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SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 770)

2009 INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2009

The Board of Directors (the “Board”) of Shanghai International Shanghai Growth Investment Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its associate (the “Group”) for the six months ended June 30, 2009, along with comparative figures for the corresponding period in 2008. Such results have been reviewed by the Company’s audit committee (“Audit Committee”) and the external auditors.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2009

		Unaudited	
		Six months ended June 30,	
		2009	2008
	<i>Notes</i>	<i>US\$</i>	<i>US\$</i>
Investment income		13,593	86,545
Fair value gain on investments in redeemable convertible preference shares		342,500	–
Gain (loss) on sale of investments in listed securities		71,999	(345,701)
Exchange gain		–	45,639
Investment Manager’s fee	<i>11</i>	(215,519)	(519,511)
Administrative expenses		(159,580)	(246,053)
Profit (loss) for the period		<u>52,993</u>	<u>(979,081)</u>
Other comprehensive income (expense)			
Fair value gain (loss) of available-for-sale financial assets		90,434	(2,237,251)
Reclassification adjustments for cumulative (gain) loss included in profit and loss upon disposal of available-for-sale financial assets		(71,999)	345,701
Other comprehensive income (expense) for the period		<u>18,435</u>	<u>(1,891,550)</u>
Total comprehensive income (expense) for the period		<u>71,428</u>	<u>(2,870,631)</u>
Earnings (loss) per share – basic	<i>6</i>	<u>0.59 cents</u>	<u>(10.99) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2009

	<i>Notes</i>	June 30, 2009 (Unaudited) US\$	December 31, 2008 (Audited) US\$
Non-current assets			
Interest in an associate		2,573,161	2,573,161
Investments in unlisted securities		2,500,000	2,500,000
Investments in listed securities	7	252,109	268,995
Investments in redeemable convertible preference shares	8	7,942,500	7,600,000
		<u>13,267,770</u>	<u>12,942,156</u>
Current assets			
Investments in listed securities	7	568,182	–
Other receivables and prepayments		747,985	149,929
Consideration receivable from disposal of listed securities		–	125,649
Bank balances		6,390,936	8,568,022
		<u>7,707,103</u>	<u>8,843,600</u>
Current liabilities			
Accrued charges		54,240	41,429
Amount due to Investment Manager	11	119,120	123,742
		<u>173,360</u>	<u>165,171</u>
Net current assets		<u>7,533,743</u>	<u>8,678,429</u>
		<u><u>20,801,513</u></u>	<u><u>21,620,585</u></u>
Capital and reserves			
Share capital	9	890,500	890,500
Reserves		19,911,013	20,730,085
		<u>20,801,513</u>	<u>21,620,585</u>
Net asset value per share	10	<u>2.33</u>	<u>2.43</u>

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and with Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended December 31, 2008.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on January 1, 2009.

Presentation of financial statements

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 Segment Reporting, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, no segment information is presented as the Group has only one business activity, namely investment holding and operates in the Greater China region only. The application of HKFRS 8 has resulted in a redesignation of the Group’s reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3). The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognized.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised 2008)	Consolidated and separate financial statements ¹
HKAS 39 (Amendment)	Eligible hedged items ¹
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters ³
HKFRS 2 (Amendment)	Group cash-settled share based payments transactions ³
HKFRS 3 (Revised 2008)	Business combinations ¹
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners ¹
HK(IFRIC) – INT 18	Transfers of assets from customers ⁴

¹ Effective for annual periods beginning on or after July 1, 2009.

² Amendments that are effective for annual periods beginning on or after July 1, 2009 or January 1, 2010, as appropriate.

³ Effective for annual periods beginning on or after January 1, 2010.

⁴ Effective for transfers on or after July 1, 2009.

The adoption of HKFRS 3 (Revised 2008) may affect the Group’s accounting for business combinations for which the acquisition dates are on or after January 1, 2010. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group’s ownership interest in a subsidiary. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 “Operating segments” with effect from January 1, 2009, resulted in changes as set out in note 2. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group’s chief operating decision makers in order to allocate resources to the segment and to assess its performance. The chief operating decision makers of the Group have been identified as the Executive Directors of the Company.

Information reported to the Executive Directors of the Company for the purpose of resource allocation and performance assessment focuses more specifically on the categories as follows:

- Listed securities – Investment in securities listed on the Hong Kong Stock Exchange
- Unlisted securities – Investment in unlisted securities including redeemable convertible preference shares

Segment result of listed securities represented dividend income from listed securities and gain/loss on sale of investments in listed securities. Segment result of unlisted securities represented fair value gain on investments in redeemable convertible preference shares. With the nature of securities business, no segment revenue is presented.

Information regarding these segments is presented below. The segment results reported for the prior period have been presented to conform with the requirements of HKFRS 8.

Six months ended June 30, 2009

	Listed securities <i>US\$</i>	Unlisted securities <i>US\$</i>	Total <i>US\$</i>
Segment result	<u>84,019</u>	<u>342,500</u>	426,519
Interest income from term deposits			1,573
Unallocated corporate expenses			<u>(375,099)</u>
Profit for the period			<u>52,993</u>

Six months ended June 30, 2008

	Listed securities <i>US\$</i>	Unlisted securities <i>US\$</i>	Total <i>US\$</i>
Segment result	<u>(303,036)</u>	<u>–</u>	(303,036)
Interest income from term deposits			43,880
Unallocated other income			45,639
Unallocated corporate expenses			<u>(765,564)</u>
Loss for the period			<u>(979,081)</u>

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

	June 30, 2009	December 31, 2008
	<i>US\$</i>	<i>US\$</i>
Listed securities	820,291	268,995
Unlisted securities	13,015,661	12,673,161
Total segment assets	<u>13,835,952</u>	<u>12,942,156</u>

4. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company has no assessable profits for both periods.

5. DIVIDEND

During the period, the Company has paid out the following dividend:

	Six months ended June 30,	
	2009	2008
	<i>US\$</i>	<i>US\$</i>
2008 special final dividend – US\$0.10 per share (2007: US\$0.20 per share) from the share premium account	<u>890,500</u>	<u>1,781,000</u>

The directors do not recommend the payment of an interim dividend for the six months ended June 30, 2009 (2008: Nil).

6. EARNINGS (LOSS) PER SHARE – BASIC

The calculation of basic earnings (loss) per share is based on the profit for the period of US\$52,993 (loss for the six months ended June 30, 2008: US\$979,081) and 8,905,000 (for the six months ended June 30, 2008: 8,905,000) ordinary shares in issue.

No diluted earnings (loss) per share has been presented as the Group has no dilutive potential ordinary shares outstanding during both periods.

7. INVESTMENTS IN LISTED SECURITIES

	June 30, 2009	December 31, 2008
	<i>US\$</i>	<i>US\$</i>
Listed securities, at fair value:		
Shares listed in Hong Kong	<u>820,291</u>	<u>268,995</u>

The investments in listed securities are held for long-term and non-trading in nature and are classified as available-for-sale investments. Fair values of the investments in listed securities have been determined by reference to bid prices quoted in active markets.

8. INVESTMENTS IN REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	June 30, 2009	December 31, 2008
	<i>US\$</i>	<i>US\$</i>
Series A-1 Preference Shares in Grandpro Technology Limited (“Grandpro”)	2,942,500	2,600,000
Series B Preferred Shares in Global Market Group Limited (“GMG”)	5,000,000	5,000,000
	<u>7,942,500</u>	<u>7,600,000</u>

In 2008, the Company acquired 2,600,000 Series A-1 Preference Shares in Grandpro (the “Grandpro Preference Shares”) and 1,530,769 Series B Preferred Shares in GMG (the “GMG Preference Shares”) (collectively the “Preference Shares”) for a total consideration of US\$7,600,000.

The Grandpro Preference Shares are convertible into ordinary shares of Grandpro at the option of the Company and will be automatically converted into ordinary shares of Grandpro upon listing of Grandpro on a recognized stock exchange which values Grandpro with a market capitalization of at least a certain specified amount. The Grandpro Preference Shares are redeemable after December 30, 2010 at 100% plus accrued interest at 10% per annum.

The GMG Preference Shares are convertible into ordinary shares of GMG at the option of the Company and will be automatically converted into ordinary shares of GMG upon listing of GMG on a recognized stock exchange which values GMG with a market capitalization of at least a certain specified amount. The GMG Preference Shares are redeemable after December 31, 2011 at 100%, repayable over the subsequent three years and will bear interest at 8% per annum as from that date.

The Board is of the opinion that the chances of converting the Preference Shares into their respective listed ordinary shares are remote as both investee companies have no firm listing plan up to the date of this report. For Grandpro Preference Shares, the fair value of the embedded conversion option is minimal. The fair value of the host loan component is determined using the discounted cash flow model. At June 30, 2009, this investment is stated at fair value.

For GMG Preference Shares, it is stated at cost less impairment losses at balance sheet date because the range of reasonable fair value estimates of the conversion option component is so diverse that the directors of the Company are of the opinion that their fair value cannot be measured reliably.

9. SHARE CAPITAL

	Number of ordinary shares of US\$0.1 each	Share capital <i>US\$</i>
Authorized:		
At December 31, 2008 and June 30, 2009	<u>18,000,000</u>	<u>1,800,000</u>
Issued and fully paid:		
At December 31, 2008 and June 30, 2009	<u>8,905,000</u>	<u>890,500</u>

10. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net asset value of the Group as at June 30, 2009 of US\$20,801,513 (at December 31, 2008: US\$21,620,585) and on the 8,905,000 (at December 31, 2008: 8,905,000) ordinary shares in issue as at June 30, 2009.

11. RELATED PARTY TRANSACTIONS

During the period, the Group had the following transactions with related parties:

	Six months ended June 30,	
	2009	2008
	US\$	US\$
Investment management and administration fees paid and payable to Shanghai International Asset Management (H.K.) Co., Ltd. (the "Investment Manager")	215,519	258,216
Incentive fee paid to the Investment Manager	<u>—</u>	<u>261,295</u>
	<u>215,519</u>	<u>519,511</u>
	June 30,	December 31,
	2009	2008
	US\$	US\$
Amount due to Investment Manager	<u>119,120</u>	<u>123,742</u>

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

In addition, during the prior period the Company paid an incentive fee in relation to performance to the Investment Manager amounting to US\$261,295, in accordance with the terms of the Investment Management Agreements.

The Investment Manager is entitled to an incentive fee equal to 15% of the excess amount by which the net asset value of the Group as at December 31 of each year exceeding 115% of the net asset value of the Group as at December 31 of the immediately preceding year.

Amount due to Investment Manager is unsecured, interest free, repayable on demand and is denominated in US\$.

Certain directors of the Company are also directors of the Investment Manager.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an unaudited profit of US\$52,993 for the six months ended June 30, 2009 (loss for the six months ended June 30, 2008: US\$979,081). In view of significant correction in stock markets in 2008, the Group exited from most of its listed securities portfolio before the onset of the financial turmoil. The Group started with a new listed investments portfolio at the beginning of 2009 with a conservative approach in investment. Therefore, dividend income received by the Group from listed investments during the period amounted to US\$12,020 (2008: US\$42,665), less than that for the same period last year. Nonetheless, the Group recorded a net gain of US\$90,434 on its listed investments for the first half of 2009 versus a net loss of US\$2,237,251 in the same period of 2008. As for unlisted investments, no dividend income was recorded in both periods since new investments were made in the fourth quarter of 2007 and 2008. A fair value gain of US\$342,500 on investment in redeemable convertible preference shares was recognized in the current period.

In May 2009, the Company paid its shareholders a special final dividend of US\$0.10 per share for 2008. As at June 30, 2009, the Group's net asset value ("NAV") per share was US\$2.33 after such dividend distribution, a 4% decrease compared with US\$2.43 at the end of 2008.

Investments Review

Portfolio Allocation

	June 30, 2009	December 31, 2008
Unlisted investments	63%	59%
Listed investments	4%	1%
Cash and cash equivalents	33%	40%
Total	<u>100%</u>	<u>100%</u>

Unlisted Investments

In the first half of 2009, the Investment Manager examined a total of twenty one investment projects, with sectors coverage of retail, food and beverage, manufacturing, electronics and solar energy. Most of these investment projects were being evaluated, visited and classified for future follow-up. However, no new project has been invested. A fair value gain of US\$342,500 on investment in redeemable convertible preference shares was recognized in the current period.

Listed investments

For the first half of 2009, the Group's listed securities portfolio recorded a gain of 2.86% while the Hang Seng Index was up 27.74%. As the US economy was congested with inconsistent economic indicators, the Investment Manger therefore adopted a strategy with emphasis on capital preservation. Nonetheless, the Investment Manager has gradually increased the Group's investment position in June 2009 in order to ride on the bottom-out trend of the equity market.

Prospects

For the second half of 2009, the Investment Manager expects the equity capital market will partly restore its momentum and some undervalued stocks will rebound. Market risks will stay high, although many listed companies' fundamentals remain strong. The US economy will remain as a concern to the globe, the consequence of increased supply could be a depreciation of the US dollar. This will affect the US dollar-pegged Hong Kong dollar directly, causing a possible depreciation of the Hong Kong dollar against other currencies. However, investment sentiment will become positive as many postponed IPOs had been reinitiated and scheduled for listing in the second half of 2009.

Going forward, the Group will maintain a high alertness for signs of economic recoveries. The Investment Manager will continue to conduct due diligence reviews on new projects and closely monitor all invested projects. The change in equity market sentiment offers an opportunity for a consideration of asset reallocation. Consequently, the investment portfolio can be more diversified with less exposure to industry risks.

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL COMMITMENT

The Group's bank balances as of June 30, 2009 were US\$6,390,936 (December 31, 2008: US\$8,568,022), of which US\$787,789 (December 31, 2008: US\$788,156) were held in RMB equivalent on trust deposits with a registered financial institution in China. RMB is not a freely convertible currency and the RMB exchange rate versus the US dollar has no significant change during 2009. The Company had changed its custodian to Standard Chartered Bank (Hong Kong) Limited effective January 1, 2009.

The Group did not have any bank borrowing or capital commitment on its unlisted investments at end of June 2009 and December 2008 respectively.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

Except for the RMB bank deposit, the majority of the Group's assets are denominated in US dollars and Hong Kong dollars. As long as the Hong Kong dollar continues its peg to the US dollar in the foreseeable future, the Group does not envisage any material exposure to exchange fluctuations. Accordingly, no hedging instruments were made nor transacted to cushion for such exposure.

The moderate appreciation of the RMB regime against the US dollar has a positive but negligible impact on the Group.

EMPLOYEES

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

PURCHASE, SALE AND REDEMPTION OF SECURITIES

During the six months ended June 30, 2009, the Company did not purchase, sell or redeem any of the Company's own securities.

AUDIT COMMITTEE

The Company has established an Audit Committee since 1999, which currently comprises Mr. YICK Wing Fat, Simon (Chairman), Mr. ONG Ka Thai, Dr. HUA Min and Mr. CHEN Chi-chuan, all of whom are non-executive directors, with three of them being independent.

The Audit Committee has reviewed the Company's unaudited interim financial statements for the period ended June 30, 2009 and discussed with the management in conjunction with the external auditors. The Audit Committee also meets with the management of the Investment Manager to supervise the Company's matters on internal control, risk management and financial reporting process.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions. Specific confirmation has been obtained from all directors confirming their respective compliance with the Model Code during the six months ended June 30, 2009.

CORPORATE GOVERNANCE

The Company continues to improve its corporate governance practices and has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the reporting period.

PUBLICATION OF INTERIM REPORT

This announcement is published on the websites of The Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the Company (<http://shanghaigrowth.etnet.com.hk/>).

The Company's 2009 interim report will be dispatched to the shareholders of the Company as well as published on the aforesaid websites in due course.

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

Hong Kong, September 18, 2009

As at the date of this announcement, the Board comprises of the following directors:

Executive Directors

Dr. WANG Ching and Mr. WU Bin

Independent Non-Executive Directors

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

Non-Executive directors

Mr. CHEN Chi-chuan, Mr. LEE Tien-chieh, Mr. LIN Bin and Mr. TSENG Ta-mon