-up of the stock market, hence stock exposures were fairly low. While the portfolio return did not gain much in January, neither was the portfolio suffered severe losses when the market went into deep correction in latter half of the first quarter. The major shortfall, however, was not taking full advantage of buying stocks during the earlier part of the second quarter. Coupled with the lackluster rebounding performance of some major internet-related stocks, the return on the Company’s listed securities portfolio underperformed against the benchmarks.

The investment philosophy since 2018 has been a combination of top-down to bottom-up approach, with strong emphasis in predicting the upcoming market cycle using statistical data from the stock market. Stocks selection are based on sector cycle and individual stock valuation which are more of a bottom-up analysis. However, one major change has been made during the first half this year, which was narrowing the investment sphere by concentrating on a few sectors, namely new energy, high tech & internet-related, consumptions and healthcare-related.

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)

Listed Securities Portfolio

As at 30 June 2021

Listed securities (stock code)	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 Construction Bank Corporation (0939)	Banking	276,000	0.0011	227,869	217,160	6.44	6.27	-
HKT Limited (6823)	Telecommunication	116,000	0.00153	154,159	158,043	4.69	4.56	6,119
Nongfu Spring Co., Ltd. (9633)	Soft Drinks	22,800	0.00045	130,841	114,360	3.39	3.30	540
China Longyuan Power Group Corporation Ltd. (0916)	Electricity Supply	169,000	0.00506	283,788	291,188	8.64	8.40	-
Total investment in listed securities				796,657	780,751	23.16	22.53	6,659

As at 31 December 2020

Listed securities (stock code)	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 Holding Limited (0700)	E-Commerce& Internet Service	600	0.000006	28,853	43,647	1.18	1.15	1,115
HKT Limited (6823)	Telecommunication	116,000	0.0015	154,159	150,515	4.08	3.97	-
Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (0520)	Restaurant & Catering	40,500	0.0037	60,511	92,356	2.51	2.44	-
Other listed securities				-	-	-	-	19,507
Total investment in listed securities				243,523	286,518	7.77	7.56	20,622

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)

Listed Securities Portfolio (Cont'd)

Particulars of some listed securities investments held by the Company as at 30 June 2021, whose fair values are more than 5% of the total assets of the Company, are stated as follows:

China Construction Bank Corporation (“CCB”)

China Construction Bank Corporation's major business segments are corporate banking, personal banking, treasury business and others including overseas business and subsidiaries. 276,000 shares (approximate 0.00011% held of total issued shares) are held by the Company as at 30 June 2021 at a cost of US\$227,869. The fair market of the investment is US\$217,160 (approximate 6.27% of the Company's total assets) as at 30 June 2021.

No realized gain or loss nor any dividend on CCB was recorded for the first half of 2021. An unrealized loss of US\$10,709 (-4.7%) was recorded as at 30 June 2021. The Investment Manager believes that the current inflationary environment and the government's fiscal policy will benefit the banking sector when the economy gradually recovered to full capacity after the pandemic outbreak.

China Longyuan Power Group Corporation Ltd. (“Longyuan”)

China Longyuan Power Group Corporation Ltd. is principally engaged in wind and coal power generation and sale, coal trading and other related business in China. 169,000 shares (approximate 0.00153% held of total issued shares) are held by the Company as at 30 June 2021 at a cost of US\$283,788. The fair market of the investment is US\$291,188 (approximate 8.40% of the Company's total assets) as at 30 June 2021.

No realized gain or loss nor any dividend on Longyuan was recorded for the first half of 2021. An unrealized gain of US\$7,400 (2.6%) was recorded as at 30 June 2021. China is committing heavily into building a “carbon neutrality” by 2060. Being the leading wind farm operator in China, Longyuan is expected to be one of the major beneficiary under the carbon neutral policy with more favorable mix of grid-parity projects and the potential A-share listing in the near future.

MANAGEMENT DISCUSSION AND ANALYSIS

UNLISTED INVESTMENT REVIEW

As at 30 June 2021, the Company held one unlisted securities investment but was continuously valued at nil (31 December 2020: Nil). No new investment was consummated in the first half of 2021 in view of the Company's limited cash resources.

*Unlisted Investment Portfolio***As at 30 June 2021 and 31 December 2020**

Invested project	Nature of business	% of equity interest	Amount invested at cost	Unrealised loss	Fair value	% of net asset value	Dividend income	Accumulated 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 recent pull back of consumption, healthcare and internet-related sectors were clear indicators that the market is conscious with their fairly stretched valuation. Hence, liquidity is the biggest concern amid the inflationary environment worldwide. Whether it is transitory depends on the U.S. Federal's policy. Besides, the mutating COVID-19 virus is also disrupting the full re-opening of major economies across different continents. Given the underlying economic activities of the globe are still recovering relatively slow and may fall short of market expectation, stock markets will be extremely volatile.

On the Company's listed investment front, the Investment Manager will focus on picking stocks that are reasonably valued and will ride on the internal growth of the domestic market. The Company will continue to adhere to its prudent investment strategy and be aware of any potential risks. Given the diminishing asset size of the Company, there are limited resources and opportunity to participate in new unlisted investment project. The Investment Manager will continue to follow up the nil-valued unlisted investment to strike the best exit opportunity.

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 2021, the Company did not participate in any new unlisted investment. The Company’s bank balances as of 30 June 2021 were US\$2,665,600 (31 December 2020: US\$3,458,439). 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 2021 and 31 December 2020 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 two employees 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 2020 Annual Report.

OTHER INFORMATION

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

As at 30 June 2021, 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 2021, 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	<i>Notes</i>
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 2021, 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 2021, 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 2021, 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 A.2.1 to A.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 A.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 A.2 of CG Code.

Code Provision A.4.1 provides that non-executive directors should be appointed for a specific term and subject to re-election. The Company's Non-executive Director does not have a specific term of appointment. However, he is subject to retirement by rotation once every three years pursuant to the Company's Articles of Association.

Code Provision E.1.2 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 18 May 2021.

OTHER INFORMATION

THE BOARD

During the period, Mr. WU Bin resigned as Executive Director of the Company on 15 June 2021 due to the change of job assignments; and Mr. ZHAO Tian was appointed as Executive Director of the Company on 28 June 2021 to fill the said vacancy. Following the aforesaid changes, the Board currently has six Directors comprising two Executive Directors, one Non-executive Director and three Independent Non-executive Directors (“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.

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 2021 for the Board's approval. The Audit Committee has also met with management of the Investment Manager to supervise the Company's matters on internal control, risk management and financial reporting process.

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. During the period, Mr. WU Bin resigned as a member of the Remuneration Committee on 15 June 2021; and Mr. ZHAO Tian was appointed as a member of the Remuneration Committee on 28 June 2021 to fill the said vacancy. Following the aforesaid changes, the Remuneration Committee currently comprises all three 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. ZHAO Tian.

OTHER INFORMATION

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 and currently comprises of two Executive Directors, namely Dr. WANG Ching and Mr. ZHAO Tian, and one Non-executive Director, namely Mr. LU Xuefang.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes of Directors' information since the publication of the Company's 2020 Annual Report are set out below:

Name of Directors	Changes
Mr. WU Bin	Resigned as Executive Director and a member of the Remuneration Committee of the Company, and deputy managing director of the Investment Manager with effect from 15 June 2021
Mr. ZHAO Tian*	Appointed as Executive Director and a member of the Remuneration Committee of the Company with effect from 28 June 2021

* Mr. ZHAO Tian has been a member of the Investment Committee of the Company, and the managing director of the Investment Manager since October 2020. He is not entitled to any director's emoluments as an Executive Director of the Company.

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 2021.

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

Hong Kong, 24 August 2021