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SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 770)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL RESULTS

The Board of Directors (the “Board”) of Shanghai International Shanghai Growth Investment Limited (the “Company”) announces that the audited annual results of the Company for the year ended 31 December 2022 together with the comparative figures in 2021. The annual results have been reviewed by the Company’s audit committee and agreed by the Company’s external auditors.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

	<i>Notes</i>	2022	2021
		US\$	US\$
INCOME AND LOSS ON INVESTMENTS			
Interest income		2,108	41
Dividend income		24,016	25,571
Other income	5	6,117	506
Net change in unrealised gain/(loss) on financial assets at fair value through profit or loss	7	21,210	(47,787)
Net loss on disposal of financial assets at fair value through profit or loss	7	(480,912)	(154,799)
Exchange gain		1,389	–
		(426,072)	(176,468)
EXPENSES AND LOSS			
Investment manager’s fees		(50,794)	(69,359)
Administrative expenses		(493,647)	(455,324)
Exchange loss		–	(7,094)
		(544,441)	(531,777)
Loss before tax	6	(970,513)	(708,245)
Income tax	10	–	–
LOSS FOR THE YEAR		(970,513)	(708,245)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(970,513)	(708,245)
LOSS PER SHARE			
– BASIC AND DILUTED	12	US9.08 cents	US6.63 cents

STATEMENT OF FINANCIAL POSITION

31 December 2022

	<i>Notes</i>	2022 US\$	2021 <i>US\$</i>
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	<i>13</i>	<u>452,856</u>	<u>1,658,595</u>
Total non-current assets		<u>452,856</u>	<u>1,658,595</u>
CURRENT ASSETS			
Prepayments		43,675	42,835
Cash and bank balances	<i>14</i>	<u>1,636,507</u>	<u>1,376,307</u>
Total current assets		<u>1,680,182</u>	<u>1,419,142</u>
CURRENT LIABILITIES			
Provision and accruals		70,080	44,288
Amount due to the investment manager		<u>52,381</u>	<u>52,359</u>
Total current liabilities		<u>122,461</u>	<u>96,647</u>
NET CURRENT ASSETS		<u>1,557,721</u>	<u>1,322,495</u>
NET ASSETS		<u><u>2,010,577</u></u>	<u><u>2,981,090</u></u>
EQUITY			
Share capital	<i>15</i>	1,068,600	1,068,600
Reserves		<u>941,977</u>	<u>1,912,490</u>
Total equity		<u><u>2,010,577</u></u>	<u><u>2,981,090</u></u>
NET ASSET VALUE PER SHARE	<i>16</i>	<u><u>0.19</u></u>	<u><u>0.28</u></u>

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Note	Share capital US\$	Share premium account US\$	Capital reserve US\$ (Note a)	Accumulated losses US\$	Total US\$
At 31 December 2021		1,068,600	12,921,815*	(5,852,250)*	(5,157,075)*	2,981,090
Total comprehensive loss for the year		-	-	-	(970,513)	(970,513)
Transfer from accumulated losses (Note a):						
Net unrealised gain on change in fair value of financial assets at fair value through profit or loss	7	-	-	21,210	(21,210)	-
At 31 December 2022		<u>1,068,600</u>	<u>12,921,815*</u>	<u>(5,831,040)*</u>	<u>(6,148,798)*</u>	<u>2,010,577</u>
At 31 December 2020		1,068,600	12,921,815	(5,804,463)	(4,496,617)	3,689,335
Total comprehensive loss for the year		-	-	-	(708,245)	(708,245)
Transfer from accumulated losses (Note a):						
Net unrealised loss on change in fair value of financial assets at fair value through profit or loss	7	-	-	(47,787)	47,787	-
At 31 December 2021		<u>1,068,600</u>	<u>12,921,815*</u>	<u>(5,852,250)*</u>	<u>(5,157,075)*</u>	<u>2,981,090</u>

* These reserve accounts comprise the reserves of US\$941,977 (2021: US\$1,912,490) in the statement of financial position.

Notes:

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

During the year ended 31 December 2022, a net unrealised gain on change in fair value of financial assets at fair value through profit or loss of US\$21,210 was transferred from accumulated losses to the capital reserve (2021: net unrealised loss of US\$47,787).

NOTES TO FINANCIAL STATEMENTS

31 December 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, Uglan 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

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. 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. These financial statements are presented in United States dollars (“US\$”) and all values are rounded to the nearest dollar except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41
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The nature and the impact of the revised HKFRSs that are applicable to the Company are described below:

HKFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. The Company has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Company’s financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Company.

4. 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 13 to the financial statements.

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

Year ended 31 December 2022	Listed securities US\$	Unlisted securities US\$	Total US\$
Segment results	<u><u>(435,686)</u></u>	<u><u>–</u></u>	(435,686)
Interest income from bank deposits			2,108
Exchange gain			1,389
Other income			6,117
Unallocated expenses			<u><u>(544,441)</u></u>
Loss before tax			<u><u>(970,513)</u></u>

For the year ended 31 December 2022, segment results represented the net loss on disposal of listed equity securities classified as financial assets at fair value through profit or loss, 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 administrative expenses and the investment manager's fees.

Year ended 31 December 2021	Listed securities US\$	Unlisted securities US\$	Total US\$
Segment results	<u><u>(177,015)</u></u>	<u><u>–</u></u>	(177,015)
Interest income from bank deposits			41
Exchange loss			(7,094)
Other income			506
Unallocated expenses			<u><u>(524,683)</u></u>
Loss before tax			<u><u>(708,245)</u></u>

For the year ended 31 December 2021, segment results represented the net loss on disposal of listed equity securities classified as financial assets at fair value through profit or loss, 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 administrative expenses and the investment manager's fees.

As management considers that 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.

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

At 31 December 2022	Listed securities US\$	Unlisted securities US\$	Total US\$
Financial assets at fair value through profit or loss	<u>452,856</u>	<u>–</u>	<u>452,856</u>
Total segment assets	<u><u>452,856</u></u>	<u><u>–</u></u>	<u>452,856</u>
Unallocated assets			<u>1,680,182</u>
Total assets			<u><u>2,133,038</u></u>
At 31 December 2021	Listed securities US\$	Unlisted securities US\$	Total US\$
Financial assets at fair value through profit or loss	<u>1,658,595</u>	<u>–</u>	<u>1,658,595</u>
Total segment assets	<u><u>1,658,595</u></u>	<u><u>–</u></u>	<u>1,658,595</u>
Unallocated assets			<u>1,419,142</u>
Total assets			<u><u>3,077,737</u></u>

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

All liabilities as at 31 December 2022 and 2021 were unallocated liabilities.

5. OTHER INCOME

An analysis of other income is as follows:

	2022	2021
	<i>US\$</i>	<i>US\$</i>
Government grants	5,505	–
Refund of administrative expenses	612	506
	6,117	506

During the year ended 31 December 2022, government grants from the Hong Kong Special Administrative Region (“HKSAR”) Government Employment Support Scheme (“ESS”) have been received for retaining employees who may otherwise be made redundant. The related salary expenditure for which the government grant are intended to compensate has been fully undertaken and recognised as other income. There are no unfulfilled conditions or contingencies relating to these grants.

6. LOSS BEFORE TAX

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

	2022	2021
	<i>US\$</i>	<i>US\$</i>
Auditor’s remuneration	50,944	51,099
Custodian fee	8,739	9,992
Employee benefit expense (excluding directors’ remuneration (<i>Note 8</i>))		
Salaries and other benefits	188,268	186,399
Retirement benefit costs	4,596	4,631

7. GAIN OR LOSS ON INVESTMENTS

At 31 December 2022	Listed securities US\$	Unlisted securities US\$	Total US\$
Included in profit or loss:			
Realised loss:			
Financial assets at fair value through profit or loss	(480,912)	–	(480,912)
Unrealised gain:			
Financial assets at fair value through profit or loss	<u>21,210</u>	–	<u>21,210</u>
Total realised and unrealised loss included in profit or loss	<u>(459,702)</u>	<u>–</u>	<u>(459,702)</u>
Total realised and unrealised loss for the year	<u>(459,702)</u>	<u>–</u>	<u>(459,702)</u>
	Listed securities US\$	Unlisted securities US\$	Total US\$
At 31 December 2021			
Included in profit or loss:			
Realised loss:			
Financial assets at fair value through profit or loss	(154,799)	–	(154,799)
Unrealised loss:			
Financial assets at fair value through profit or loss	<u>(47,787)</u>	–	<u>(47,787)</u>
Total realised and unrealised loss included in profit or loss	<u>(202,586)</u>	<u>–</u>	<u>(202,586)</u>
Total realised and unrealised loss for the year	<u>(202,586)</u>	<u>–</u>	<u>(202,586)</u>

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2022	2021
	<i>US\$</i>	<i>US\$</i>
Fees:		
Dr. HUA Min	16,600	16,722
Mr. ONG Ka Thai	16,600	16,722
Mr. YICK Wing Fat, Simon	16,599	16,723
	<u>49,799</u>	<u>50,167</u>

Except for the directors' fees paid to the independent non-executive directors totalling US\$49,799 (2021: US\$50,167), none of the directors has received any other emoluments for 2022 and 2021.

There were no other emoluments payable to the directors during the year (2021: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2021: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2021: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2022	2021
	<i>US\$</i>	<i>US\$</i>
Salaries, allowances and benefits in kind	188,268	186,399
Pension scheme contributions	4,596	4,631
	<u>192,864</u>	<u>191,030</u>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2022	2021
Nil to HK\$1,000,000	2	2
HK\$1,000,001 to HK\$1,500,000	–	–
HK\$1,500,001 to HK\$2,000,000	–	–
	<u>2</u>	<u>2</u>

10. INCOME TAX

No provision for Hong Kong profits tax has been made in the financial statements as the Company did not generate assessable profits arising in Hong Kong for the year ended 31 December 2022 (2021: Nil).

A reconciliation of the tax expense applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2022		2021	
	US\$	%	US\$	%
Loss before tax	<u>(970,513)</u>		<u>(708,245)</u>	
Tax at the statutory tax rate	(160,135)	16.5	(116,861)	16.5
Tax losses not recognised	164,845	(17.0)	118,659	(16.8)
Income not subject to tax	(5,320)	0.6	(4,225)	0.6
Expenses not deductible for tax	<u>610</u>	<u>(0.1)</u>	<u>2,427</u>	<u>(0.3)</u>
Tax charge at the Company's effective rate	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

Deferred tax assets have not been previously recognised as the Company has been loss-making for some time and it is not considered probable that taxable profits will be available to set off against the accumulated tax losses from previous years of assessment in the foreseeable future.

11. DIVIDENDS

No dividend has been proposed by the directors for the year ended 31 December 2022 (2021: Nil).

12. LOSS PER SHARE – BASIC AND DILUTED

The calculation of the basic loss per share is based on the loss for 2022 only of US\$970,513 (2021: loss of US\$708,245) and the weighted average number of ordinary shares of 10,686,000 (2021: 10,686,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2022 and 2021 in respect of dilution as the Company had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 US\$	2021 US\$
Non-current:		
Unlisted equity investment - Ordinary shares, at fair value		
– Global Market Group Limited (“GMG”)	–	–
Listed equity investments, at fair value	<u>452,856</u>	<u>1,658,595</u>
Total	<u><u>452,856</u></u>	<u><u>1,658,595</u></u>

Unlisted equity investment - Ordinary shares, at fair value:

The above unlisted equity investment at 31 December 2022 represented 8,734,897 ordinary shares of GMG which was 9.36% of GMG’s total issued ordinary shares (2021: 9.36%).

As at 31 December 2022 and 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 years ended 31 December 2022 and 2021, based on the available financial information, the 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 capital raising plan in the near future. Hence, the management believed that GMG’s business model would not be sustainable and the unlisted investment is valued at nil (2021: written down to nil).

Listed equity investments, at fair value:

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

During the year ended 31 December 2022, the net fair value loss in respect of the Company’s Hong Kong investments recognised in profit or loss amounted to US\$459,702 (2021: a net fair value loss of US\$202,586), of which a net loss of US\$480,912 (2021: a net loss of US\$154,799) was recognised upon disposal of the listed equity investments for the year.

14. 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.

15. SHARE CAPITAL

	2022	2021
	<i>US\$</i>	<i>US\$</i>
Authorised:		
18,000,000 (2021: 18,000,000) ordinary shares of US\$0.10 each	<u>1,800,000</u>	<u>1,800,000</u>
Issued and fully paid		
10,686,000 (2021: 10,686,000) ordinary shares of US\$0.10 each	<u>1,068,600</u>	<u>1,068,600</u>

16. NET ASSET VALUE PER SHARE

The calculation of the net asset value (“NAV”) per share is based on the Company’s NAV of US\$2,010,577 as at 31 December 2022 (2021: US\$2,981,090) and the number of ordinary shares of 10,686,000 in issue as at 31 December 2022 (2021: 10,686,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVIEW OF RESULTS

The Company recorded a net loss of US\$970,513 for the year ended 31 December 2022, compared with a net loss of US\$708,245 in 2021. The increase in net loss was due to an increase in losses on investment in listed securities as compared with last year.

The Company recorded a realised loss on disposal of listed securities of US\$480,912 for the year ended 31 December 2022 (2021: realised loss of US\$154,799) and a net change in unrealised gain on listed securities of US\$21,210 (2021: unrealised loss of US\$47,787). Dividend income from the listed investment portfolio of US\$24,016 was recorded in the reporting period as compared to US\$25,571 in the last year. As a result, the Company recorded an overall loss of US\$435,686 on listed securities investments in addition to its operating costs of US\$544,441 in 2022.

In the first half of 2022, Hong Kong Stock Market has been overshadowed by the unshakable demise of interest rate increases, worsening inflation, disruption of the global supply chain and an ongoing COVID-19 pandemic. During the second half of 2022, concerns about US inflation, tensions over Taiwan on Pelosi's visit, and a resurgence of coronavirus cases in China triggered a new sell-off in Hong Kong Stock Market, with the Hang Seng Index ("HSI") falling below 14,700 points by the end of October. The sell-off in the stock market that happened in the first ten months has put tremendous pressure on allocating investment assets among five sectors, namely: technology-related, healthcare, new energy, consumption and telecommunication & semiconductors. The Investment Manager has since resumed actively investing in the market, expecting these companies to return to healthy growth should the COVID-19 pandemic impact start to fade away. In the last two months of the fourth quarter, HSI started to rebound. The US Federal Reserve has become more dovish on interest rate hikes, which coupled with the re-opening of the COVID-related lockdown in China, has given the market a strong recovery expectation. At year's end, driven by favorable factors, the HSI went up by 34% to close at 19,781 points. For the year 2022, the HSI was down 15.5% and the Hang Seng China Enterprise Index ("HSCEI") shed 18.6%. The Company's investment portfolio of listed securities lost 14.9%, outperforming the HSI and HSCEI by 0.6% and 3.7%, respectively.

The Company's audited net asset value ("NAV") per share as of 31 December 2022 was US\$0.19, a 32% decrease as compared with US\$0.28 at the end of 2021, mainly due to negative returns on listed securities investments that were not sufficient to cover operating costs. As of 31 December 2022, the Company's share price was US\$0.176 (2021: US\$0.236), reflecting a 7.36% discount to its NAV per share.

KEY PERFORMANCE INDICATOR

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.

Performance of the Company's NAV for the past five years are summarised in the annual report of the Company under the heading "Five Year Financial Summary (Unaudited)". In the opinion of the Board, fluctuations in past NAV performances are mainly attributable to fluctuations in unrealised fair value loss in one of the Company's investments.

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.

During the first quarter of 2022 the stock market fell severely on the tightening monetary policy, war in Ukraine and the risk of delisting Chinese companies in the US. The market fell as much as 19.7% in mid-March and hit a low of 18,236 point in the Hang Seng Index ("HSI"), 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 with more Omicron-related lockdown in China and the continuous weakness in the U.S. stock market. Interest rate was anticipated to be risen and China lowering the required rate of reserve by 25 basis point in April has sent more liquidity to counter the global tightening monetary environment. Overall, the HSI ended slightly positive by the end of June at 21,860 point.

During the second half of 2022, US inflation fears, tension over Taiwan on Pelosi visit, and resurgence of coronavirus cases in China triggered a renew sell-off in Hong Kong stock market. HSI slumped as much as 32.8% to end of October at 14,687 point.

In the last two months of the fourth quarter, the HSI started to rebound. The US Federal Reserve has taken a more dovish view on interest rate hike, coupled with the re-opening of the COVID-related lockdown in China gave the market a strong recovery expectation. The HSI jumped back and closed above 19,000 point. For the full year of 2022, HSI was down 15.5% and Hang Seng China Enterprise Index ("HSCEI") fell 18.6%.

The return of the Company's listed investments portfolio for the year 2022 was down 14.9%, outperforming the HSI and HSCEI respectively. However, it is more appropriate to benchmark with the 5 industries sectors' performances, which have fallen from 14-29%.

UNLISTED INVESTMENTS REVIEW

As at 31 December 2022, the Company held one unlisted securities investment but was fully impaired. No new investment was consummated in the year in view of the Company's limited cash resources.

OUTLOOK FOR 2023

The turbulence of 2022 weighs heavily on the investment outlook for 2023 because most of these causes have not been properly resolved. Rarely have investors had to grapple with the kind of lessons imparted by a global economy just starting to emerge from a pandemic, while dealing with unprecedented monetary policy measures and a major land war in Europe.

For the short term, with pandemic-related pressures beginning to wane, the market is expecting China to have a strong economic recovery post its re-opening in late December 2022. From the 20th National Congress of the Chinese Communist Party, there is clear evidence of government policies supporting for economic growth. However, the key is the extent of these policies in rejuvenating the consumer spending, in creating new and high-quality employment, in weathering the structural conflicts in the property sector, and above all, in mitigating the pressure from the US. Hence, the market should have a decent performance in the first half of 2023.

However, as the reality is gradually unfolded towards the middle of the year, the risks of US recession, the swinging situation in Europe, and the competitive altitudes among certain countries towards China, the second half of 2023 will be more volatile.

As always, the Company will continue to seek investing in listed companies with foreseeable growth potentials and be aware of risks lying ahead within the five sectors, namely new energy, high tech & internet-related, consumptions, telecommunications and healthcare-related.

In respect of unlisted investment, the Investment Manager will continue to monitor closely the development the fully impaired investment and strike for appropriate exit opportunity.

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL COMMITMENT

The Company did not participate in any new unlisted investment in 2022. The Company's bank balances as of 31 December 2022 were US\$1,636,507 (2021: US\$1,376,307). No dividends were paid during the year. Apart from listed securities investments, cash were used for operating and administrative expenses. The COVID-19 pandemic did not have material impact on the Company's liquidity positions and working capital sufficiency.

CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2022, there were no charges on the Company's assets and the Company had no material capital commitment on unlisted investments or any significant contingent liabilities (31 December 2021: Nil).

As at 31 December 2022, as far as the Directors were aware, the Company was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Company.

GEARING RATIO

The Company did not have any bank borrowings as at 31 December 2022 and 31 December 2021. As at 31 December 2022, the Company's current ratio (current assets to current liabilities) was approximately 13.72 (2021: 14.68). The ratio of total liabilities to total assets of the Company was approximately 5.74% (2021: 3.14%).

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. As at 31 December 2022, the Company's investment in one unlisted security, whose operating currency is RMB, is valued at zero. There is no hedging policy, the value of this investment and currency exposure risk are monitored by the Investment Manager.

EMPLOYEES

The Company has two employees and continues to delegate the day-to-day administration of its investment portfolio to Shanghai International Asset Management (Hong Kong) Company Limited (the "Investment Manager"). The Company determines its staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages of the Company's employees including basic salary, double pay and mandatory provident fund are reviewed on a regular basis.

DIVIDEND DISTRIBUTION

The Board does not recommend the payment of any dividend for the year ended 31 December 2022 (2021: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at the Ball Room, 1/F, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong on Wednesday, 17 May 2023 at 10:00 a.m.. Notice of annual general meeting will be published and sent to shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in due course.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining the right to attend and vote at the Company's annual general meeting to be held on 17 May 2023 ("2023 AGM"), the Register of Members of the Company will be closed as set out below:

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 10 May 2023
Record date	Thursday, 11 May 2023
Closure of Register of Members	Thursday, 11 May 2023 to Wednesday, 17 May 2023 (both dates inclusive)

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2023 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Secretaries Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the aforementioned latest time.

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 financial year ended 31 December 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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors of the Company ("Model Code"). The Company has made specific enquiry of all Directors of the Company regarding any non-compliance with the Model Code during the year ended 31 December 2022, all Directors confirmed that they had fully complied with the required standard set out in the Model Code.

The Company has also established written guidelines no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. During the year, no incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year, the Company did not purchase, sell or redeem any of its own shares.

AUDIT COMMITTEE

The Company's Audit Committee has been established since 1999 and currently comprises three members, all of them are Independent Non-executive Directors of the Company. The Audit Committee has reviewed the accounting principles and policies adopted by the Company and discussed with the Investment Manager on internal audit results, risk management and internal controls, key matters on compiling the Environmental, Social and Governance Report, compliance procedures and financial reporting matters. The Audit Committee has reviewed the annual results of the Company for the year ended 31 December 2022.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be despatched to shareholders of the Company and published on the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company (<http://shanghaigrowth.etnet.com.hk>) in due course.

For and on behalf of the Board of
**SHANGHAI INTERNATIONAL
SHANGHAI GROWTH INVESTMENT LIMITED**
ZHAO Tian
Executive Director

Hong Kong, 22 March 2023

As at the date of this announcement, the Board comprises Mr. ZHAO Tian as Executive Director; Mr. LU Xuefang as Non-executive Director; and Dr. HUA Min, Mr. ONG Ka Thai and Mr. YICK Wing Fat Simon as Independent Non-executive Directors.