



SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED

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

2022 INTERIM REPORT

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

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CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Mr. ZHAO Tian

Dr. WANG Ching (*resigned on 23 March 2022*)

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:

Room 1501, 15/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

AUDITOR

Ernst & Young

Registered Public Interest Entity Auditor

CUSTODIAN

Standard Chartered Bank (Hong Kong) Limited

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

REGISTERED OFFICE

P.O. Box 309, Uglund House

Grand Cayman, KY1-1104

Cayman Islands

PRINCIPAL PLACE OF BUSINESS

Room 1501, 15/F

Shanghai Industrial Investment Building

48-62 Hennessy Road

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 23, which comprises the condensed statement of financial position of Shanghai International Shanghai Growth Investment Limited (the "Company") as at 30 June 2022 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 2022

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		For the six months ended 30 June	
		2022	2021
	Notes	(Unaudited) US\$	(Unaudited) US\$
INCOME AND LOSS ON INVESTMENTS			
Interest income		16	23
Dividend income		14,130	6,659
Net change in unrealised loss on fair value of financial assets at fair value through profit or loss	6	(13,339)	(58,901)
Net loss on disposal of financial assets at fair value through profit or loss	6	(375,352)	(8,579)
Exchange loss		(6,148)	(3,242)
Other income		4,078	506
		(376,615)	(63,534)
EXPENSES			
Investment manager's fees	15(a)	(28,094)	(36,331)
Administrative expenses		(203,380)	(219,939)
		(231,474)	(256,270)
Loss before tax	7	(608,089)	(319,804)
Income tax expense	8	–	–
LOSS FOR THE PERIOD		(608,089)	(319,804)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(608,089)	(319,804)
LOSS PER SHARE – BASIC AND DILUTED	10	US5.69 cents	US2.99 cents

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

30 June 2022

		30 June 2022 (Unaudited) US\$	31 December 2021 (Audited) US\$
	<i>Notes</i>		
NON-CURRENT ASSET			
Financial assets at fair value through profit or loss	11	732,882	1,658,595
Total non-current asset		732,882	1,658,595
CURRENT ASSETS			
Prepayments		17,507	42,835
Dividend receivables		2,170	–
Amount due from a broker		46,015	–
Cash and bank balances	12	1,663,564	1,376,307
Total current assets		1,729,256	1,419,142
CURRENT LIABILITIES			
Accruals		49,735	44,288
Amount due to the investment manager	15(b)	39,402	52,359
Total current liabilities		89,137	96,647
NET CURRENT ASSETS		1,640,119	1,322,495
NET ASSETS		2,373,001	2,981,090
EQUITY			
Share capital	13	1,068,600	1,068,600
Reserves		1,304,401	1,912,490
Total equity		2,373,001	2,981,090
NET ASSET VALUE PER SHARE		0.22	0.28

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

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

* These reserve accounts comprise the reserves of US\$1,304,401 (31 December 2021 (audited): US\$1,912,490; six months ended 30 June 2021 (unaudited): US\$2,300,931) in the interim condensed statement of financial position.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

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 change in unrealised loss on fair value of financial assets at fair value through profit or loss is transferred from accumulated losses to capital reserve.

During the six months ended 30 June 2022, a net change in unrealised loss on fair value of financial assets at fair value through profit or loss of US\$13,339 was transferred from accumulated losses to capital reserve (six months ended 30 June 2021: US\$58,901).

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 (Unaudited) US\$	2021 (Unaudited) US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(608,089)	(319,804)
Adjustments for:			
Interest income		(16)	(23)
Dividend income		(14,130)	(6,659)
Net loss on disposal of financial assets at fair value through profit or loss	6	375,352	8,579
Net change in unrealised loss on fair value of financial assets at fair value through profit or loss	6	13,339	58,901
Operating cash flows before movements in working capital		(233,544)	(259,006)
Decrease/(increase) in financial assets at fair value through profit or loss		537,022	(561,713)
Decrease in prepayments and dividend receivables		25,328	27,425
Increase in amount due from a broker		(46,015)	–
Decrease in amount due to the investment manager		(12,957)	(8,508)
Increase in accruals		5,447	2,821
Cash generated from/(used in) operations		275,281	(798,981)
Interest received		16	23
Dividend received		11,960	6,119
Net cash flows generated from/(used in) operating activities		287,257	(792,839)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		287,257	(792,839)
Cash and cash equivalents at beginning of period		1,376,307	3,458,439
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,663,564	2,665,600
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	1,663,564	2,665,600
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS		1,663,564	2,665,600

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

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 2022 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 2022 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 2021, 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 2021.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

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 2021.

5. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

5. OPERATING SEGMENT INFORMATION (Cont'd)

For the 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.

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 2022

5. OPERATING SEGMENT INFORMATION (Cont'd)

The following tables present the asset information of the Company's operating segments as at 30 June 2022 and 31 December 2021:

As at 30 June 2022	Listed securities (Unaudited) US\$	Unlisted securities (Unaudited) US\$	Total (Unaudited) US\$
Financial assets at fair value through profit or loss	732,882	–	732,882
Dividend receivables	2,170	–	2,170
Amount due from a broker	46,015	–	46,015
Total segment assets	781,067	–	781,067
Unallocated assets			1,681,071
Total assets			2,462,138
As at 31 December 2021	Listed securities (Audited) US\$	Unlisted securities (Audited) US\$	Total (Audited) US\$
Financial assets at fair value through profit or loss	1,658,595	–	1,658,595
Total segment assets	1,658,595	–	1,658,595
Unallocated assets			1,419,142
Total assets			3,077,737

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 2022 and 31 December 2021 were unallocated liabilities.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

6. LOSS ON INVESTMENTS

For the six months ended 30 June 2022

	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	(375,352)	–	(375,352)
Unrealised loss:			
Financial assets at fair value through profit or loss	(13,339)	–	(13,339)
Total realised and unrealised loss included in profit or loss	(388,691)	–	(388,691)
Total realised and unrealised loss for the period	(388,691)	–	(388,691)

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

6. LOSS ON INVESTMENTS (Cont'd)

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 2022

7. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	US\$	US\$
Auditor's remuneration	12,490	12,621
Custodian fee	4,666	4,409
Employee benefit expense (excluding directors' remuneration)		
Salaries and other benefits	92,622	92,128
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 2022 (six months ended 30 June 2021 (unaudited): Nil).

9. DIVIDEND

No interim dividend has been proposed by the directors for the six months ended 30 June 2022 (six months ended 30 June 2021 (unaudited): Nil).

10. LOSS PER SHARE – BASIC AND DILUTED

The calculation of the basic loss per share amount is based on the loss for the period of US\$608,089 (six months ended 30 June 2021 (unaudited): US\$319,804) and the weighted average number of ordinary shares of 10,686,000 (six months ended 30 June 2021 (unaudited): 10,686,000) in issue during the period.

No adjustment has been made to the basic loss per share amount for the six months ended 30 June 2022 and 2021 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2022 and 2021.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2022 (Unaudited) US\$	31 December 2021 (Audited) US\$
Non-current:		
Unlisted equity investment – Ordinary shares, at fair value:		
Global Market Group Limited (“GMG”)	–	–
Listed equity investments, at fair value	732,882	1,658,595
Total	732,882	1,658,595

Unlisted equity investment – Ordinary shares, at fair value:

The above unlisted investment at 30 June 2022 was a total of 8,734,897 ordinary shares of GMG held by the Company (31 December 2021: 8,734,897 shares), representing 9.36% of GMG’s total issued ordinary shares (31 December 2021: 9.36%).

As at 30 June 2022 and 31 December 2021, 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 2022 and year ended 31 December 2021, 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 2022, the unlisted investment was valued at nil (31 December 2021: Nil).

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

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

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.

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 2022 (Unaudited) US\$	31 December 2021 (Audited) US\$
Authorised:		
18,000,000 (2021: 18,000,000) ordinary shares of US\$0.10 each	1,800,000	1,800,000
Issued and fully paid:		
10,686,000 (2021: 10,686,000) ordinary shares of US\$0.10 each	1,068,600	1,068,600

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

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 2022 of US\$2,373,001 (31 December 2021 (audited): US\$2,981,090) and the number of ordinary shares of 10,686,000 in issue as at 30 June 2022 (31 December 2021 (audited): 10,686,000).

15. RELATED PARTY TRANSACTIONS**(a) Fees**

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

		For the six months ended 30 June	
		2022	2021
	<i>Note</i>	(Unaudited)	(Unaudited)
		US\$	US\$
Investment management and administration fees charged by the Investment Manager	(i)	28,094	36,331

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 2022, the Investment Manager was not entitled to receive any incentive fee in relation to the performance of the Company (six months ended 30 June 2021 (unaudited): Nil) in accordance with the incentive fee calculation of the Investment Management Agreements.

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

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\$39,402 (31 December 2021 (audited): US\$52,359) 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	
	2022	2021
	(Unaudited)	(Unaudited)
	US\$	US\$
	24,902	25,119
Directors' fees		

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 2022

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Cont'd)

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

Set out below is a summary of significant unobservable inputs to the valuation of a financial instrument together with a quantitative sensitivity analysis as at 30 June 2022 and 31 December 2021:

	Valuation technique	Significant unobservable input	Amount	Sensitivity of fair value to the input
Unlisted equity investment	Relative valuation model	*EV/S ratio	2022: 0.59X (2021: 0.86X)	10% (2021: 10%) increase/decrease in EV/S ratio would result in increase/decrease in fair value by Nil (2021: Nil).
		Revenue	2022: US\$5.342 million (2021: US\$5.83 million)	10% (2021: 10%) increase/decrease in revenue would result in increase/decrease in fair value by Nil (2021: Nil).
		Discount for lack of marketability	2022: 40% (2021: 40%)	10% (2021: 10%) increase/decrease in discount would result in increase/decrease in fair value by Nil (2021: Nil).

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

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

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 2022	Quoted prices in active markets (Level 1) (Unaudited) US\$	Fair value measurement using Significant observable inputs (Level 2) (Unaudited) US\$	Significant unobservable inputs (Level 3) (Unaudited) US\$	Total (Unaudited) US\$
Financial assets at fair value through profit or loss				
Listed equity investments	732,882	–	–	732,882
Unlisted equity investment	–	–	–	–
Total	732,882	–	–	732,882
As at 31 December 2021				
Financial assets at fair value through profit or loss				
Listed equity investments	1,658,595	–	–	1,658,595
Unlisted equity investment	–	–	–	–
Total	1,658,595	–	–	1,658,595

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

30 June 2022

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS*(Cont'd)**Fair value hierarchy (Cont'd)*Assets measured at fair value: *(Cont'd)*

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

	2022	2021
	(Unaudited)	(Unaudited)
	US\$	US\$
Financial assets at fair value through profit or loss – unlisted:		
At 1 January	–	–
Change in fair value	–	–
	<hr/>	<hr/>
At 30 June	–	–
	<hr/> <hr/>	<hr/> <hr/>

The Company did not have any financial liabilities measured at fair value as at 30 June 2022 and 31 December 2021.

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 2021 (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 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Company recorded an unaudited net loss of US\$608,089 for the six months ended 30 June 2022 (six months ended 30 June 2021: US\$319,804). The increase in net loss was due to increase in losses on investment in listed securities as compared with same period last year.

For the six months ended 30 June 2022, the Company recorded a realised loss on disposal of listed securities of US\$375,352 (six months ended 30 June 2021: US\$8,579) and a net change in unrealised loss on listed securities of US\$13,339 (six months ended 30 June 2021: US\$58,901). Dividend income from listed securities of US\$14,130 was recorded in the reporting period as compared to US\$6,659 in the last corresponding period. As a result, the Company recorded overall losses of US\$374,561 on listed securities investment in addition to the operating costs of US\$231,474 during the first half of 2022 that led to net loss.

In the first half of 2022, Hong Kong stock market has been overshadowed by the unshakable demise of interest rate increase, worsening inflation, disruption of global supply chain and never-ending epidemic outbreak. Hang Seng Index closed at 21,860, fell by 6.57% and the Hang Seng China Enterprise Index was down by 6.91%. The most outperforming industry sectors for the period were oil, coal and shipping while the most underperforming sectors were technology hardware-related, healthcare and discretionary consumer products. The Company's listed securities portfolio recorded a negative return of 12.7%. As the Investment Manager adopted a strategy since June 2021 to invest in 5 different sectors with limited stock selection only, it is more appropriate to benchmark with the 5 sectors' performances. These sectors are tech-related, healthcare, new energy, consumption and lastly telecommunications and semiconductors, their performance ranged from -12.14% to -18.65% for the first half of 2022.

As at 30 June 2022, the Company's net asset value ("NAV") per share was US\$0.22 as compared with US\$0.28 at the end of 2021, a 21.43% drop mainly due to negative returns on listed securities investment. As at 30 June 2022, the Company's share price was US\$0.151, reflecting a 31.36% 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 2022	31 December 2021
Listed investments	31%	56%
Cash and cash equivalents	69%	44%
Unlisted investment	0%	0%
Total	100%	100%

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

China Economy

COVID-19 disrupted economic growth in the second quarter of 2022. After achieving a 4.8% year-on-year gross domestic product (“GDP”) growth in the first quarter of 2022, the second quarter only managed to grow 0.4%, the slowest growth since first quarter of 2020. However, as Shanghai mostly reopened along with declining infection cases, industrial production and retail sales rebounded sharply in June.

High-tech manufacturing strengthened with a growth of 8.4% year-on-year in June from 4.3% in May. Of which car manufacturing, electrical machinery, computer, communications and electronic equipment were leading the gain. However, pharmaceutical and textile were lagging.

Retail sales recovery in June was faster than the previous pandemic outbreak back in 2020. Retail sales rose 0.53% in June month-on-month, after contracting in the two preceding months. Unemployment rate has eased back to 5.5% in June from 6.1% in April, which was largely in-line with the official target set by the Chinese government.

Finally were the challenges in the domestic property market and the Omicron containment. There were concerns of the contagion risks on the banking sector as more homebuyers collectively ceased to make mortgage payments due to delays in completion of presold units. The China Banking and Insurance Regulatory Commission has addressed the issue and reaffirmed the financial market that all mortgagee will have their homes delivered and mortgaged loans to be paid promptly.

Relevant stock markets' performance in the first half of 2022

Indices	30 June 2022	31 December 2021	Change
Hang Seng Index	21,859.79	23,397.67	-6.57%
Hang Seng China Enterprises Index	7,666.88	8,236.35	-6.91%
Hang Seng China-Affiliated Corporations Index	3,951.49	3,899.58	1.33%
Shanghai SE Composite Index	3,398.62	3,639.78	-6.63%
SZSE Component Index	12,896.2	14,857.35	-13.20%
Taiwan Stock Exchange Weighted Index	14,825.73	18,218.84	-18.62%
Dow Jones Industrial Average Index	30,775.43	36,338.30	-15.31%
Standard and Poor's 500 Index	3,785.38	4,766.18	-20.58%
NASDAQ Composite Index	11,028.74	15,644.97	-29.51%

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW

Hong Kong Stock Market

Hong Kong stock market in the first half of 2022 has been overshadowed by the unshakable demise of interest rate increase, worsening inflation, disruption of global supply chain and never-ending epidemic outbreak.

In January 2022, the stock market started off strongly but turned down abruptly in the face of interest rate increase risk in the U.S. and tightening liquidity among property developers in China. The Hang Seng Index ("HSI") rose 1.7% during the month. In February, the conflict war of Russia and Ukraine sent the market sharply lower to the level of 22,713 point, down 9.3% from its high during the month. In March, the Securities and Exchange Commission was considering delisting Chinese companies if they fail to comply its auditing requirement. Coupled with surging Omicron cases in China, the stock market tanked severely, falling as much as 19.7% in mid-March and hit a low of 18,236 point, a level which was not seen since 2016. The Chinese central government subsequently injected more liquidity into the banking system and reaffirmed its pro-growth measures. The market then rebounded and ended the first quarter at 21,997 point.

The second quarter of 2022 was more or less a "zig-zag" movement. After a market rebound in the latter half of March, the HSI fell again in April with more Omicron-related lockdown in China and the continuous weakness in the U.S. stock market. Interest rate was anticipated to be risen significantly while inflationary pressure and stagnant economic growth seemed impossible to be dissipated. China lowering the required rate of reserve by 25 basis point in April has sent more liquidity to counter the global tightening monetary environment. Investment environments in May and June were a mixture of phobic U.S. interest rate hike, rising commodity prices, reopening of China's Omicron lockdown and relieving measures on internet and property sectors. Overall, the HSI ended slightly positive by the end of June at 21,860 point.

For the first half of 2022, the HSI and Hang Seng China Enterprise Index fell 6.57% and 6.91% respectively. The most outperforming industry sectors for the period were oil, coal and shipping while the most underperforming sectors were technology hardware-related, healthcare and discretionary consumer products.

The return of the Company's listed investment portfolio for the first interim of 2022 was -12.7%. As the Investment Manager adopted a strategy since June 2021 to invest in 5 different sectors with limited stock selection only, it is more appropriate to benchmark with the 5 sectors' performances for the first half of 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)

Hong Kong Stock Market (Cont'd)

The table below shows the 5 sectors' performance:

Industry Sectors	1st half of 2022
Tech-related (Cloud, software, media, IT platform)	-14.12%
Healthcare	-18.65%
New Energy (materials & power generations)	-12.14%
Consumption (clothing, jewellery, appliances, & drinks)	-15.87%
Telecommunication & Semiconductors (tele-related, hardware & semiconductors)	-14.75%

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

The Investment Manager started off the year 2022 with a moderate optimistic view of the stock market. Hence, the positioning in the portfolio was mainly skewed to the consumption and new energy sectors. While they proved to be fairly resilient in the first two months, the resurging Omicron cases in March, together with delisting uncertainties among Chinese companies in the U.S., resulted in an indiscriminate sell-off in the stock market.

The extended Russia-Ukraine conflict has further disrupted the already fragile global supply, sending commodity, agricultural and shipping prices to the stratosphere. Investors responded by divesting their investments into these three industry sectors to mitigate the inflationary risks. Given the Chinese central government stringent control over the internet and healthcare sectors and a sluggish domestic consumption environment, there was very limited room for the Investment Manager to manoeuvre within the preset 5 industry sectors.

In the latter of the second quarter, the Chinese central government has relieved several measures on the internet industry. The Investment Manager has since resumed investing in this sector, expecting these companies will return to healthy growth should the Omicron could be kept fairly contained.

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)

Listed Securities Portfolio

As at 30 June 2022

Listed securities	Nature of business	Number of shares held	% held of total issued shares %	Cost US\$	Market value US\$	% of net asset value %	% of total asset %	Dividend income US\$
<u>Listed on Hong Kong Stock Exchange</u>								
Tencent Holding Limited	E-Commerce & Internet Services	2,800	0.000029	136,644	126,470	5.33	5.14	3,815
JD.com, Inc.	E-Commerce & Internet Services	6,604	0.000211	200,818	212,774	8.97	8.64	66
China Longyuan Power Group Corporation Ltd.	New Energy	110,000	0.00329	211,158	212,533	8.95	8.63	2,170
China Mobile Limited	Telecommunication	29,000	0.000136	202,394	181,105	7.63	7.36	8,079
Total investment in listed securities				751,014	732,882	30.88	29.77	14,130

As at 31 December 2021

Listed securities	Nature of business	Number of shares held	% held of total issued shares %	Cost US\$	Market value US\$	% of net asset value %	% of total asset %	Dividend income US\$
<u>Listed on Hong Kong Stock Exchange</u>								
China Merchants Bank Co., Ltd.	Banking	44,000	0.00096	369,770	341,713	11.46	11.10	-
Tencent Holding Limited	E-Commerce & Internet Services	4,000	0.000042	261,715	234,359	7.86	7.61	-
China Longyuan Power Group Corporation Ltd.	New Energy	149,000	0.0045	274,065	347,818	11.67	11.30	-
China Resources Beer (Holdings) Company Limited	Drinks	52,000	0.0016	431,865	425,852	14.29	13.84	1,141
Hua Hong Semiconductor Limited	Semiconductors	56,000	0.0043	325,972	308,853	10.36	10.04	-
Other listed securities				-	-	-	-	24,430
Total investment in listed securities				1,663,387	1,658,595	55.64	53.89	25,571

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)

Listed Securities Portfolio (Cont'd)

Particulars of listed securities investments held by the Company as at 30 June 2022 are stated as follows:

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

Tencent is an internet-based platform company providing online/mobile games, community value-added services, online advertising, payment related services and cloud services. 2,800 shares (approximately 0.000029% held of total issued shares) are held by the Company as at 30 June 2022 at a cost of US\$136,644, with a fair value of US\$126,470 (approximately 5.14% of the Company's total assets).

A dividend income of US\$3,815 and a realized loss of US\$38,284 from Tencent were recorded for the first half of 2022. An unrealized loss of US\$10,174 (-7.45%) was recorded as at 30 June 2022. The Investment Manager believes that the Chinese central government has relieved the stringent control over these internet companies and they will resume back to healthy growth again.

JD.com, Inc. (“JD”, stock code 9618)

JD is an e-commerce company and is one of the three largest B2C online retailers in China. 6,604 shares (approximately 0.000211% held of total issued shares) are held by the Company as at 30 June 2022 at a cost of US\$200,818, with a fair value of US\$212,774 (approximately 8.64% of the Company's total assets).

A dividend income of US\$66 from JD was recorded for the first half of 2022 but no realized gain or loss was recorded. An unrealized gain of US\$11,956 (5.95%) was recorded as at June 30 June 2022. Retail growth slumped back quickly in June as the Omicron related lockdown was released. The Investment Manager believes that the Chinese government will focus on boosting the economy by having more stimulus policies relating to domestic consumption.

China Longyuan Power Group Corporation Ltd. (“Longyuan”, stock code 0916)

Longyuan is principally engaged in wind, solar and coal power generation and sale, coal trading and other related business in China. 110,000 shares (approximately 0.00329% held of total issued shares) are held by the Company as at 30 June 2022 at a cost of US\$211,158, with a fair value of US\$212,533 (approximately 8.63% of the Company's total assets).

A dividend income of US\$2,170 and a realized gain of US\$10,293 from Longyuan were recorded for the first half of 2022. An unrealized gain of US\$1,375(0.65%) was recorded as at 30 June 2022. As the leading new energy operator in China, the Investment Manager believes that Longyuan is expected to be one of the major beneficiaries with carbon neutral policy and the future asset injection.

MANAGEMENT DISCUSSION AND ANALYSIS

LISTED INVESTMENTS REVIEW (Cont'd)*Listed Securities Portfolio (Cont'd)***China Mobile Limited ("CM", stock code 0941)**

CM is the largest wireless carrier in China, providing mobile voice and multimedia services nationwide. 29,000 shares (approximately 0.000136% held of total issued shares) are held by the Company as at 30 June 2022 at a cost of US\$202,394, with a fair value of US\$181,105 (approximately 7.36% of the Company's total assets).

A dividend income of US\$8,079 and a realized loss of US\$3,435 from CM were recorded for the first half of 2022. An unrealized loss of US\$21,289 (-10.52%) was recorded as at 30 June 2022. As the leading 5G mobile operator in China, the Investment Manager believes that CM is entering in a new growth phase, stable dividend growth and reasonably good balance against the volatile market.

UNLISTED INVESTMENT REVIEW

As at 30 June 2022, the Company held one unlisted securities investment but was fully impaired. No new investment was consummated in the first half of 2022 in view of the Company's limited cash resources.

*Unlisted Investment Portfolio***As at 30 June 2022 and 31 December 2021**

Invested project	Nature of business	% of equity interest	Amount		Unrealised loss	Fair value	% of net asset value	Dividend income	Accumulated dividend income
			invested at cost	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.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

The global economic outlook is fragile given the existing high oil and natural gas prices, the ongoing Russia-Ukraine conflict, the magnitude of U.S. interest rate increase, and the breaking up of global supply chain. None of these outcomes are conclusive or going to be resolved within a short period of time. Hence, the stability of our economy depends entirely on China's ability to have a timely stimulus measures necessary to counterbalance the global headwind.

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

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 2022, the Company did not participate in any new unlisted investment. The Company's bank balances as of 30 June 2022 were US\$1,663,564 (31 December 2021: US\$1,376,307). 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 2022 and 31 December 2021 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 2021 Annual Report.

OTHER INFORMATION

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

As at 30 June 2022, 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 2022, 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 2022, 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 2022, 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 2022, the Company has complied with the code provisions (the "Code Provisions") under the CG Code, save and except for the deviations as described below.

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

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

Code Provision F.2.2 provides that, among others, the chairman of the board should attend the annual general meeting of the listed issuer. As stated in the above, no chairman has been appointed or designated by the Company. Given all Directors are collectively responsible for the Company's stewardship, the Board considers that it was adequate for the Board to elect a Director to chair the annual general meeting of the Company held on 16 June 2022.

OTHER INFORMATION

THE BOARD

During the period, Dr. WANG Ching resigned as Executive Director of the Company on 23 March 2022 due to retirement. Following the aforesaid change, the Board currently has five Directors comprising one Executive Director, 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 2022 for the Board’s approval. The Audit Committee has also met with management of the Investment Manager to supervise the Company’s matters on risk management and internal controls, compliance procedures and financial reporting matters.

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

Remuneration Committee

The Remuneration Committee has been established since March 2005. During the period, Dr. WANG Ching resigned as a member of the Remuneration Committee on 23 March 2022. Following the aforesaid change, the Remuneration Committee currently has four members comprising all three INEDs, namely, Mr. ONG Ka Thai (Chairman), Mr. YICK Wing Fat Simon and Dr. HUA Min, and one Executive Director, namely, Mr. ZHAO Tian.

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. Following the resignation of Dr. WANG Ching as a member of the Investment Committee on 23 March 2022 and the appointment of Mr. CHOW Wang (fund manager of the Investment Manager) by the Board on the same date to fill the said vacancy, the Investment Committee currently has three members comprising Mr. ZHAO Tian (Executive Director), Mr. LU Xuefang (Non-executive Director) and Mr. CHOW Wang (fund manager of the Investment Manager).

CHANGES IN DIRECTOR'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes of Director's information since the publication of the Company's 2021 Annual Report are set out below:

Name of Director

Mr. YICK Wing Fat
Simon

Changes

Resigned as an independent non-executive director, chairman of the remuneration and nomination committee and a member of the audit and compliance committee of Nexteer Automotive Group Limited on 14 June 2022

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 2022.

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

Hong Kong, 24 August 2022