

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.**

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors (whose names appear on page 5 of this document) and the Company accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Subscription Shares will commence on 29 May 2012.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.**

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FSA or any other competent authority.

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## **China Growth Opportunities Limited**

*(Registered in Guernsey under the Companies (Guernsey) Law 2008 as amended with registered number 44403)*

**Proposed return of capital of 0.5p per Existing Ordinary Share, Bonus Issue of Warrants, subscription of 20,000,000 new Ordinary Shares, amendment to articles of incorporation, changes to the Board and change of investment policy**

**and**

### **Notice of Extraordinary General Meeting**

**Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which contains the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.**

**Notice of an Extraordinary General Meeting of the Company, to be held at the offices of Elysium Fund Management Limited, 1<sup>st</sup> Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX at 10.30 a.m. on 28 May 2012, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the Extraordinary General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's Secretary, Elysium Fund Management Limited, 1<sup>st</sup> Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX by not later than 10.30 a.m. on 26 May 2012. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.**

Singer Capital Markets Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting as nominated adviser and broker to the Company in connection with the proposed Bonus Issue, Subscription and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Singer Capital Markets Limited or for advising any other person in respect of the proposed Bonus Issue, Subscription and Admission or any transaction, matter or arrangement referred to in this document. Singer Capital Markets Limited's responsibilities as the Company's nominated adviser and broker are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Singer Capital Markets Limited by the FSMA or the regulatory regime established thereunder, Singer Capital Markets Limited does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares, the Bonus Issue, the Subscription and Admission. Singer Capital Markets Limited accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

A copy of this document is available at the Company's website [www.chinagrowthopportunities.com](http://www.chinagrowthopportunities.com). Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

## IMPORTANT NOTICE

### Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the Company's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

### Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares and Warrants in any jurisdiction in which such offer or solicitation is unlawful. The Ordinary Shares and Warrants have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Republic of Ireland or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Republic of Ireland or Japan. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Australia, Republic of Ireland or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

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## DIRECTORS AND ADVISERS

### Directors

Rhys Davies (*Executive Chairman*)  
Brett Miller (*Executive Director*)  
Weiming Zhang (*Non-executive Director*)

All of whose business address is at the Company's registered office

### Company website

[www.chinagrowthopportunities.com](http://www.chinagrowthopportunities.com)

### Administrator, Company Secretary and Registered Office

Elysium Fund Management Ltd  
1st Floor  
Royal Chambers  
St Julian's Avenue  
St Peter Port  
Guernsey GY1 3JX

### Nominated Adviser and Broker

Singer Capital Markets Limited  
One Hanover Street  
London W1S 1YZ

### English legal advisers to the Company

Stephenson Harwood  
1 Finsbury Circus  
London EC2M 7SH

### Guernsey legal advisers to the Company

Mourant Ozannes  
PO Box 186  
1 Le Marchant Street  
St Peter Port  
Guernsey GY1 4HP

### Registrar

Capita Registrars (Guernsey) Limited  
Longue Hougue House  
St Sampsons  
Guernsey GY2 4JN

### Receiving Agent

Capita Registrars  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

## SUBSCRIPTION STATISTICS

Issue Price	1p per Subscription Share
Number of Ordinary Shares in issue at the date of this document	50,000,000
Number of Subscription Shares being issued by the Company pursuant to the Subscription	20,000,000
Number of Ordinary Shares in issue following Admission	70,000,000
Percentage of the enlarged ordinary share capital of the Company following Admission represented by the Subscription Shares	28.57%
Total proceeds of the Subscription	£200,000
Estimated expenses of the Subscription	£46,000
Estimated net proceeds of the Subscription receivable by the Company	£154,000

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2012
Latest time and date for receipt of Forms of Proxy	10.30 a.m. on 26 May
Extraordinary General Meeting	10.30 a.m. on 28 May
Record Date	28 May
Expected return of capital and Bonus Issue ex-entitlement date	29 May
Admission and dealings in the Subscription Shares is expected to commence on AIM	8.00 a.m. on 29 May
Expected return of capital payment date	8 June
Expected date for despatch of warrant certificates	by 8 June

All times referred to in this document are, unless otherwise stated, references to London time.

## DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Admission"	admission of the Subscription Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
"AIM"	the AIM Market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time
"Articles"	the Company's articles of incorporation, as amended from time to time
"Bonus Issue"	the issue to Qualifying Shareholders of Bonus Issue Warrants on the basis of 1 Warrant for every 2 Existing Ordinary Shares held on the Record Date
"Bonus Issue Warrants"	the warrants to subscribe for Ordinary Shares to be issued by the Company pursuant to the Bonus Issue on the terms and conditions set out in Part 2 of this document
"Business Day"	any day (other than a Saturday or a Sunday) on which the clearing banks are open for business in the City of London
"Capita Registrars"	a trading name for Capita Registrars Limited
"Capital Return Scheme"	the scheme implemented by the Company in 2009 pursuant to which ad hoc returns of capital are to be paid to Shareholders
"Company"	China Growth Opportunities Limited
"Directors" or "Board"	the directors of the Company, or any duly authorised committee thereof
"Existing Ordinary Shares"	the 50,000,000 Ordinary Shares in issue at the date of this document
"Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held at 10.30 a.m. on 28 May 2012, notice of which is set out at the end of this document, or any adjournment thereof
"Form of Proxy"	the form of proxy for use in connection with the Extraordinary General Meeting which accompanies this document
"FSA"	the Financial Services Authority of the United Kingdom
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Investor"	Scarborough Holding Company Limited
"Issue Price"	1 pence per Subscription Share
"Law"	the Companies (Guernsey) Law, 2008 as amended from time to time
"London Stock Exchange"	London Stock Exchange plc
"Notice"	the notice convening the Extraordinary General Meeting which is set out at the end of this document
"Ordinary Shares"	ordinary shares of 1 pence each in the capital of the Company
"Proposals"	the proposals set out in Part 1 of this document for a return of capital of 0.5p per Existing Ordinary Share, Bonus Issue of Warrants, subscription of 20,000,000 new Ordinary Shares, amendment to the Articles, changes to the Board and change of investment policy

"Prospectus Rules"	the prospectus rules made by the FSA pursuant to section 73A of the FSMA
"Qualifying Shareholders"	Shareholders whose names are entered on the Register at the Record Date
"Record Date"	the date on which Qualifying Shareholders' entitlements to the Bonus Issue will be assessed against the Register and the date on which Shareholders' entitlements to the return of capital will be assessed against the Register, in each case being 28 May 2012
"Register"	the register of members of the Company
"Resolutions"	the resolutions set out in the Notice of Extraordinary General Meeting
"Shareholders"	holders of Ordinary Shares
"Subscription"	the conditional Subscription of the Subscription Shares by the Investor pursuant to the Subscription Agreement
"Subscription Agreement"	the conditional agreement between (1) the Company and (2) the Investor dated 3 May 2012 in relation to the Subscription
"Subscription Period"	the period from the date of Admission to the third anniversary of the date of Admission
"Subscription Price"	5p per Ordinary Share
"Subscription Rights"	the right of a Warrantholder to subscribe for one Ordinary Share in respect of each Warrant held, during the Subscription Period, at the Subscription Price
"Subscription Shares"	the 20,000,000 new Ordinary Shares to be issued pursuant to the Subscription
"Subscription Warrants"	the 20,000,000 warrants to subscribe for new Ordinary Shares to be issued pursuant to the Subscription Agreement
"Warrant Instrument"	the warrant instrument dated 3 May 2012 constituting the Bonus Issue Warrants
"Warrantholders"	the holders of Bonus Issue Warrants
"Warrants"	the Subscription Warrants and/or, as the context requires, the Bonus Issue Warrants

**PART 1**  
**LETTER FROM THE CHAIRMAN OF THE COMPANY**  
**China Growth Opportunities Limited**

*(Registered in Guernsey under the Companies (Guernsey) Law 2008 as amended with registered number 44403)*

*Directors:*  
Rhys Davies (Executive Chairman)  
Brett Miller (Executive Director)  
Weiming Zhang (Non-executive Director)

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

4 May 2012

Dear Shareholder,

**Proposed return of capital of 0.5p per Existing Ordinary Share, Bonus Issue of Warrants, subscription of 20,000,000 new Ordinary Shares, amendment to the articles of incorporation, changes to the Board, change of investment policy and Notice of Extraordinary General Meeting**

**1. Introduction and summary**

The Company announced today that your Board is proposing to raise £200,000 (before expenses) by way of an issue of 20,000,000 new Ordinary Shares (the "**Subscription Shares**") to the Investor, with Warrants attached on a one for one basis, at a price of 1 pence per share. The Subscription proceeds will be used to fund the working capital requirements of the Company and enable the Company to implement a proposed new investment policy, further details of which are set out below.

The Subscription is conditional, *inter alia*, on Admission and the Company obtaining approval from Shareholders at the Extraordinary General Meeting for a change to the existing investment policy and an amendment to the Articles. Further detail on the proposed change in investment policy and amendment to the Articles is set out in paragraphs 4 and 5 respectively below.

Conditional on the Subscription and Admission, the Board is also proposing to (i) return capital of 0.5p per Existing Ordinary Share to Shareholders and (ii) implement a Bonus Issue of Warrants to existing Shareholders on the basis that existing Shareholders will receive 1 Bonus Issue Warrant for every 2 Existing Ordinary Shares held at the Record Date. Further detail on the proposed return of capital and Bonus Issue is set in paragraphs 6 and 7 respectively below.

**The purpose of this document is to provide you with information about the background to, and the reasons for, the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, notice of which is set out at the end of this document.**

**2. The Subscription**

The Company proposes to raise £200,000 (before expenses) through the issue of the Subscription Shares to the Investor at the Issue Price, which represents a premium of 145 per cent. to the estimated unaudited net asset value per Existing Ordinary Share as at 31 May 2012 (being 0.41p, adjusted for the proposed return of capital). Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. The Subscription Shares will represent 28.57 per cent. 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 a new investing policy (details of which are set out in paragraph 4 below).

Pursuant to the Subscription Agreement, the Company will also issue Subscription Warrants to the Investor on the basis of one Subscription Warrant for each Subscription Share. Accordingly, following Admission the Investor will hold 20,000,000 Ordinary Shares and 20,000,000 Subscription Warrants. Each Subscription Warrant will entitle the Investor 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 5p per Ordinary Share (subject to adjustment upon the occurrence of certain corporate events by or affecting the Company). The Investor may, on the occurrence of certain corporate events by or affecting the Company, elect to receive a cash amount in lieu of its



entitlement to receive Ordinary Shares in the Company on exercise of the Subscription Warrants. The Subscription Warrants will not be admitted to listing or trading on any stock exchange.

The Subscription is conditional upon:

- i. the passing of the Resolutions;
- ii. the Company retaining cash reserves of at least £200,000 at the time of Admission;
- iii. the appointment to the Board of Kevin McCabe (whose biography is set out in paragraph 3 below);
- iv. the resignations of Brett Miller and Weiming Zhang as Directors;
- v. notification being given to the Guernsey Financial Services Commission of the change to the Articles, the changes to the Board and the change to the Company's investment policy; and
- vi. Admission occurring not later than 8.00 a.m. on 30 June 2012.

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

Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 29 May 2012.

### 3. Changes to the Board

On Subscription, Brett Miller and Weiming Zhang will resign as Directors. Rhys Davies will continue as Executive Chairman. Kevin McCabe will be appointed to the Board as an 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.

### 4. Change of investing policy

At an extraordinary general meeting of the Company held on 23 January 2009, Shareholders resolved to amend the investment objective of the Company so that, going forward, it 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 2010". At a subsequent meeting held on 6 July 2009, following a number of disposals, Shareholders approved the implementation of a capital return scheme by the Company (the "**Capital Return Scheme**"). At the annual general meeting of the Company held on 23 September 2011, the investing policy of the Company was amended to be: "The investing policy of the Company 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".

In connection with the Subscription, it is proposed that the investing policy be amended as set out below:

#### *Proposed new investment policy*

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 held for between approximately 3 to 5 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.

Resolution 1 to be proposed at the Extraordinary General Meeting seeks Shareholder approval for the change in investing policy. The Subscription is conditional, *inter alia*, on the passing of this resolution.

### 5. Amendment to Articles

The Company was incorporated on 23 February 2006. Article 36 of the Articles requires the Company to propose, at the annual general meeting to be held following the seventh anniversary of incorporation, an ordinary resolution that the Company cease to continue as presently constituted. If the resolution is not passed, a similar resolution is required to be proposed at every fifth annual general meeting thereafter. If the resolution is passed at any of those

meetings, the Directors are required to formulate proposals to be put to Shareholders to reorganise, unitise, reconstruct or wind up the Company. It is proposed that Article 36 of the Articles be deleted.

Resolution 2 to be proposed at the Extraordinary General Meeting seeks Shareholder approval for the amendment to the Articles. The Subscription is conditional, *inter alia*, on the passing of this resolution.

#### 6. Return of capital

Since the implementation of the Capital Return Scheme, the Company has been making regular returns of capital to its Shareholders. 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. The Company held one investment as at 30 September 2011, which cost £4.0 million and had a fair value of nil at 30 September 2011. The Directors do not believe any value can be recovered from this investment. As at 3 May 2012, the Company held cash balances of £564,457.

Subject to the Board being satisfied on reasonable grounds that the Company will, immediately after payment of the return of capital, satisfy the solvency test prescribed by the Law and the Board approving a certificate, signed by at least one of the Directors to that effect, the Board has today resolved to return further capital of 0.5p per Existing Ordinary Share to Shareholders. The proposed return of capital is conditional on the Subscription and Admission. The expected timetable is as follows:

Record Date	28 May 2012
Ex-entitlement date	29 May 2012
Payment date	8 June 2012

#### 7. Bonus Issue

Conditional on the Subscription and Admission, the Board has resolved to issue Bonus Issue Warrants to Qualifying Shareholders on the basis of 1 Bonus Issue Warrant for every 2 Existing Ordinary Shares.

Each Warrant will confer the right (but not the obligation) 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 5p per Ordinary Share. The Subscription Price is subject to adjustment upon the occurrence of certain corporate events by or affecting the Company, including Subscription Price consolidations or sub-divisions of capital, takeover offers and the liquidation of the Company. Fractions of Warrants will not be allotted or issued and entitlements will be rounded down to the nearest whole number of Warrants. The Warrants, which will not be admitted to listing or trading on any stock exchange, will be issued in certificated form.

Warrants will rank equally with each other and will not carry the right to receive any dividends from the Company or the right to attend and vote at general meetings of the Company. The terms and conditions attaching to the Warrants are described in Part 2 of this document.

The Directors believe the Bonus Issue of Warrants will have the following advantages:

- Qualifying Shareholders will receive securities which they may convert into Ordinary Shares at a predetermined price in order to benefit from any future growth in the Company;
- on any exercise of the Subscription Rights, the capital base of the Company will increase, allowing operating costs to be spread across a larger number of Ordinary Shares, which should cause the total expense ratio to fall; and
- following the exercise of any Subscription Rights, the Company will have an increased number of Ordinary Shares in issue, which may in due course improve the liquidity in the market for its Ordinary Shares.

#### 8. Overseas Shareholders

The issue of Warrants to persons who have a registered address in countries outside of the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. Any Shareholder who is in any doubt as to his position should consult an appropriate independent professional adviser without delay. The Bonus Issue Warrants will not be issued to any Shareholder with a registered address that is in the United States, Canada, Australia, Republic of Ireland or Japan or in any other country outside the United Kingdom where such issue may lead to a breach of any legal or regulatory requirement.

#### 9. Risk factors associated with the Proposals

Shareholders should have regard to the following risk factors when considering the Proposals:

- there can be no guarantee that the Company will successfully invest any part of the proceeds of the Subscription in accordance with the new investment policy or that the Company will achieve its investment

objective. The success of the Company is dependent on the performance of the Directors. Past performance is not a guide to future performance.

- while investments in Chinese real estate and retail orientated business may offer the opportunity for significant capital gains, such investments also involve a high degree of business and financial risk. There can be no guarantee that the carrying value of the Company's investments would be realisable in the event of sale.
- the Company's return on its investments and prospects will be subject, to a significant extent, to economic, political and social developments in China. In particular, the Company's return on its investments may be adversely affected by changes in policies of the government or changes in laws and regulations, or the interpretation of laws and regulations, changes in foreign exchange regulations, measures that may be introduced to control inflation, such as interest rate increases and changes in the method or rate of taxation. Investment into Chinese businesses requires a number of permissions from the Chinese authorities. There is no guarantee that the necessary approvals will be obtained, which may affect the Company's ability to make certain investments.
- the Company may use borrowings at the SPV level for initial investment purposes. Where the cost of the borrowings plus the Company's operating costs exceeds its income, such costs will have a negative effect on the Company's net asset value. If adequate cash flows cannot be generated to service any debt, the Company may suffer a total or partial loss of its capital.
- the value of Ordinary Shares and Warrants can go down as well as up.
- the issue of the Warrants will mean that the equivalent of approximately 65 per cent. of the Company's enlarged issued share capital following Admission will be under option. The exercise of Subscription Rights will dilute the shareholding of any Shareholders who do not exercise a corresponding proportion of the Subscription Rights attaching to their Warrants. Exercise of the Warrants may also dilute the net asset value of the Ordinary Shares.
- the Warrants will not be admitted to listing or trading on any stock exchange. There will be no liquid market for the sale of the Warrants and Shareholders may not be able to sell their Warrants to any third party.
- Shareholders should take their own tax advice as to the consequences of owning Warrants.

#### **10. Extraordinary General Meeting**

Set out at the end of this document is a Notice convening the Extraordinary General Meeting to be held at the offices of Elysium Fund Management Limited, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX at 10:30 a.m. on 28 May 2012, at which the Resolutions will be proposed.

Resolution 1, to amend the investing policy, will be proposed as an ordinary resolution. Resolution 1 is subject to and conditional upon the passing of Resolution 2 and the Subscription Agreement becoming unconditional and not being terminated in accordance with its terms. An ordinary resolution requires a simple majority of the votes cast to be cast in favour for it to be passed.

Resolution 2, to amend the Articles, will be proposed as a special resolution. Resolution 2 is subject to and conditional upon the passing of Resolution 1 and the Subscription Agreement becoming unconditional and not being terminated in accordance with its terms. A special resolution requires a majority of 75 per cent. of the votes cast to be cast in favour for it to be passed.

#### **11. Costs of the Proposals**

The Company's expenses in connection with the Proposals are estimated to amount to approximately £46,000.

#### **12. Action to be taken**

A Form of Proxy for use at the Extraordinary General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's Secretary, Elysium Fund Management Limited, 1<sup>st</sup> Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX by not later than 10.30 a.m. on 26 May 2012. The completion and return of a Form of Proxy will not preclude Shareholders from attending the Extraordinary General Meeting and voting in person should they so wish.

#### **13. Recommendation**

The Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend unanimously Shareholders to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 9,751,920 Ordinary Shares, representing approximately 19.50 per cent. of the existing issued ordinary share capital of the Company.

*Yours faithfully*

*Rhys Davies*  
*Executive Chairman*

## PART 2

### TERMS AND CONDITIONS OF THE BONUS ISSUE WARRANTS

The Warrants will be issued in registered form and each will entitle the holder to subscribe for 1 Ordinary Share at a price of 5p. Warrants will be held in certificated form.

The Warrants are constituted by, and will be issued subject to and with the benefit of, an Instrument of the Company dated 3 May 2012 (the "**Warrant Instrument**"). Holders of Warrants will be bound by and deemed to have notice of all matters, terms and conditions set out in the Warrant Instrument.

In this Part 2, all references to "Warrants" shall be construed as references to the Bonus Issue Warrants.

The terms and conditions attached to the Warrants, and which are included in the Warrant Instrument, are as follows:

#### 1. Subscription Rights

(a) A registered holder for the time being of a Warrant shall have the right ("**Subscription Rights**") to subscribe for one Ordinary Share in cash in the period from the date of Admission up to the date of the third anniversary of Admission (or, if such date is not a Business Day, the next following Business Day) ("**Subscription Period**") at the price of 5p per Ordinary Share (the "**Subscription Price**") payable in full on subscription. The number and/or nominal value of Ordinary Shares to be subscribed and the Subscription Price will be subject to adjustment as provided in paragraph 2 below. The Warrants registered in the name of the holder will be held in certificated form by which they will be evidenced by a warrant certificate issued by the Company (a "**Warrant Certificate**").

(b) In order to exercise Subscription Rights in whole or in part the Warranholder must lodge the Warrant Certificate (or such other document as the Company may, in its discretion, accept) at the office of the registrars for the time being of the Company during the Subscription Period, having completed the notice of exercise of Subscription Rights on the reverse thereof (or accompanied by such other written notice as the Directors may, in their discretion, approve) and specifying the number of Warrants in respect of which the Subscription Rights are exercised and accompanied by a remittance for the Subscription Price of the Ordinary Shares in respect of which the Subscription Rights are exercised. Once lodged, a notice of subscription shall be irrevocable, save with the consent of the Directors. Compliance must also be made with any statutory requirements for the time being applicable.

Remittance shall be made by a cheque denominated in Sterling and payable to the Company. Alternatively, a Warranholder may arrange for the telegraphic transfer of the aggregate Subscription Price, including all bank charges and fees for such service, to the account of the Company.

The Directors may require, as a condition of the exercise of a Warrant, that the Warranholder certifies that such exercise is not by or on behalf of, or with a view to transfer to, a Non-Qualified Holder (as defined in the Articles). The Directors may also require, as a condition of such exercise, such other certifications as to nationality or residence as they deem necessary or desirable for the best interests of the Company.

(c) Subject to the Board being satisfied on reasonable grounds that the Company will, immediately after the allotment of the Ordinary Shares, satisfy the solvency test prescribed by the Law and the Board approving a certificate, signed by at least one of the Directors to that effect, Ordinary Shares issued pursuant to the exercise of Subscription Rights will be allotted not later than 14 days after receipt of a completed notice of exercise of Subscription Rights and the requisite payment (the "**Subscription Date**") and, in the case of certificated Ordinary Shares, certificates in respect of such Ordinary Shares will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the Subscription Date to the person in whose name the Warrants are registered at the date of such exercise (or, if more than one, to the first named of them, which shall be sufficient despatch for all) or to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the registrars of the Company for the time being. In the event of a partial exercise of the Subscription Rights, the Company shall at the same time issue a fresh Warrant Certificate in the name of the holder for the balance of his Subscription Rights remaining exercisable.

(d) Not earlier than 8 weeks nor later than 4 weeks before the third anniversary of the date of Admission the Company shall give notice to the holders of the outstanding Warrants reminding them of their Subscription Rights.

(e) Ordinary Shares allotted pursuant to the exercise of Subscription Rights will not rank for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the relevant Subscription Date but subject thereto will rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Ordinary Shares of the Company in issue at that date provided that on any allotment

falling to be made pursuant to paragraph 3(e) or (f) below the Ordinary Shares so to be allotted shall not rank for any dividend or other distribution declared, made or paid by reference to a record date prior to the date of allotment.

- (f) The Company shall apply for the Ordinary Shares allotted pursuant to any exercise of Subscription Rights to be admitted to trading on AIM and shall use all reasonable endeavours to obtain the admission thereof not later than 14 days after the relevant Subscription Date.
- (g) If Subscription Rights under the Warrants shall have been exercised in respect of 75 per cent. or more of the Ordinary Shares to which such rights relate the Company shall be entitled, on giving not less than 14 days' notice in writing to the holders of the Warrants then outstanding, to appoint a Trustee, who provided that in such Trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by him will exceed the costs of subscription, shall, within the period of 14 days following the giving of such notice, either exercise such Subscription Rights that have not been exercised on the terms on which the same could have been exercised on the latest Subscription Date of which any Warrant was exercised and sell in the market the Ordinary Shares acquired on such a subscription or accept any offer made to the Warranholders or to the Trustee (on behalf of the Warranholders) for the purchase of the Warrants. Such Trustee shall distribute pro rata the proceeds less such subscription costs and such other costs and expenses to the persons entitled thereto as soon as practicable after such sale, provided that entitlements of under £3 shall be retained for the benefit of the Company.
- (h) Within seven days following the end of the Subscription Period, the Company will appoint a Trustee who, provided that in such Trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by him will exceed the costs of subscription, shall, within the period of 14 days following the end of the Subscription Period, exercise such Subscription Rights as have not been exercised on the terms on which the same could have been exercised on the final day of the Subscription Period and sell in the market the Ordinary Shares acquired on such subscription. Such Trustee shall distribute, pro rata, the proceeds less such subscription costs and such other costs and expenses to the persons entitled thereto within two calendar months of the end of the Subscription Period, provided that entitlements of under £3 will be retained for the benefit of the Company. Subject thereto, all Subscription Rights shall lapse 14 days after the final day of the Subscription Period.
- (i) The Trustee referred to in paragraphs (g) and (h) above shall have no liability of any nature whatsoever where he has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.

## **2. Adjustment of Subscription Rights**

The Subscription Price (and the number of Warrants outstanding and the number and/or the nominal value of the Ordinary Shares to be subscribed for upon exercise of the Warrants) shall from time to time be adjusted in accordance with the provisions of this paragraph 2.

- (a) If and whenever there shall be an alteration in the nominal amount of the Ordinary Shares as a result of a consolidation or sub-division, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which the numerator shall be the nominal amount of one such Ordinary Share immediately after such alteration and the denominator shall be the nominal amount of one such Ordinary Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect.
- (b) If and whenever the Company shall allot to the Shareholders any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend), the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which the numerator shall be the aggregate nominal amount of the issued Ordinary Shares immediately before such allotment and the denominator shall be the aggregate nominal amount of the issued and allotted Ordinary Shares immediately after such allotment and such adjustment shall become effective as at the date of allotment of such Ordinary Shares.
- (c) If the Company makes any offer or invitation to Shareholders (whether by way of a rights issue or otherwise but not being an offer to buy back any Ordinary Shares or an offer made in connection with scrip dividend arrangements), or any offer or invitation (not being an offer to which paragraph 3(d) applies) is made to Shareholders otherwise than by the Company, then the Company shall, so far as it is reasonably able, procure that at the same time the same offer or invitation is made to the then Warranholders as if their Subscription Rights had been exercisable and had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraphs 2(a) to (f)) on which the same could have been exercised if they had been exercisable on that date, provided that, if the Directors so resolve in the case of such offer or invitation made by the Company, the Company shall not be required to procure

that the same offer or invitation is made to the then Warranholders but the Subscription Price shall be adjusted: (i) in the case of an offer of new Ordinary Shares for subscription by way of rights at a price less than the market price at the date of announcement of the terms of the offer, by multiplying the Subscription Price in force immediately before such announcement by a fraction of which the numerator is the number of Ordinary Shares in issue on the date of such announcement plus the number of Ordinary Shares which the aggregate amount payable for the total number of new Ordinary Shares comprised in such rights issue would purchase at such market price and the denominator is the number of Ordinary Shares in issue on the date of such announcement plus the aggregate number of Ordinary Shares offered for subscription; and (ii) in any other case, in such manner as the auditors for the time being of the Company (or, if the auditors are unwilling or unable to act another independent firm of chartered accountants of international repute nominated by the Company (the "**Calculation Agent**") shall report in writing to be in their opinion, fair and reasonable. Any such adjustments shall become effective, in the case of (i) above, as at the date of allotment of the new Ordinary Shares which are the subject of the offer or invitation and, in the case of (ii) above, as at the date determined by the Calculation Agent. For the purposes of this paragraph "market price" shall mean an average of the mean of the quotations for one Ordinary Share for the five consecutive stock exchange dealing days ending on the dealing day immediately preceding the day on which the market price is to be ascertained, making an appropriate adjustment if the Ordinary Shares to be issued pursuant to the offer or invitation do not rank, on some or all of the relevant dealing days, *pari passu* as to dividends or other distributions with the Ordinary Shares in issue on those days.

- (d) No adjustment shall be made to the Subscription Price pursuant to paragraphs 2(a), (b) or (c) above (other than by reason of and to reflect a consolidation of Ordinary Shares as referred to in paragraph 2(a) above) if it would result in an increase in the Subscription Price and, in any event, no adjustment shall be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph 2(d)) be less than 1 per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest 1 pence. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment.
- (e) Whenever the Subscription Price is adjusted in accordance with paragraphs 2(a) to (d) above (other than by reason of and to reflect a consolidation of Ordinary Shares as referred to in paragraph 2(a) above), the Company shall, subject as provided below, issue, for no payment, additional Warrants to each Warranholder at the same time as such adjustment takes effect. The number of additional Warrants to which a Warranholder will be entitled shall be the number of existing Warrants held by him multiplied by the following fraction:

$$\frac{X-Y}{Y}$$

where:

X = the Subscription Price immediately before the adjustment; and Y = the Subscription Price immediately after the adjustment.

Fractions of Warrants will not be allotted to Warranholders. Warrant Certificates will be issued within 21 days of the relevant adjustments taking effect.

The Company may, following such an adjustment to the Subscription Price, elect to adjust the subscription terms of existing Warrants (as opposed to issuing additional Warrants) so that the number and/or nominal value of Ordinary Shares to be subscribed for on any subsequent exercise of the Warrants will be increased or, as the case may be, reduced in due proportion (fractions being ignored on an aggregated basis) so as to maintain the same cost of exercising the Subscription Rights of each Warranholder. Such adjustment shall be determined by the Directors of the Company and the Calculation Agent shall confirm that, in its opinion, the adjustments have been determined in all material respects in accordance with the provisions of the Warrant Instrument.

- (f) Whenever the Subscription Price is adjusted in accordance with this paragraph 2 by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above, the number of Ordinary Shares for which each Warranholder is entitled to subscribe will be reduced accordingly.
- (g) The Company shall give notice to holders within 28 days of any adjustment made pursuant to paragraphs 2(a) to (f) above and within such period, in respect of any additional Warrants, despatch Warrant Certificates.
- (h) If a Warranholder shall become entitled to exercise his Subscription Rights pursuant to paragraph 3(d) below, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Calculation Agent to be in its opinion, fair and reasonable provided that the Subscription Price shall not be reduced so as to cause the Company to be obliged to issue Ordinary

Shares at a discount to nominal value and, if the determination of the Calculation Agent would otherwise have reduced the Subscription Price to below the nominal value of an Ordinary Share, the number of Ordinary Shares to be subscribed for pursuant to paragraph 3(d) below shall be adjusted in such manner as the Calculation Agent shall report to be appropriate to achieve the same economic result for the Warrantheholders as if the Subscription Price had been reduced without regard to this subparagraph 2(h). The notice required to be given by the Company under paragraph 3(d) below shall give details of any reduction in the Subscription Price pursuant to this paragraph 2(h).

- (i) For the purpose of determining whether paragraph 3(f) below shall apply and, accordingly, whether each Warrantheholder is to be treated as if his Subscription Rights had been exercisable and had been exercised as therein provided, the Subscription Price which would have been payable on such exercise shall be reduced by an amount determined by the Calculation Agent to be in its opinion, fair and reasonable. The provisos set out in paragraph 2(h) above shall apply *mutatis mutandis* to any adjustment made in accordance with this paragraph 2(i).
- (j) Where an event which gives or may give rise to an adjustment to the Subscription Price occurs whether in such proximity in time to another such event or otherwise in circumstances such that the Company in its absolute discretion determines that the foregoing provisions need to be operated subject to some modification in order to give a result which is fair and reasonable in all the circumstances, such modification shall be made in the operation of the foregoing provisions as may be advised by the Calculation Agent to be in its opinion appropriate in order to give such a result.

### 3. Other Provisions

So long as any Subscription Rights remain exercisable:

- (a) The Company shall not (except with the sanction of an extraordinary resolution of the Warrantheholders) in any way modify the rights attached to its existing Ordinary Shares as a class (but nothing herein shall restrict the right of the Company to increase or to consolidate or sub-divide its share capital), or create or issue any new class of equity share capital which carries rights as regards voting, dividend or return of capital more favourable than those attaching to the Ordinary Shares.
- (b) The Company shall not issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves nor make any such offer as is referred to in paragraph 2(b) above if as a result the Company would on any subsequent exercise of the Subscription Rights be obliged to issue Ordinary Shares at a discount.
- (c) The Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Subscription Rights remaining exercisable.
- (d) If at any time (a) an offer is made to all holders of Ordinary Shares (or all holders of Ordinary Shares other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company or (b) an amalgamation proposal is made in respect of the Company under the Guernsey Amalgamation of Companies Ordinance 1997 and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such persons or companies as aforesaid or any person is, or will be, in a position to acquire compulsorily any shares not owned or controlled by such person and or persons acting in concert with him, the Company shall give notice to the holders of the Warrants of such vesting within 7 days of its becoming so aware, and each such holder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise his Subscription Rights (subject to any adjustment pursuant to paragraphs 2(a) to 2(f) above and subject to paragraph 2(h) above) and so that failing such exercise within such period such rights shall lapse upon the expiry of such period; the publication of a scheme of arrangement providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 3(d) and references herein to such an offer shall be read and construed accordingly. For the purposes of this paragraph 3(d), if a person becomes a Warrantheholder at any time during the additional exercise period no notice shall be given to such holder but such holder shall be entitled to exercise his Subscription Rights during the period in which other holders are able to exercise their Subscription Rights.
- (e) If under any offer or amalgamation proposal as referred to in paragraph 3(d) above the consideration shall consist solely of the issue of Ordinary Shares of the offeror and the offeror shall make available an offer of warrants to subscribe for shares in the offeror in exchange for the Warrants, which offer the financial advisers to the Company (acting as experts and not as arbitrators) shall consider to be fair and reasonable (having regard to the terms of the offer and to the terms of paragraph 2(h) and any other circumstances which may appear to such financial advisers to be relevant), then subject to the offer as referred to in paragraph 3(d) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued share capital of the Company



not already owned by it, and/or any company controlled by it and/or any persons acting in concert with it, any Director of the Company shall be irrevocably authorised as attorney for the Warrantholders who have not accepted the offer of warrants to subscribe for shares in the offeror in exchange for the Warrants:

- (i) to execute a transfer thereof in favour of the offeror in consideration of the issue of warrants to subscribe for shares in the offeror as aforesaid, whereupon all the Warrants shall lapse; and
  - (ii) to do such acts and things as may be necessary or appropriate in connection therewith.
- (f) If an order is made or an effective resolution is passed for winding-up of the Company (except for the purpose of reconstruction, amalgamation or unitisation on terms sanctioned by an extraordinary resolution of the holders of the Warrants), each holder of a Warrant shall (if, in such winding-up and on the basis that all Subscription Rights then unexercised had been exercised in full and the Subscription Price therefor had been received in full by the Company, there would be a surplus available for distribution amongst the holders of the Ordinary Shares which, on such basis, would exceed in respect of each Ordinary Share a sum equal to the Subscription Price) be treated as if immediately before the date of such order or resolution his Subscription Rights had been exercisable and had been exercised in full, (subject to any adjustment pursuant to paragraphs 2(a) to 2(f) and 2(i) above), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares to which he would have become entitled by virtue of such subscription after deducting a sum per Ordinary Share equal to the Subscription Price (subject to any adjustment as aforesaid). Subject to the foregoing all Subscription Rights shall lapse on liquidation of the Company.
- (g) The Company shall not grant (or agree to grant) (except with the sanction of an extraordinary resolution of the holders of the Warrants) any option in respect of, or create any rights of subscription for, any Ordinary Shares or issue any loan capital carrying rights of conversion into, Ordinary Shares if the price at which any such option or rights is exercisable is lower than the Subscription Price for the time being.

#### **4. Modification of Rights**

All or any of the rights for the time being attached to the Warrants and all or any of these terms and conditions may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of an extraordinary resolution of the Warrantholders provided that no such alteration or abrogation may be effected which is detrimental to the rights or interests of Shareholders except with the sanction of an extraordinary resolution of Shareholders. All the provisions of the Articles as to general meetings shall *mutatis mutandis* apply as though the Warrants were a class of shares forming part of the capital of the Company but so that:

- (a) the necessary quorum shall be the holders (present in person or by proxy) entitled to acquire one-third of the nominal amount of the Ordinary Shares attributable to such outstanding Warrants;
- (b) every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Warrantholder present in person or by proxy shall be entitled on a poll to one vote for every Ordinary Share for which he is entitled to subscribe;
- (c) any Warrantholder (present in person or by proxy) may demand or join in demanding a poll; and
- (d) at any adjourned meeting those holders of Warrants (present in person or proxy) shall be a quorum (whatever the number of Warrants held or represented by them).

Any such alteration or abrogation approved as aforesaid shall be effected by Instrument executed by the Company and expressed to be supplemental to the Warrant Instrument. Modifications to the Warrant Instrument which are (i) of a formal, minor or technical nature, or (ii) made to correct a manifest error, or (iii) made in order to permit the holding and transfer of the Warrants in uncertificated form, and which (in each such case) do not adversely affect the interests of the Warrantholders, may be effected without the sanction of an extraordinary resolution by Instrument executed by the Company and expressed to be supplemental to the Warrant Instrument and notice that such a modification has been made shall be given by the Company to the Warrantholders with the next annual or interim report.

#### **5. Transfer and Transmission**

- (a) Warrants will be transferable in whole by instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors, except that no transfer of a right to subscribe for a fraction of an Ordinary Share may be effected.
- (b) Subject as provided in paragraph 5(a) above, the provisions of the Articles relating to the issue, ownership, registration, compulsory repurchase, transfer and transmission of Ordinary Shares and the issue of certificates shall *mutatis mutandis* apply to the Warrants.

#### **6. General**

- (a) The Company will concurrently with the issue of the same to the Shareholders send to each Warrantholder (or in the case of joint holders to the first-named) a copy of each published annual report and accounts of the Company, together with all documents required by law to be annexed thereto, and a copy of every statement, notice or circular issued by the Company to Shareholders.
- (b) For the purposes of these terms and conditions, "extraordinary resolution of the Warrantholders" means a resolution proposed at a separate meeting of the Warrantholders duly convened and held and passed by a majority consisting of not less than three-fourths of the votes cast whether on a show of hands or on a poll.
- (c) Any determination or adjustment made pursuant to these terms and conditions by the Calculation Agent shall be made by it as expert and not as arbitrator and any such determination or adjustment made by them shall be final and binding on the Company and each of the holders of the Warrants.
- (d) The provisions of the Articles insofar as they apply or refer to the Warrants or Warrantholders shall have effect. The Company may, in accordance with its Articles, purchase its own Ordinary Shares.
- (e) The exercise of Subscription Rights by the holder of Warrants or a beneficial owner of Warrants who has a registered address in Canada or who is a US Person, or the right of such a holder or beneficial owner of Warrants to receive the new Ordinary Shares falling to be issued to him following the exercise of his Subscription Rights, will be subject to such requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its absolute discretion, for the purpose of complying with the securities laws of Canada or the United States (including, without limitation, the United States Securities Act of 1933 (as amended), United States Investment Company Act of 1940 (as amended) and any rules or regulations promulgated under such Acts). As used herein, "United States" means the United States of America (including each of the States and the District of Columbia), its territories and possessions or other areas subject to its jurisdiction and "US Person" has the meaning given by Regulation S under the United States Securities Act of 1933 (as amended).
- (f) These terms and conditions shall be governed by and construed in accordance with the law of Guernsey.

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

# **China Growth Opportunities Limited**

*(Registered in Guernsey under the Companies (Guernsey) Law 2008 as amended with registered number 44403)*

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of China Growth Opportunities Limited (the "**Company**") will be held at the offices of Elysium Fund Management Limited, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX at 10:30 a.m. on 28 May 2012 to consider and, if thought fit, to pass the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

### **ORDINARY RESOLUTION 1**

**THAT**, subject to and conditional upon the passing of Resolution 2 and the Subscription Agreement becoming unconditional and not having been terminated in accordance with its terms, the new investing policy set out in Part 1 of the Company's circular to Shareholders dated 4 May 2012, of which this Notice forms part (the "**Circular**"), be and is hereby approved and adopted with effect from the conclusion of the Extraordinary General Meeting as the Company's investment policy in place of the Company's existing investment policy.

### **SPECIAL RESOLUTION 2**

**THAT**, subject to and conditional upon the passing of Resolution 1 and the Subscription Agreement becoming unconditional and not having been terminated in accordance with its terms, Article 36 of the Articles be and is hereby deleted.

Words and expressions not otherwise defined in this Notice shall have the same meanings as in the Circular.

Dated: 4 May 2012

By order of the Board

Elysium Fund Management Limited  
Secretary

*Registered Office:*

1<sup>st</sup> Floor  
Royal Chambers  
St Julian's Avenue  
St Peter Port  
Guernsey GY1 3JX

#### *Notes:*

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, either on a show of hands or on a poll, to vote in his or her place. A proxy need not be a member of the Company.
2. To be valid the enclosed Form of Proxy for the Extraordinary General Meeting together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited by 10.30 a.m. on 26 May 2012 at the offices of Elysium Fund Management Limited, 1<sup>st</sup> Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX.
3. Completion and return of the Form of Proxy will not prevent you from attending and voting in person should you wish to do so.
4. The Company specifies that only those shareholders registered in the register of members of the Company as at 5.00 p.m. on 25 May 2012 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the aforesaid general meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the register of members after 5.00 p.m. on 25 May 2012 or, in the event that the meeting is adjourned, in the register of members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.