CHINA GROWTH OPPORTUNITIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

INVESTING POLICY

The Investing Policy of the Company during the year ended 31 March 2012 was to manage the sale of the Company's investment portfolio and to maximise the return of invested capital to shareholders during the period ending on 30 September 2012.

Amendment to Investing Policy
At an Extraordinary General Meeting held on 28 May 2012, a resolution was passed by shareholders to amend the Investing Policy to:

"The Company's objective is to provide shareholders with capital growth and income from investing in a portfolio of companies whose business operations are based in China. The Company will seek to invest as sole or lead investor in profitable, well-managed real estate and retail orientated businesses whose business operations are based in China.

The Investor intends to utilise its resources and contacts in Hong Kong and China in order to generate deal flow and actively manage investments. Although there are no limits on the proportion of the Company's net assets which may be invested in any particular investment, the Directors will seek to ensure that the Company has a spread of investments. Investments are expected to be held for between approximately three to five years.

The Company will hold its investments through special purpose vehicles ("SPVs"). Borrowing may be undertaken at the SPV level and investments may initially be highly geared."

KEY POINTS

- Following the Extraordinary General Meeting held on 28 May 2012, £200,000 was raised through the issue of 20 million Ordinary Shares to the Scarborough Group, £250,000 was returned to shareholders and the Investing Policy was changed.
- Cash distribution to Ordinary shareholders of £750,000 during the year (1.50p per Ordinary Share).
- In specie distribution to Ordinary shareholders of the majority of the Company's holding in China CDM Exchange Centre during the year.
- Net assets at 31 March 2012 of £0.6 million (2011: £1.8 million).
- Net assets per share at 31 March 2012 of 1.10p (2011: 3.55p).

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www.chinagrowthopportunities.com
An authorised closed-ended investment company, incorporated under
The Companies (Guernsey) Law, 2008, as amended.
REGISTERED IN GUERNSEY No. 44403

CHAIRMAN'S STATEMENT

I am pleased to have the opportunity to present the annual report and financial statements of China Growth Opportunities Limited (the "Company") for the year ended 31 March 2012.

Results

The net asset value of the Company at 31 March 2012 was £0.6 million (2011: £1.8 million), equal to 1.10p per Ordinary Share (2011: 3.55p per Ordinary Share). The 69% decrease in net asset value from 31 March 2011 was due to the £1.1 million return of capital to shareholders and a net loss for the year of £0.1 million (31 March 2011: loss of £1.5 million).

Investing Policy

The Investing Policy of the Company during the year ended 31 March 2012 was to manage the sale of the Company's investment portfolio and to maximise the return of invested capital to shareholders during the period ending on 30 September 2012.

In accordance with this investing policy, the Company has been making regular returns of capital to its shareholders since its current investment objective was amended at the EGM held on 23 January 2009. Since that date, the Company has returned capital of 27.50p per Ordinary Share in cash as well as a further £328,000 to shareholders via a distribution in specie of 9,364,963 shares in China CDM Exchange Centre Limited ("CCEC"). The Company held one investment as at 31 March 2012, which cost £4.0 million and had a fair value of nil at 31 March 2012. The Directors do not believe any value can be recovered from this investment.

As the existing investment policy is now complete, as part of the additional subscription, at an Extraordinary General Meeting held on 28 May 2012, the Company changed its policy to be:
"The Company's objective is to provide shareholders with capital growth and income from investing in a portfolio of companies whose business operations are based in China. The Company will seek to invest as sole or lead investor in profitable, well-managed real estate and retail orientated businesses whose business operations are based in China.

The Investor intends to utilise its resources and contacts in Hong Kong and China in order to generate deal flow and actively manage investments. Although there are no limits on the proportion of the Company's net assets which may be invested in any particular investment, the Directors will seek to ensure that the Company has a spread of investments. Investments are expected to be held for between approximately three to five years.

The Company will hold its investments through special purpose vehicles ("SPVs"). Borrowing may be undertaken at the SPV level and investments may initially be highly geared".

Additional Subscription

On 28 May 2012 the Company announced that it was seeking to raise £200,000 (before expenses) by way of an issue of 20,000,000 Ordinary Shares to Scarborough Holding Company Limited ("Scarborough"), with Warrants attached on a one-for-one basis, at a price of 1.0p per Ordinary Share. The subscription proceeds will be used to fund the working capital requirements of the Company and enable the Company to implement the new Investing Policy. Below are the terms of the subscription:

- A return of capital of 0.5 pence per Ordinary Share paid to shareholders on 8 June 2012.
- A bonus issue of warrants to shareholders on the register at the record date on the basis that shareholders received one warrant for every two Ordinary Shares held.
- £200,000 raised (before expenses) by way of an issue of 20,000,000 new Ordinary Shares to the investor at a price of 1.0p per Ordinary Share with Warrants attached so that Scarborough, at admission, held 20,000,000 Ordinary Shares and 20,000,000 Warrants. The subscription was conditional, inter alia, upon the Company obtaining approval from its shareholders to disapply statutory pre-emption rights and to grant the Board authority to allot the subscription shares as well as approval by shareholders of the new investment policy.
- The subscription will provide the funds required for working capital and for the Company to pursue the new investment policy. Further, on subscription, the Board of the Company changed and Mr Miller and Dr Zhang were replaced by Mr McCabe. Thereafter the Company will invest on the terms of the new Investing Policy.

I would like to thank Mr Miller and Dr Zhang for their contribution to the Company over the recent years. I am also delighted to welcome Mr McCabe to the Board and feel that his appointment will enhance our ability to deliver value for shareholders under the Company's new investment policy.

CHAIRMAN'S STATEMENT (continued)

Return of Capital
On 6 July 2011, the Company made a return of capital to shareholders of 1.50p per Ordinary Share (equivalent to £0.8 million). On 1 August 2011, the Company returned a further £328,000 to shareholders via an in specie distribution of 9,364,963 shares in CCEC. Shareholders received 0.1873 CCEC shares for every Ordinary Share held. Based on the mid-market price per CCEC share of 3.5p as at close of business on 27 July 2011, the return of capital was equal to approximately 0.66 pence per China Growth Opportunities Limited Ordinary Share.

Fractional entitlements were not issued to the Company's shareholders and all fractional entitlements to which holders of the Company's shareholders would have become entitled were rounded down and retained by the Company. The Company retained 4,937 shares in CCEC as a result of these fractional entitlements and sold these for 3.5p each on 9 August 2011.

The total return of capital in the year ended 31 March 2012 was equal to approximately 2.16p per Ordinary share.

In addition, as mentioned above, £250,000 (0.5 pence per Ordinary Share) was paid to shareholders on 8 June 2012.

Investments
During the year ended 31 March 2012, the Company disposed of its entire holding in CCEC. As mentioned above, 9,364,963 shares in CCEC were transferred to shareholders by way of a distribution in specie and the remaining fractional entitlements of 4,937 shares were sold on 9 August 2011 for 3.5p per share. The total deemed proceeds from the disposal of the investment in CCEC amounted to £328,000.

The proceeds from the sale of the CCEC investment was £0.1 million higher than its 31 March 2011 "fair value" but a realised loss of £1.4 million was incurred when comparing the disposal proceeds of £0.3 million to its initial cost of £1.7 million.

China Solar, which had cost the Company £2.0 million, but has been carried at nil since 31 March 2009, has been dissolved. The Company did not receive any return from its investment in China Solar.

At 31 March 2012, the Company held one investment, which cost £4.0 million (31 March 2011: three investments which cost £7.7 million). At 31 March 2012, this investment had a fair value of nil (31 March 2011: £0.2 million).

Although the Wan Wei convertible loan note matured in May 2012, Wan Wei was not in a position to redeem the loan note on even a partial basis. As the result of bad debt problems, Wan Wei lacks sufficient working capital to advance the business. On the basis of the lack of interested buyers for the Company's investment in Wan Wei and the inability of Wan Wei to even partially redeem the convertible loan note given its financial position, the value of the Company's interest in Wan Wei is carried at nil.

Our approach to the valuation of the Company's investments reflects our view of fair value being the value at which your investments could have been exchanged between knowledgeable, willing parties in an arm's length transaction at the reporting date.

Outlook
As a Board we felt that we had achieved the previous Investing Policy and that it was the right time to move the Company in a different direction. The additional subscription presented an opportunity to return further capital to shareholders and for the Company to obtain additional working capital to pursue a new investment strategy. Your new Board believes that the Company will be able to take advantage of the investment opportunities available in China, in accordance with its new Investing Policy, to ensure its future prosperity.

Respectfully yours

R Davies
18 June 2012

DIRECTORS

Rhys Davies *(Executive Chairman)*
Rhys is a General Partner of Damille Partners, which he established in October 2008 with Brett Miller (with each holding a 50% partnership interest).

Rhys is also an Executive Director of Damille Investments Limited, Damille Investments II Limited and Damille Partners Limited. Rhys presently serves as the Non-Executive Chairman of Rapid Realisations Fund Limited, EIH plc and Loudwater Trust Limited.

Rhys holds degrees from the University of Wales, Cardiff, and Imperial College, London, as well as the CFA designation.

Kevin McCabe *(Executive Director)*
Kevin is the founding director of the Scarborough Group of companies ("Scarborough Group") and has been its chairman since inception. Kevin has over 40 years' experience in the commercial property sector. The Scarborough Group was founded in 1980 and is a group of independent businesses with real estate, investment and leisure interests in the UK, Central Europe, North America, Australia, India and China, including Hong Kong. The Scarborough Group's interests have diversified to include, inter alia, a global investment portfolio in excess of £1.0 billion.

Kevin is chairman of many of the Scarborough Group companies and is the chairman of Sheffield United plc

REPORT OF THE DIRECTORS

The Directors are pleased to present their annual report and financial statements for the year ended 31 March 2012.

Status and Activities

The Company is an authorised closed-ended investment company domiciled and incorporated as a limited liability company in Guernsey.

The registered office of the Company is 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX.

The Company's Investing Policy is to manage the sale of the Company's investment portfolio and to maximise the return of invested capital to shareholders during the period ending on 30 September 2012. At the Extraordinary General Meeting held on 28 May 2012, a resolution was passed by shareholders to amend the Investing Policy to:

"The Company's objective is to provide shareholders with capital growth and income from investing in a portfolio of companies whose business operations are based in China. The Company will seek to invest as sole or lead investor in profitable, well-managed real estate and retail orientated businesses whose business operations are based in China.

The Investor intends to utilise its resources and contacts in Hong Kong and China in order to generate deal flow and actively manage investments. Although there are no limits on the proportion of the Company's net assets which may be invested in any particular investment, the Directors will seek to ensure that the Company has a spread of investments. Investments are expected to be held for between approximately three to five years.

The Company will hold its investments through special purpose vehicles ("SPVs"). Borrowing may be undertaken at the SPV level and investments may initially be highly geared."

Revenue

The results attributable to shareholders for the year and the transfer to reserves are shown on page 11. The Company made a loss for the year of £0.1 million (2011: loss of £1.5 million), a loss per Ordinary Share of 0.29p (2011: loss of 2.97p).

Dividends and Return of Capital

The Company did not pay any dividends during the year (2011: nil) and the Directors do not propose a final dividend for the year (2010: nil).

On 6 July 2011, the Company made a return of capital to shareholders of 1.50p per Ordinary Share (equivalent to £0.8 million). On 1 August 2011, the Company returned a further £328,000 to shareholders via an in specie distribution of 9,364,963 shares in CCEC. Shareholders received 0.1873 CCEC shares for every Ordinary Share held. Based on the mid-market price per CCEC share of 3.5p as at close of business on 27 July 2011, the return of capital was equal to approximately 0.66 pence per China Growth Opportunities Limited Ordinary Share.

The total return of capital in the period was equal to approximately 2.16p per Ordinary share.

Investments

During the year ended 31 March 2012, the Company disposed of its entire holding in CCEC. As mentioned above, 9,364,963 shares in CCEC were transferred to shareholders by way of a distribution in specie and the remaining fractional entitlements of 4,937 shares were sold on 9 August 2011 for 3.5p per share. The total deemed proceeds from the disposal of the investment in CCEC amounted to £328,000.

China Solar, which had cost the Company £2.0 million, but had been carried at nil since 31 March 2009, has been dissolved. The Company did not receive any return from its investment in China Solar.

At 31 March 2012, the Company held one investment, which cost £4.0 million (31 March 2011: three investments which cost £7.7 million). At 31 March 2012, these investments had a fair value of nil (31 March 2011: £0.2 million).

Although the Wan Wei convertible loan note matured in May 2012, Wan Wei was not in a position to redeem the loan note on even a partial basis. As the result of bad debt problems, Wan Wei lacks sufficient working capital to advance the business. On the basis of the lack of interested buyers for the Company's investment in Wan Wei and the inability of

REPORT OF THE DIRECTORS (continued)

Investments *(continued)*
Wan Wei to even partially redeem the convertible loan note given its financial position, the value of the Company's interest in Wan Wei is carried at nil.

Taxation
The Company has been granted exemption from Guernsey taxation under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 so that the Company is exempt from Guernsey taxation on income arising outside Guernsey and bank interest receivable in Guernsey. The Company's Guernsey tax liability is therefore limited to a fixed fee of £600 per annum.

Share Capital
The Company has the authority to buy back up to 14.99% of the Ordinary Shares in issue for cancellation. No Shares were purchased for cancellation during the year (2011: nil). The Company intends to seek to renew the necessary authorities to buy back Ordinary Shares at the forthcoming Annual General Meeting.

The Company is also able to purchase up to 10% of the Ordinary Shares in issue and hold them as Treasury Shares.

Following an Extraordinary General Meeting held on 28 May 2012, a resolution was passed by the shareholders enabling the Company to raise £200,000 (before expenses) through the issue of Ordinary Shares to Scarborough Holding Company Limited ("Scarborough") at 1.0 pence per Ordinary Share, which represented a discount of 9.1% to the net asset value per Ordinary Share at 31 March 2012. The 20 million new Ordinary Shares were admitted to trading on AIM on 29 May 2012. The new Ordinary Shares represented 28.57% of the Company's enlarged issued Ordinary Share capital immediately following admission.

The subscription will provide the funds required for working capital and for the Company to pursue the new investing policy (details of which are set out in the Chairman's Statement).

Pursuant to the Subscription Agreement, the Company issued Subscription Warrants to Scarborough on the basis of one Subscription Warrant for each new Ordinary Share. Accordingly, following admission Scarborough held 20,000,000 Ordinary Shares and 20,000,000 Subscription Warrants. Each Subscription Warrant entitles Scarborough to subscribe for one Ordinary Share in cash at any time during the period commencing with the date of admission and ending on the date which is the third anniversary of the date of admission at a price of 5.0p per Ordinary Share. The Subscription Warrants will not be admitted to listing or trading on any stock exchange.

The New Ordinary Shares will rank *pari passu* with the Existing Ordinary Shares.

An application was made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Admission became effective on 29 May 2012.

Material Contracts
The Company's material contracts are with Elysium Fund Management Limited ("Elysium") which acts as Administrator and Secretary, Capita Registrars (Guernsey) Limited, which acts as Registrar and Singer Capital Markets Limited, which acts as Nominated Adviser and Broker. Details of the fees payable to Elysium are disclosed in note 7.

With effect from 31 December 2011, the contract with Butterfield Bank (Guernsey) Limited, which acted as custodian, was terminated as the Company only held two lines of stock (its investment in Wan Wei) and the Directors deemed that it was no longer necessary to employ a custodian.

Directors
The present members of the Board are listed on the inside back cover of this report. Mr Davies, Mr Miller and Dr Zhang served as Directors throughout the year under review. At the Extraordinary General Meeting held on 28 May 2012, a resolution was passed by the shareholders to appoint Mr McCabe as a Director and for Mr Miller and Dr Zhang to resign as directors of the Company.

There are no service contracts in place between the Non-Executive Director or the Executive Directors and the Company.

REPORT OF THE DIRECTORS (continued)

Directors *(continued)*

Mr Davies and Mr Miller (who resigned as a Director on 28 May 2011) each hold 50% of Damille Partners II, which held 5,100,000 Ordinary Shares (10.20% at 31 March 2012, 7.29% following the issue of new Ordinary Shares on 29 May 2012) at 31 March 2012 and the date of signing this report. In addition, Damille Partners Limited (which is equally owned by the respective family interests of Mr Davies and Mr Miller) held 4,651,920 Ordinary Shares (9.30% at 31 March 2012, 6.65% following the issue of new Ordinary Shares on 29 May 2012) at 31 March 2012 and the date of signing this report.

Mr McCabe and his family members hold 100% of Scarborough Holding Company, which purchased 20,000,000 Ordinary Shares (28.57%) in the Company on 28 May 2012. Scarborough Holding Company continued to hold 20,000,000 Ordinary Shares at the date of signing this report.

Dr Zhang had no interest in the Ordinary Shares of the Company at 31 March 2012 and the date of signing this report.

Substantial Interests

On 05 June 2012 the following interests in 3% or more of the issued Ordinary Shares had been notified to the Company:

Funds managed by:	*Number of Ordinary Shares*	*Percentage of Share Capital*
Scarborough Holding Company	20,000,000	28.57%
Weiss Asset Management	11,884,336	16.98%
Damille Partners and Damille Partners II	9,751,920	13.93%
QVT Financial	9,369,796	13.39%
Newton Investment Management	6,602,612	9.43%
Schroder Investment Management	2,437,272	3.48%

Corporate Governance and Directors' Remuneration

As a Guernsey incorporated company and under the AIM Rules for Companies, the Company is not required to comply with the UK Corporate Governance Code published by the Financial Reporting Council (the "2010 FRC Code"). However, the Directors place a high degree of importance on ensuring that high standards of Corporate Governance are maintained and that the Company complies with the Finance Sector Code on Corporate Governance, issued by the Guernsey Financial Services Commission. As a result, many of the principles set out in the 2010 FRC Code have been adopted and these are summarised below, together with the areas of non-compliance.

The Company complied throughout the year with the provisions of the 2010 FRC Code, except in the following aspects:

A.2.1 Mr Davies and Mr McCabe are considered to be Executive Directors. Therefore, the roles of Chairman and Chief Executive are effectively exercised by the same individual. The Board did not consider it necessary to appoint a separate chairman, or chief executive officer, given the nature of the Company and structure of the Board.

A.4.1 The Board does not consider it necessary to appoint a senior independent Director, given the structure of the Board.

A.4.2 B.6.3 Dr Zhang, up until her resignation on 28 May, was the only Non-Executive Director, and so the Non-Executive directors were not able to meet separately, without the Chairman present, to appraise the Chairman's performance. There are currently no Non-Executive directors serving.

B.2.1 Mr Davies is chairman of the Nomination Committee. The Board did not consider it appropriate for an independent Non-Executive Director to chair the Nomination Committee, given the nature of the Company and structure of the Board.

B.2.3 The Directors are not appointed for specific terms as this was not felt to be appropriate for the size and nature of the Company.

B.3.2 The terms and conditions of appointment of the Directors are not available for inspection as the Board did not deem it necessary to formalise the terms and conditions of appointment or to sign letters of appointment.

Since the Directors did not formalise letters of appointment and as the schedule of Board and Committee meetings is subject to change according to the exigencies of the business, the Directors do not have fixed time commitments. All Directors are expected to demonstrate their commitment to the work of the Board on an ongoing basis.

REPORT OF THE DIRECTORS (continued)

Corporate Governance and Directors' Remuneration *(continued)*

B.4.2 The Chairman does not regularly review and agree with each Director their training and development needs as all of the Directors are professionally qualified and are required by their relevant governing professional bodies to undertake continuing professional education.

B.6.1 The Board did not undertake a formal appraisal of the Board, its committees or the individual Directors during the year. The Board decided that this was not appropriate given the nature of the Board.

B.2.1 The Board has not established a Remuneration Committee as it is not considered to be appropriate for the size of the Board.

Board Responsibilities
The Board currently comprises two Executive Directors, Mr Davies and Mr McCabe.

The Board has engaged external companies to undertake the administrative the Company. Clearly documented contractual arrangements are in place with these service providers which define the areas where the Board has delegated responsibility to them. The Company holds at least three Board meetings per year, at which the Directors review the Company's investments and all other important issues to ensure control is maintained over the Company's affairs.

The Company is self-managed, in that day-to-day investment management recommendations are made by the Executive Directors (Mr Davies and Mr McCabe).

The Board has not stated how it has applied D.1 and D.2 of the 2010 FRC Code on directors' remuneration. However, the fee that was paid to each Director during the year is shown in note 8.

Board Committees
The Company uses a number of Committees to control its operations. Each Committee has formal written terms of reference which clearly define their responsibilities.

Audit Committee
Mr Miller was Chairman and Dr Zhang was a member of the Audit Committee during the year and up until their resignations on 28 May 2012. Mr Davies is currently the sole member of the Audit Committee.

The Committee meets at least twice a year and provides a forum through which the Company's Auditors report to the Board. The Audit Committee examines the effectiveness of the Company's internal controls, the Annual Report and Financial Statements, the Half-Yearly Report and Financial Statements, the Auditors' remuneration and engagement as well as the Auditors' independence and any non-audit services provided by them. The Audit Committee receives information from the Administrator, the Secretary and the Auditors. The Audit Committee has formal written terms of reference, which are available upon request from the Secretary.

Nomination Committee
Mr Davies is Chairman of the Nomination Committee. The Nomination Committee has formal written terms of reference. Mr Miller and Dr Zhang were also members of the Nomination Committee during the year and up until their resignation on 28 May 2012. The function of the Nomination Committee is to consider the appointment and reappointment of Directors. When considering the appointment and reappointment of Directors, the Nomination Committee and the Board consider whether the Board and its committees have the appropriate balance of skills, experience, independence, knowledge and diversity to enable them to discharge their respective duties and responsibilities effectively, but do not take into account the gender of a Director (or potential Director), as they do not believe that this affects a Director's performance.

Board Meetings
All members of the Board are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance is unavoidable in certain circumstances. The Board holds one Board meeting per annum in China (including Hong Kong). Directors' attendance at Board and Committee meetings during the financial year is set out below.

REPORT OF THE DIRECTORS (continued)

Board Meetings *(continued)*

	Board Meetings	*Committee Meetings*
Rhys Davies *(Chairman)*	3/3	2/2
Brett Miller (resigned 28 May 2012)	2/3	2/2
Weiming Zhang (resigned 28 May 2012)	1/3	0/2

Dialogue with Shareholders

The Directors are always available to enter into dialogue with shareholders. All ordinary shareholders will have the opportunity, and indeed are encouraged, to attend and vote at future Annual General Meetings during which the Board will be available to discuss issues affecting the Company. The Board stays abreast of shareholders' views via regular updates from the Executive Directors and the Nominated Adviser as to meetings they may have held with shareholders.

The Board monitors the trading activity and shareholder profile on a regular basis and maintains contact with the Company's Broker to ascertain the views of shareholders. Shareholder sentiment is also ascertained by the careful monitoring of the premium/discount that the Ordinary Shares are traded in the market when compared to those experienced by similar companies.

The Company reports formally to shareholders twice a year and a proxy voting card is sent to shareholders with the Annual Report and Financial Statements. Additionally, current information is provided to shareholders on an ongoing basis through the Company website. The Secretary monitors the voting of the shareholders and proxy voting is taken into consideration when votes are cast at the Annual General Meeting.

Litigation

The Company is not engaged in any litigation or claim of material importance, nor, so far as the Directors are aware, is any litigation or claim of material importance pending or threatened against the Company.

Going Concern

After making reasonable enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Since the year end, the Company has restructured and raised £200,000 through the issue of Ordinary Shares. The Company is now seeking to start investing and for this reason, they continue to adopt the going concern basis in preparing the financial statements.

Internal Control and Financing

The Board is responsible for establishing and maintaining the Company's system of internal control. Internal control systems are designed to meet the particular needs of the Company and the risks to which it is exposed, and, by their very nature, provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedures which have been established to provide effective internal controls are as follows:

- Elysium is responsible for the provision of administration and company secretarial duties.
- The Board clearly defines the duties and responsibilities of the agents and advisers in the terms of their contracts.
- The Board reviews financial information produced by the Administrator on a regular basis.

The Company does not have an internal audit department. All of the Company's management functions are delegated to independent third parties and it is therefore felt that there is no need for the Company to have an internal audit facility.

The Board feels that the procedures employed by the service providers adequately mitigate the risks to which the Company is exposed.

Financial Risk Profile

The Company's financial instruments comprise investments, cash and cash equivalents, and various items such as receivables and payables that arise directly from the Company's operations.

The main risks arising from holding these financial instruments are market risk (including price risk, currency risk and interest rate risk), credit rate risk and liquidity risk. Further details are given in note 22 to the financial statements.

REPORT OF THE DIRECTORS (continued)

Independent Auditors
PricewaterhouseCoopers CI LLP has expressed its willingness to continue to act as Auditors to the Company and a resolution for its reappointment will be proposed at the forthcoming Annual General Meeting.

Statement of Directors' Responsibilities
The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of The Companies (Guernsey) Law, 2008, as amended. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the website on which these financial statements are published. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors
The Directors who held office at the date of approval of this Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

On behalf of the Board.

R Davies	K McCabe
18 June 2012	18 June 2012

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHINA GROWTH OPPORTUNITIES LIMITED

Report on the Financial Statements
We have audited the accompanying financial statements of China Growth Opportunities Limited ("the Company") which comprise the Statement of Financial Position as of 31 March 2012 and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control**.** An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 March 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Report on other Legal and Regulatory Requirements
We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Investing Policy, the Key Points, the Chairman's Statement, the Directors, the Report of the Directors, the Notice of Annual General Meeting, the Form of Proxy and the Directors and Advisers.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
18 June 2012

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2012

	Note	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Investment gains and losses			
Net unrealised change in fair value of investments	13	3,500	4,453
Realised loss from sale of investments	13	(3,359)	(5,565)
Total investment gains and losses		**141**	**(1,112)**
Income			
Other income	6	2	3
Total income		**2**	**3**
Expenses			
Administration fees	7	(100)	(119)
Directors' remuneration	8	(96)	(117)
Other expenses	9	(92)	(141)
Total expenses		**(288)**	**(377)**
Loss for the year		**(145)**	**(1,486)**
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the shareholders		**(145)**	**(1,486)**
Loss per Ordinary Share – basic and diluted	11	**(0.29)p**	**(2.97)p**

All the items in the above statement are derived from continuing operations.
The accompanying notes on pages 15 to 31 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

	Note	31 March 2012 £'000	31 March 2011 £'000
Non-current assets			
Investments designated at fair value through profit or loss	13	-	187
Current assets			
Other receivables	15	7	12
Cash and cash equivalents		621	1,652
		628	1,664
Total assets		**628**	**1,851**
Current liabilities			
Payables and accruals	16	(76)	(76)
Net assets		**552**	**1,775**
Capital and reserves attributable to equity holders of the Company			
Share capital	17	500	500
Other reserve		2,293	2,293
Distributable reserves		(2,241)	(1,018)
Total equity shareholders' funds		**552**	**1,775**
Net Asset Value per Ordinary Share - basic and diluted	19	**1.10p**	**3.55p**

The financial statements on pages 11 to 31 were approved by the Board of Directors on 18 June 2012 and were signed on its behalf by

R Davies Director	K McCabe Director
18 June 2012	18 June 2012

The accompanying notes on pages 15 to 31 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2012

	Note	*Share capital*	*Other reserve*	*Distributable reserves*	*Total*
		£'000	*£'000*	*£'000*	*£'000*
Balance at 31 March 2011		500	2,293	(1,018)	1,775
Return of Capital	*12*	-	-	(1,078)	(1,078)
Total comprehensive loss for the year					
Loss for the year		-	-	(145)	(145)
Other comprehensive loss		-	-	-	-
Balance at 31 March 2012		500	2,293	(2,241)	552

for the year ended 31 March 2011

	Note	*Share capital*	*Other reserve*	*Distributable reserves*	*Total*
		£'000	*£'000*	*£'000*	*£'000*
Balance at 31 March 2010		500	2,293	3,468	6,261
Return of Capital	*12*	-	-	(3,000)	(3,000)
Total comprehensive loss for the year					
Loss for the year		-	-	(1,486)	(1,486)
Other comprehensive income		-	-	-	-
Balance at 31 March 2011		500	2,293	(1,018)	1,775

There was no comprehensive income in the year ended 31 March 2012 (2011: nil), other than the loss for the year.
The accompanying notes on pages 15 to 31 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2012

	Year ended 31 March 2012 £'000	*Year ended 31 March 2011 £'000*
Cash flows from operating activities		
Other income received	2	3
Administration fees paid	(100)	(125)
Directors' remuneration paid	(96)	(136)
Audit fees paid	(14)	(23)
Other expenses paid	(73)	(126)
Net cash outflow from operating activities	**(281)**	**(407)**
Cash flows from investing activities		
Sale of investments designated at fair value through profit or loss	-	3,847
Net cash inflow from investing activities	**-**	**3,847**
Cash flows from financing activities		
Return of capital	**(750)**	**(3,000)**
Net cash outflow from investing activities	**(750)**	**(3,000)**
(Decrease)/increase in cash and cash equivalents	**(1,031)**	**440**
Cash and cash equivalents brought forward	1,652	1,212
(Decrease)/increase in cash and cash equivalents	(1,031)	440
Cash and cash equivalents carried forward	**621**	**1,652**

The accompanying notes on pages 15 to 31 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

1. General Information
The Company is an authorised closed-ended investment company domiciled and incorporated as a limited liability company in Guernsey.

The registered office of the Company is 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX.

During the year ended 31 March 2012, the Company's Investing Policy was to manage the sale of the Company's investment portfolio and to maximise the return of invested capital to shareholders during the period ending on 30 September 2012. However, at the Extraordinary General Meeting held on 28 May 2012, a resolution was passed by shareholders to amend the Investing Policy to:

"The Company's objective is to provide shareholders with capital growth and income from investing in a portfolio of companies whose business operations are based in China. The Company will seek to invest as sole or lead investor in profitable, well-managed real estate and retail orientated businesses whose business operations are based in China.

The Investor intends to utilise its resources and contacts in Hong Kong and China in order to generate deal flow and actively manage investments. Although there are no limits on the proportion of the Company's net assets which may be invested in any particular investment, the Directors will seek to ensure that the Company has a spread of investments. Investments are expected to be held for between approximately three to five years.

The Company will hold its investments through special purpose vehicles ("SPVs"). Borrowing may be undertaken at the SPV level and investments may initially be highly geared."

The Company's investment activities are self-managed.

The Company's Ordinary Shares are traded on AIM, a market operated by the London Stock Exchange.

2. Basis of Preparation

(a) Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the IFRS Interpretations Committee and applicable legal and regulatory requirements of Guernsey Law and reflect the following policies, which have been adopted and applied consistently.

The financial statements were authorised for issuance by the Board of Directors on 18 June 2012.

b) Going concern
After making reasonable enquiries, and assessing all data relating to the Company's liquidity, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

d) Basis of preparation
The financial statements are presented in Sterling, which is the Company's functional currency. All amounts are rounded to the nearest thousand. The financial statements have been prepared on a historic cost basis, as modified by the revaluation to fair value of certain financial assets and financial liabilities.

e) Use of judgements and estimates
The preparation of financial statements in conformity with IFRSs requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in notes 4 and 13. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

2. Basis of Preparation *(continued)*

f) Changes and amendments to existing standards effective in the year commencing 1 April 2011

The Company has adopted the following revisions and amendments to IFRS issued by the IASB, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 April 2011:

IAS 24	Related Party Disclosures (revised November 2009)
IAS 32	Financial Instruments: Presentation (amendment)

The above standards, amendments and interpretations had no impact on the financial position or performance of the Company.

g) Standards, amendments and interpretations issued but not yet effective

The IASB has issued/revised the following relevant standards with an effective date after the date of these financial statements:

International Accounting Standards (IAS/IFRS)		*Effective date*
IAS 1	Presentation of items of other comprehensive income (revised June 2011)	1 July 2012
IFRS 9	Financial Instruments – Classification and Measurement (revised November 2009)	1 January 2015
IFRS 12	Disclosures of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013

No relevant interpretations have been issued by the IASB with an effective date after the date of these financial statements. The Directors have chosen not to early adopt the above standards and interpretations and they do not anticipate that they would have a material impact on the Company's financial statements in the period of initial application.

3. Significant Accounting Policies

a) Income recognition

Interest income is recognised on an accruals basis using the effective interest method and includes bank interest and interest from debt securities.

Dividend income is recognised when the right to receive payment is established.

b) Expenses

All expenses are accounted for on an accruals basis and, with the exception of share issue costs, are charged through the Statement of Comprehensive Income in the period in which they are incurred.

c) Taxation

The Company has been granted exemption from Guernsey taxation under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 so that the Company is exempt from Guernsey taxation on income arising outside Guernsey and bank interest receivable in Guernsey. The Company's Guernsey tax liability is therefore limited to a fixed fee of £600 per annum.

d) Investments designated at fair value through profit or loss

Classification

The Company classifies its investments in debt and equity securities, and related derivatives, as financial assets at fair value through profit or loss. These financial assets are designated by the Board of Directors at fair value through profit or loss on acquisition.

Financial assets designated at fair value through profit or loss on acquisition are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented Investing Policy. It is the Company's policy for the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

3. Significant Accounting Policies *(continued)*

d) Investments designated at fair value through profit or loss *(continued)*

Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date - the date on which the Company commits to purchase or sell the investment.

A fair value through profit or loss asset is derecognised when the Company loses control over the contractual rights that comprise that asset. This occurs when rights are realised, expire or are surrendered and the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Realised gains and losses on fair value through profit or loss assets sold are calculated as the difference between the sales proceeds and cost. Fair value through profit or loss assets that are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Company has transacted an unconditional disposal of the assets.

Measurement

Financial assets designated at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed through the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented through the Statement of Comprehensive Income in the period in which they arise.

Interest income from financial assets designated at fair value through profit or loss is recognised through the Statement of Comprehensive Income within other income using the effective interest method. Dividend income from investments designated at fair value through profit or loss is recognised through the Statement of Comprehensive Income within other income when the Company’s right to receive payments is established.

Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the financial reporting date. The quoted market price used for these financial assets held by the Company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, PLUS quoted securities and unquoted private companies) is determined by using valuation techniques in accordance with the International Private Equity and Venture Capital Valuation Guidelines. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each financial reporting date. Valuation techniques used include the use of comparable recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Notwithstanding the above, the variety of valuation bases adopted and the quality of management information provided by the underlying investments, means that there are inherent difficulties in determining the value of the investments. The amount realised on the sale of those investments may differ from the values reflected in these financial statements and the difference may be significant.

e) Cash and cash equivalents

Cash and cash equivalents, comprising cash balances and call deposits which are held to maturity, are carried at cost. Cash and cash equivalents are defined as cash in hand, demand deposits, bank overdrafts and short-term highly liquid investments with original maturities of three months or less and subject to insignificant risk of changes in value.

f) Trade and other receivables

Trade and other receivables are carried at the original invoice amount, less allowance for doubtful receivables. Provision is made when there is objective evidence that the Company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

g) Trade and other payables

Trade and other payables are carried at payment or settlement amounts. Where the time value of money is material, payables are carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

3. Significant Accounting Policies *(continued)*

h) Foreign currency translation

Functional and presentation currency

The Company's Ordinary Shares are denominated in Sterling and are traded on AIM in Sterling. The primary activity of the Company is to invest in a portfolio of companies whose business operations are based in China. The performance of the Company is measured and reported to the investors in Sterling and the majority of the expenses incurred by the Company are in Sterling. Consequently, the Board of Directors considers that Sterling is the currency that most faithfully represents the effects of the underlying transactions, events and conditions. The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using rates approximating to the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised through the Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities, such as investments designated at fair value through profit or loss, are recognised through the Statement of Comprehensive Income within the net unrealised change in fair value of investments.

Financial statements of foreign operations

The income and expenses of foreign operations are translated into Sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised through the Statement of Comprehensive Income in other comprehensive income.

i) Net asset value and loss per share

The net asset value per Ordinary Share disclosed on the face of the Statement of Financial Position is calculated by dividing the net assets by the number of Ordinary Shares in issue at the year end.

Loss per Ordinary Share is calculated by dividing net loss for the year by the weighted average number of Ordinary Shares in issue during the year. Prior to the expiry of the Warrants on 31 March 2011, any dilutive effect of outstanding Warrants is reflected as additional share dilution in the computation of the net asset value per Ordinary Share and loss per Ordinary Share.

4. Critical Accounting Estimates and Judgements

The Board of Directors make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Fair Value of financial instruments

The Company may, from time to time, hold financial investments that are not quoted in active markets. Fair values of such investments are determined using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by the Board of Directors (see note 14).

Functional currency

The Board of Directors considers Sterling to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions (see note 3h).

5. Segmental Information

In accordance with International Financial Reporting Standard 8: *Operating Segments*, it is mandatory for the Company to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board in order to assess each segment's performance and to allocate resources to them.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

5. Segmental Information *(continued)*
Management information for the Company as a whole is provided internally to the Directors for decision-making purposes. The Directors' asset allocation decisions are based on a single, integrated investment strategy and the Company's performance is evaluated on an overall basis, being investment in a portfolio of companies whose business operations are focused in China.

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

There were no changes in the reportable segments during the year ended 31 March 2012.

All of the Company's investment portfolio income is derived from its investments whose business focus is in China. The only other revenue generated by the Company during the year was interest of £2,000 (2011: £3,000), arising from cash and cash equivalents, which was generated in Guernsey. The Company is domiciled in Guernsey.

The Company has a diversified shareholder population. However as at 31 May 2011 there were a number of Ordinary shareholders whose percentage interest in the Company exceeded 3%. These shareholders are detailed in the Report of the Directors.

6. Other Income

	Year ended 31 March 2012 £'000	*Year ended 31 March 2011 £'000*
Bank interest receivable	2	3

7. Administration Fees
Elysium Fund Management Limited is entitled to an administration fee from the Company at a rate of 0.1% per annum (subject to a minimum of £100,000 per annum) of the Net Asset Value of the Company together with an amount equal to the long term borrowings invested by the Company calculated at the close of business on each Calculation Day, payable quarterly in arrears.

In the year ended 31 March 2012, a total of £100,000 (2011: £119,000) was incurred in respect of administration fees, of which, £25,000 was payable at the financial reporting date (2011: £25,000).

8. Directors' Remuneration

	Year ended 31 March 2012 £'000	*Year ended 31 March 2011 £'000*
Rhys Davies	36	45
Brett Miller *(resigned on 28 May 2012)*	36	45
Weiming Zhang *(resigned on 28 May 2012)*	24	27
Kevin McCabe *(appointed on 28 May 2012)*	-	-
	96	117

No bonuses or pension contributions were paid or were payable on behalf of the Directors.

Details of the Directors' interests in the share capital are set out in the Report of the Directors.

At 31 March 2012, £8,000 (2011: £8,000) was due in respect of Directors' remuneration. This amount is included in payables and accruals.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

9. Other Expenses

	Year ended 31 March 2012 £'000	*Year ended 31 March 2011 £'000*
Nominated Adviser's and Nominated Broker's fees	25	25
Audit fees	12	18
Registrar fees	12	12
Transaction costs	12	9
Listing fees	10	8
Custodian fees	7	11
Directors' and Officers' liability insurance	6	9
Travel	4	23
Other expenses	4	5
Consultancy fees	-	21
	92	141

10. Tax effects of other comprehensive income
There are no tax effects arising from the other comprehensive income disclosed in the Statement of Comprehensive Income (31 March 2011: nil).

11. Loss per Ordinary Share
The loss per Ordinary Share of 0.29p (2011: 2.97p) is based on the loss for the year of £145,000 (2011: loss of £1,486,000) and on a weighted average number of 50 million Ordinary Shares in issue during the year (2011: 50 million Ordinary Shares).

The Warrants matured on 31 March 2011 and, therefore, did not have a dilutive effect on the return per Ordinary Share for the year ended 31 March 2012. The average price, of the Ordinary Shares of 3.90p for the year ended 31 March 2011, was less than the exercise price of the Warrants (120.00p). Therefore, there was no dilution in the return per Ordinary Share.

Following the Extraordinary General Meeting held on 28 May 2012, Subscription Warrants were issued to qualifying shareholders on 29 May 2012 (see note26). As these were issued after the year end, they had no dilutive effect on the loss per Ordinary Share for the year ended 31 March 2012.

12. Dividends and Return of Capital
During the year ended 31 March 2012 no dividend was paid to shareholders (2011: nil). The Directors do not propose a final dividend for the year ended 31 March 2012 (2011: nil).

During the year ended 31 March 2012, the Board returned a total of £1,078,000 million (31 March 2011: £3,000,000) to shareholders of the Company. Of this, £750,000 was returned via a cash distribution of 1.50p per Ordinary Share on 6 July 2011 and a further £328,000 was returned via an in specie distribution of the investment in China CDM Exchange Centre Limited ("CCEC") on 1 August 2011. Shareholders received 0.1873 shares in CCEC for every 1 Ordinary Share held in the Company at a price of 3.5p per share in CCEC. The total return of capital during the year was equal to approximately 2.16p per Ordinary share.

On 8 June 2012, £250,000 (0.5p per Ordinary Share) was paid to shareholders on the register at 4 May 2012 (the date of the circular for the record date to 28 May 2012 Extraordinary General Meeting).

Any further returns of capital will be at the sole discretion of the Board and will be subject to the rate at which the Company's investments are realised and the Company's financial position at the time.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

13. Investments Designated at Fair Value Through Profit or Loss

	Year ended 31 March 2012 £'000	*Year ended 31 March 2011 £'000*
Designated at fair value through profit or loss:		
Opening valuation	187	5,146
Distribution in specie/sales proceeds	(328)	(3,847)
Realised loss from sale of investments	(3,359)	(5,565)
Net unrealised change in fair value of investments	3,500	4,453
Closing valuation	-	187
Closing book cost	4,025	7,712
Closing unrealised loss	(4,025)	(7,525)
Closing valuation	-	187

See note 3d and note 4 regarding the classification, recognition, derecognition, measurement and fair value estimation of financial assets designated at fair value through profit or loss.

Associates

Included in investments are the following associates which are accounted for as designated at fair value through profit or loss in accordance with the accounting policy set out in note 3d:

	Country of incorporation	*Currency of investment*	*Percentage Holding*	
Honest Mind Investments Limited *(which invests in the Wan Wei Oil and Gas Technology Group)*	BVI	Sterling	-	conv loan notes
Starlight Viewpoint Limited *(which invests in the Wan Wei Oil and Gas Technology Group)*	BVI	Sterling	24.0%	ordinary shares

14. Fair value of financial instruments

IFRS 7 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on observable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

14. Fair value of financial instruments *(continued)*

Financial assets designated at fair value through profit or loss	*Level 1 £'000*	*Level 2 £'000*	*Level 3 £'000*	*Total £'000*
31 March 2012 Investments	-	-	-	-
	----------	----------	----------	----------
31 March 2011 Investments	-	-	187	187
	----------	----------	----------	----------

Fair value of unquoted and PLUS quoted securities

The fair values of unquoted securities that are not quoted in active markets (Level 3) are determined by using valuation techniques in accordance with the International Private Equity and Venture Capital Valuation Guidelines. The valuations used to determine fair values are validated and periodically reviewed by experienced personnel. The valuations are based on a mixture of:

- third party financing (if available);
- cost, where the investment has been made during the year and no further information has been available to indicate that cost is not an appropriate valuation;
- proposed sale price;
- discount to NAV calculations;
- discount to last traded price;
- discounted cash flow; and
- discount to bid prices of PLUS quoted investments.

A reconciliation of the opening and closing balances of assets designated at fair value through profit or loss classified as Level 3 is shown below:

	31 March 2012 £'000	*31 March 2011 £'000*
Fair value of Level 3 financial instruments at 1 April	187	5,146
Distribution in specie/proceeds from sale of Level 3 financial instruments	(328)	(3,847)
Realised loss from sale of Level 3 financial instruments	(3,359)	(5,565)
Net unrealised change in fair value of Level 3 financial instruments	3,500	4,453
	----------	---------
Fair value of Level 3 financial instruments at 31 March	-	187
	----------	----------

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments consist of private equity investments. As observable prices are not available for these securities, the Company has used the valuation techniques detailed above to derive the fair value.

The Directors have valued the equity investment in Wan Wei Oil & Gas Technology Limited at nil, as the Directors do not envisage that the Company will receive any future cash flows from this investment. Therefore, a WACC decrease of 10% in the discounted cash flow model would have nil effect on its valuation (2011: nil effect).

The Directors have valued the convertible loan notes in Wan Wei Oil & Gas Technology Limited at nil, as the Directors do not envisage that the Company will receive any future cash flows from this investment. Therefore, an increase of 10% in the discount rate of the loan notes will have nil effect on its valuation (2011: nil effect).

10% represents the best estimate of a reasonable possible shift in the inputs to the calculations for the valuations of the investments.

15. Other Receivables

	31 March 2012 £'000	*31 March 2011 £'000*
Other debtors and prepayments	7	12
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

16. Payables and Accruals

	31 March 2012	*31 March 2011*
	£'000	*£'000*
Other creditors and accruals	76	76
	---------------	---------------

17. Share Capital

	31 March 2012	*31 March 2011*
	£'000	*£'000*
Authorised:		
200,000,000 Ordinary Shares of 1p	2,000	2,000
	---------------	---------------
Allotted, called up and fully paid:		
50,000,000 Ordinary Shares of 1p	500	500
	---------------	---------------

All the Ordinary Shares in issue at 31 March 2012 were admitted to trading on AIM, a market operated by the London Stock Exchange, on 15 March 2006.

Pursuant to the authority renewed at the last Annual General Meeting, the Company has authority to utilise distributable reserves to buy back up to 14.99% of the Ordinary Shares in issue for cancellation. No shares were purchased for cancellation during the year (2011: nil).

The Company is able to purchase up to 10% of the Ordinary Shares in issue and hold them as Treasury Shares.

Following an Extraordinary General Meeting held on 28 May 2012, a resolution was passed by the shareholders enabling the Company to raise £200,000 (before expenses) through the issue of Ordinary Shares to Scarborough at 1.0 pence per Ordinary Share, which represents a discount of 9.1% to the estimated net asset value per Existing Ordinary Share at 31 March 2012. An application was made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares represented 28.57% of the Company's enlarged issued Ordinary Share capital immediately following admission on 29 May 2012.

The subscription has provided the funds required for working capital and for the Company to pursue the new investing policy (details of which are set out in the Chairman's Statement).

Pursuant to the Subscription Agreement, the Company issued Subscription Warrants to Scarborough on the basis of one Subscription Warrant for each New Ordinary Share. Accordingly, following admission Scarborough held 20,000,000 Ordinary Shares and 20,000,000 Subscription Warrants. Each Subscription Warrant entitles Scarborough to subscribe for one Ordinary Share in cash at any time during the period commencing with the date of admission and ending on the date which is the third anniversary of the date of admission at a price of 5.0p per Ordinary Share. The Subscription Warrants will not be admitted to listing or trading on any stock exchange.

The New Ordinary Shares rank *pari passu* with the Ordinary Shares.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

18. Duration of the Company
At the Annual General Meeting held on 23 September 2011, the Investing Policy of the Company was amended to: "manage the sale of the Company's investment portfolio and to maximise the return of invested capital to shareholders during the period ending on 30 September 2012." The Directors consider this investment policy to be complete and a resolution was passed by the shareholders on 28 May 2012 changing the Investing Policy to be:

"The Company's objective is to provide shareholders with capital growth and income from investing in a portfolio of companies whose business operations are based in China. The Company will seek to invest as sole or lead investor in profitable, well-managed real estate and retail orientated businesses whose business operations are based in China.

The Investor intends to utilise its resources and contacts in Hong Kong and China in order to generate deal flow and actively manage investments. Although there are no limits on the proportion of the Company's net assets which may be invested in any particular investment, the Directors will seek to ensure that the Company has a spread of investments. Investments are expected to be held for between approximately three to five years.

The Company will hold its investments through special purpose vehicles ("SPVs"). Borrowing may be undertaken at the SPV level and investments may initially be highly geared"

There are no specific provisions for the life span of the Company. However, until the Extraordinary General Meeting held on 28 May 2012, per the Articles of Incorporation, if the Company was still in existence, at the Annual General Meeting of the Company to be held following the seventh anniversary of the Company's incorporation on 23 February 2006, an ordinary resolution would have been proposed that the Company ceased to continue as presently constituted.

19. Net Asset Value per Ordinary Share
Basic
The basic net asset value per Ordinary Share is based on the net assets attributable to equity shareholders of £552,000 (2011: £1,775,000) and on 50 million Ordinary Shares (2011: 50 million Ordinary Shares) in issue at the end of the year.

Diluted
The Warrants expired on 31 March 2011 and there were no other securities in issue at 31 March 2012 or 31 March 2011 which could have a dilutive effect on the Company's Ordinary Shares.

Following the Extraordinary General Meeting held on 28 May 2012, Subscription Warrants were issued to qualifying shareholders on 29 May 2012 (see note26). As these were issued after the year end, they had no dilutive effect on the net asset value per Ordinary Share at 31 March 2012.

20. Related Parties
Details of the investments in associates are disclosed in note 13.

Mr Davies and Mr Miller (who resigned as a Director on 28 May 2012) each hold 50% of Damille Partners II, which held 5,100,000 Ordinary Shares (10.20%) at 31 March 2012 and the date of signing this report. In addition, Damille Partners Limited (which is equally owned by the respective family interests of Mr Davies and Mr Miller) held 4,651,920 Ordinary Shares (9.30%) at 31 March 2012 and the date of signing this report. Damille Partners and Damille Partners II received £210,207 from the Return of Capital Scheme implemented during the year. The Directors' remuneration is disclosed in note 8.

Details of the amounts paid to Elysium, the Company's Administrator and Company Secretary, are disclosed in note 7.

The Directors consider that there is no immediate or ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

21. Commitments and Contingencies
There were no capital commitments as at 31 March 2012.

22. Financial Instruments
Treasury policies
The objective of the Company's treasury policies is to manage the Company's financial risk, secure cost effective funding for the Company's operations and to minimise the adverse effects of fluctuations in the financial markets on the value of the Company's financial assets and liabilities on reported profitability and on cash flows of the Company.

The Company finances its activities with cash and short-term deposits, with maturities of three months or less. Other financial assets and liabilities, such as receivables and payables, arise directly from the Company's operating activities. The Company does not trade in financial instruments. Derivative instruments may be used to change the economic characteristics of financial instruments in accordance with the Company's treasury policies, although no derivatives were in place during the year (2011: nil). The financial assets and liabilities of the Company were:

	Total	*Loans and receivables*	*Assets at fair value through profit or loss*	Other financial liabilities	*Non-financial assets / (liabilities)*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
31 March 2012					
Financial assets					
Cash and cash equivalents	621	621	-	-	-
Financial liabilities					
Payables and accruals	(76)	-	-	(76)	-
	545	621	-	(76)	-
31 March 2011					
Financial assets					
Investments designated at fair value through profit or loss	187	-	187	-	-
Other receivables	4	-	-	-	4
Cash and cash equivalents	1,652	1,652	-	-	-
	1,843	1,652	187	-	4
Financial liabilities					
Payables and accruals	(76)	-	-	(76)	-
	1,767	1,652	187	(76)	4

The main risks arising from the Company's financial assets and liabilities are credit risk, liquidity risk and market risk, and are set out below, together with the policies currently applied by the Board for their management. Market risk comprises three types of financial risk, being interest rate risk, currency risk and other price risk, being the risk that the fair value or future cash flows will fluctuate because of changes in market prices other than from interest rate and currency risks.

Credit risk
The Company's credit risk is primarily attributable to its non-equity investments and cash and cash equivalents. Credit risks of new non-equity based investments are assessed before entering into such new contracts. As previously mentioned, the Company's Investing Policy set out at the Annual General Meeting held on 23 September 2011 is considered complete and the Company no longer holds any investments of any value.

The credit risk on cash and cash equivalents is limited by using banks with high credit ratings assigned by international credit-rating agencies.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

22. Financial Instruments *(continued)*
Credit risk *(continued)*
At the year end the majority of cash and cash equivalents £562,000 (90.50%) was placed with HSBC Bank plc (2011: the highest concentration of credit risk was £1,583,000 (95.82%) placed with HSBC Bank plc). The credit rating for HSBC Bank plc by Moody's was Aa2 as at 31 March 2012.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to settle its liabilities as and when they fall due. The Company has invested in private companies, which, by their very nature, are illiquid. However, in line with the Investing Policy, the Company distributed its investment in CCEC via an in specie distribution and also returned capital of £750,000 to shareholders during the year. Surplus funds from the sale of investments have been retained by the Company to ensure that the Company maintains sufficient cash balances to meet its working capital requirements.

The contractual undiscounted cash flows of the Company's financial liabilities, which are equal to the fair value of the Company's financial liabilities, are all payable within three months to the sum of £76,000 (2011: £76,000).

The Board monitors the Company's liquidity position on a regular basis. In addition, the Company's Administrator continually monitors the Company's liquidity position and reports to the Board when appropriate.

Market risk
(i) Price risk
The Company's securities are susceptible to price risk arising from uncertainties about future values of the investment securities. This price risk is the risk that the fair value or future cash flows will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual investment or financial instrument or its holder or factors affecting all similar financial instruments or investments traded in the market.

During the year under review, the Company did not hedge against movements in the value of its investments. A 10% increase/decrease in the fair value of investments would result in a nil effect (2011: increase/decrease of £19,000 (1.06%) in the net asset value.

In accordance with the Investing Policy, the Company has received all expected proceeds from the remaining investments. The one remaining investment, being Wan Wei, is valued at nil, as the Directors do not believe any value can be recovered from this investment.

ii) Currency risk
The Company holds assets (both monetary and non-monetary) denominated in currencies other than the functional currency (Sterling). It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to changes in exchange rates.

Foreign currency risk, as defined in IFRS 7, arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. The Company monitors the exposure on all foreign-currency-denominated assets and liabilities.

Because returns from the companies in which the Company invests may be received in Renminbi, the Sterling equivalent of the Company's net assets and distributions, if any, would be adversely affected by reductions in the value of Renminbi relative to Sterling.

The value of the Renminbi fluctuates and is affected by, among other things, changes in China's political and economic conditions. The conversion of Renminbi into foreign currencies such as the US Dollar has been generally based on rates set by the People's Bank of China. In July 2005, China's government revalued the Renminbi and moved to a managed floating exchange rate with reference to a basket of currencies. Any future revaluation may materially and adversely affect an investee company's business.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

22. Financial Instruments *(continued)*
Market risk *(continued)*
ii) Currency risk (continued)

Limited hedging transactions are currently available in China to reduce exposure to exchange rate fluctuations. While the Company may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Company may not be able to successfully hedge its exposure at all. In addition, the Company's currency exchange losses may be magnified by Chinese exchange control regulations that restrict its ability to convert Renminbi into other currencies.

Additionally, financial markets in many Asian countries have, in the past, experienced severe volatility. As a result, some Asian currencies have been subject to significant devaluation from time to time. The devaluation of some Asian currencies may have the effect of rendering exports from China more expensive and less competitive. An appreciation in the value of the Renminbi could have a similar effect.

The distribution of profits and dividends by companies in which the Company invests and the sale of these companies may be adversely affected if the Chinese government imposes greater control on the ability of the Renminbi to exchange into foreign currencies. There can be no assurance that the Company or the companies in which the Company invests will be able to obtain sufficient foreign exchange to pay dividends or satisfy other foreign exchange requirements in the future.

The table below identifies the exposure on all foreign-currency-denominated assets and liabilities:

	31 March 2012			*31 March 2011*		
	Total	*GBP*	*US Dollar*	*Total*	*GBP*	*US Dollar*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Financial assets						
Investments designated at fair value through profit or loss	-	-	-	187	187	-
Other receivables	-	-	-	4	4	-
Cash and cash equivalents	621	620	1	1,652	1,651	1
Total financial assets	621	620	1	1,843	1,842	1
Non-financial assets						
Other receivables	7	7	-	8	8	-
Total assets	628	627	1	1,851	1,850	1
Financial liabilities	(76)	(76)	-	(76)	(76)	-
Net assets	**552**	**551**	**1**	**1,775**	**1,774**	**1**

Sensitivity analysis

A 10% strengthening of Sterling against each currency as at 31 March 2012 would have decreased the net assets attributable to shareholders and increased the loss for the year per the Statement of Comprehensive Income by the amounts shown below. This analysis assumes that all other variables remain constant. 10% represents the best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

22. Financial Instruments *(continued)*
ii) Currency risk (continued)

	31 March 2012 *£'000*	*31 March 2011* *£'000*
US Dollar	-	-
Renminbi	-	-
Total	**-**	**-**

A weakening of Sterling against each currency would have an equal but opposite effect.

iii) Interest rate risk
The Company currently funds its operations through the use of retained earnings and equity. Cash at bank, the majority of which was in Sterling at the year end, is held at variable rates. At the year end, the Company's financial liabilities did not suffer interest and thus were not subject to any interest rate risk. Ignoring any impact on foreign exchange rates or the prices of the investments, an increase of 1% in interest rates would have lessened the loss for the year ended 31 March 2011 by £11,000 (2011: £14,000). A reduction of 1% in interest would have an equal but opposite effect.

The interest rate risk profile of the Company's assets and liabilities at the year end was:

	Total *£'000*	*Fixed rate* *£'000*	*Floating rate* *£'000*	*Assets on which no interest is received* *£'000*	*Weighted average interest rate* *%*	*Weighted average period until maturity* *years*
31 March 2012						
Financial assets						
Investments at fair value through profit or loss	-	-	-	-	-	n/a
Cash and cash equivalents	621	-	557	64	-	n/a
Total financial assets	621	-	557	64		
Non-financial assets						
Other receivables	7	-	-	7	-	n/a
Total assets	628	-	557	71		
Financial liabilities	(76)	-	-	(76)	-	n/a
Net assets	**552**	**-**	**557**	**(5)**		

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

22. Financial Instruments *(continued)*
iii) Interest rate risk (continued)

	Total £'000	Fixed rate £'000	Floating rate £'000	Assets on which no interest is received £'000	Weighted average interest rate %	Weighted average period until maturity years
31 March 2011						
Financial assets						
Investments at fair value through profit or loss	187	-	-	187	-	n/a
Other receivables	4	-	-	4	-	n/a
Cash and cash equivalents	1,652	-	1,578	74	-	n/a
Total financial assets	1,843	-	1,578	265		
Non-financial assets						
Other receivables	8	-	-	8	-	n/a
Total assets	1,851	-	1578	273		
Financial liabilities	(76)	-	-	(76)	-	n/a
Net assets	**1,775**	**-**	**1,578**	**197**		

As the Company's interest rate risk exposure is minimal, it has not entered into any derivative transactions to further reduce the interest rate risk.

23. Other Risks

Chinese Legal System and Enforcement

Chinese law governs almost all of the Company's investments' material agreements. It cannot be guaranteed that the investee companies will be able to enforce any of their material agreements or that remedies will be available either inside or outside China. This potential inability of the investee companies to enforce or obtain a remedy under any of its agreements could result in a significant loss of business, business opportunities or capital. Intellectual property rights and confidentiality protections in particular may not be as effective as in the UK or other countries.

Despite significant improvement in its developing legal system, China does not yet have a comprehensive system of laws and those laws and regulations governing economic matters in general may also change frequently. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. The effect of future developments in the Chinese legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof or the pre-emption of local regulations by national laws cannot be predicted. These uncertainties limit the legal protections available to the Company and the Company could face significant difficulties enforcing its agreements and rights, or realising its assets.

The Chinese Government has brought in a number of measures to regulate investment by foreigners in Chinese assets and their listing outside China. The impact of these various rules is to restrict the ability of non-Chinese investors to acquire assets in China, and for Chinese businesses to list outside China. These regulations considerably restrict the range of assets that non-Chinese investors, such as the Company, can invest in.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

23. Other Risks *(continued)*

China's Economic, Political and Social Conditions

The Company's return on its investments and prospects are subject, to a significant extent, to economic, political and social developments in China and the Asia-Pacific region. In particular, the Company's return on its investments may be adversely affected by:

- changes in China's political, economic and social conditions;
- changes in China's economic or social priorities;
- changes in policies of the government or changes in laws and regulations, or the interpretation of laws and regulations;
- regulations governing the sale or purchase of assets to or by foreign investors;
- regulations governing the listing or sale of Chinese assets outside China;
- changes in foreign exchange regulations;
- measures that may be introduced to control inflation, such as interest rate increases;
- changes in the rate or method of taxation;
- natural and man-made disasters within China;
- changes to, or enforcement of, environmental regulations; and
- changes to the environment within China.

The Chinese economy is dependent on the import of significant quantities of natural resources, particularly energy and those related to the construction of infrastructure. Increases in, or shortage of supplies of, these natural resources could have a significant negative impact on the performance of the Chinese economy, and of the Company's investments.

China has for the last few years received significant inflows of capital from overseas, which have contributed significantly to the growth of the Chinese economy and the build up of its foreign reserves. It is unclear how much of this capital is long-term, and were the capital providers to decide to withdraw their capital, it could cause significant problems for the Chinese economy, its exchange rate, and impact on the value of the Company's investments and its ability to realise cash.

China is an amalgamation of a number of different races and cultures. The country has a history of instability and fragmentation, and there have recently been increasing moves towards independence in a number of regions in China. Were these issues to escalate, they could have an impact on the value of the Company's investments.

China is a member of the World Trade Organisation and has seen a number of benefits from its membership and free trade agreements, particularly in relation to its manufacturing sector which makes significant sales overseas, employing large numbers of Chinese and boosting China's foreign currency reserves and the economy as a whole. The Chinese economy and the value of the Company's investments could be adversely affected by changes to the global trading environment and any restrictions placed on the export/import of Chinese goods.

China is situated in a region which is developing rapidly and experiencing shifts of power, causing security concerns and conflicts over scarce resources. The Company's investments would be adversely affected by any hostilities or armed conflicts in the region.

24. Capital Management Policy and Procedures

The Company's capital management objectives are to ensure that the Company will be able to continue as a going concern in order to maximise total return for shareholders and to maintain an optimal capital structure to minimise the cost of capital.

The Company's borrowing policy, for investment or short-term funding purposes, is that it should borrow no more than 10% of net asset value, calculated at the time of borrowing.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

24. Capital Management Policy and Procedures *(continued)*

The Board monitors and reviews the structure of the Company's capital on an ad hoc basis. This review includes:

- the current and future levels of gearing;
- the need to buy back Ordinary Shares for cancellation or to be held in treasury, which takes account of the difference between the net asset value per Ordinary Share and the Ordinary Share price;
- the current and future dividend policy; and
- the current and future return of capital policy.

The Company is not subject to any externally imposed capital requirements.

26. Events After the Financial Reporting Date

Following an Extraordinary General Meeting held on 28 May 2012, a resolution was passed by the shareholders enabling the Company to raise £200,000 (before expenses) through the issue of Ordinary Shares to Scarborough at 1.0 pence per Ordinary Share, which represents a discount of 9.1% to the estimated net asset value per Existing Ordinary Share at 31 March 2012. An application was made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares represented 28.57% of the Company's enlarged issued Ordinary Share capital immediately following admission.

The subscription will provide the funds required for working capital and for the Company to pursue the new investing policy (details of which are set out in the Chairman's Statement).

Pursuant to the Subscription Agreement, the Company issued Subscription Warrants to Scarborough on the basis of one Subscription Warrant for each New Ordinary Share. Accordingly, following admission Scarborough held 20,000,000 Ordinary Shares and 20,000,000 Subscription Warrants. Each Subscription Warrant entitles Scarborough to subscribe for one Ordinary Share in cash at any time during the period commencing with the date of admission and ending on the date which is the third anniversary of the date of admission at a price of 5.0p per Ordinary Share. The Subscription Warrants will not be admitted to listing or trading on any stock exchange.

The New Ordinary Shares will rank *pari passu* with the Existing Ordinary Shares.

An application was made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Admission became effective on 29 May 2012.

In accordance with the Subscription Agreement and resolution mentioned above, the following also occurred:

- Mr McCabe was appointed as a Director and Mr Miller and Dr Zhang resigned as directors of the Company.
- The Company returned capital of 0.50 pence per share with an ex-dividend date of 29 May 2012 and a record date of 28 May 2012. The payment to shareholders occurred on 9 June 2012.
- Qualifying shareholders on the register at the record date received a bonus issue of warrants on the basis of 1 warrant for every 2 Ordinary Shares held.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the sixth ANNUAL GENERAL MEETING of CHINA GROWTH OPPORTUNITIES LIMITED will be held at 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX on 21 September 2012 at 9:30am for the following purposes:

Resolution on form of proxy

………………………………………………………………………………………..

As ordinary business:

Ordinary Resolution 1

To receive and, if thought fit, to accept the reports of the Directors and Auditors and the audited financial statements for the year ended 31 March 2012.

Ordinary Resolution 2

To reappoint PricewaterhouseCoopers CI LLP as Auditors and to authorise the Directors to agree their remuneration.

Ordinary Resolution 3

To elect Mr McCabe, who offers himself for election, as a Director.

As special business:

Ordinary Resolution 4

That the Company be and is hereby generally and unconditionally authorised in accordance with The Companies (Guernsey) Law, 2008, as amended, to make market purchases, as defined in that Law, of and cancel its Ordinary Shares of 1p each, provided that:

(i) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 10,493,000;

(ii) the minimum price which may be paid for an Ordinary Share shall be 1p;

(iii) the maximum price which may be paid for an Ordinary Share shall be an amount equal to 115% of the average of the middle market quotations for an Ordinary Share taken from and calculated by reference to the London Stock Exchange Alternative Investment Market Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is purchased;

(iv) the price paid per Ordinary Share shall be less than the last publicly announced net asset value per Ordinary Share;

(v) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2013, unless the authority is renewed prior to such time; and

(vi) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

………………………………………………………………………………………..

By order of the Board

Registered office:
1st Floor
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

Elysium Fund Management Limited, Secretary
18 June 2012

………………………………………………………………………………………..

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead. Multiple proxies are permitted, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not also be a member of the Company. A member entitled to more than one vote need not cast all of his votes in the same way. To be effective, forms of proxy must be lodged with the Company's Secretary, Elysium Fund Management Limited, not less than 48 hours before the time appointed for holding the meeting. Lodgement of the form of proxy will not preclude a shareholder from attending the meeting and voting in person.

Note:

The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays, Sundays and public holidays) until the date of the meeting and at the place of the meeting for a period of 15 minutes prior to and during the meeting:

a) A statement of Directors' interests in the share capital of the Company; and

b) The Articles of Incorporation.

FORM OF PROXY

For use at the ANNUAL GENERAL MEETING (Block capitals please)

I/We, the undersigned, …………………………………………………………………..

Of ………………………………………………………………………………………….
being a member / members of China Growth Opportunities Limited, hereby appoint the Chairman of the meeting/

………………………………………………………………………………………….
as my/our proxy to vote for me/us on my/our behalf at 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX on 21 September 2012 at 9:30am and at any adjournment thereof and at his discretion on any other matter arising at such meeting.

Signature………………………………………………………………………………..

Dated………………………………………………………………………………………

Please indicate with an X in the spaces below how you wish your votes to be cast.

		For	**Against**	**Abstain**
Ordinary Resolution 1	To receive and, if thought fit, to adopt the reports of the Directors and Auditors and the audited financial statements for the year ended 31 March 2012.			
Ordinary Resolution 2	To reappoint PricewaterhouseCoopers CI LLP as Auditors and to authorise the Directors to agree their remuneration.			
Ordinary Resolution 3	To elect Mr McCabe, who offers himself for election as a Director.			
Ordinary Resolution 4	To authorise the Company to buy back its own shares for cancellation.			

Notes
1. A member may appoint a proxy of his or her own choice. If such an appointment is made, delete the words 'the Chairman of the meeting' and insert the name of the person appointed proxy in the space provided.
2. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, he or she will exercise his or her discretion as to how he or she votes or whether he or she abstains from voting.
5. To be valid, this form must be completed and deposited at the office of the Company's Secretary not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.

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Affix
stamp
here

Elysium Fund Management Limited
PO Box 650
1st Floor, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

First Fold

Second fold

DIRECTORS

Rhys Davies *(Executive Chairman)*
Kevin McCabe *(Executive Director)*

ADVISERS

Administrator, Secretary and Registered Office
Elysium Fund Management Limited
PO Box 650
1st Floor
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

Nominated Adviser and Nominated Broker
Singer Capital Markets Limited
One Hanover Street
London
W1S 1YZ

Registrar
Capita Registrars (Guernsey) Limited
PO Box 627
St Peter Port
Guernsey
GY1 4PP

Independent Auditors
PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
GY1 4ND

English Legal Adviser to the Company
Stephenson Harwood
One St Paul's Churchyard
London
EC4M 8SH

Guernsey Legal Adviser to the Company
Mourant Ozannes
1 Le Marchant Street
St Peter Port
Guernsey
GY1 4HP

www.chinagrowthopportunities.com