

CHINA GROWTH OPPORTUNITIES LIMITED

**UNAUDITED CONDENSED HALF-YEARLY REPORT AND
FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

CHAIRMAN'S STATEMENT

I am pleased to have the opportunity to present the unaudited condensed half-yearly report and financial statements of China Growth Opportunities Limited (the "Company") for the six-month period ended 30 September 2011.

Results

The net asset value of the Company at 30 September 2011 was £0.7 million (30 September 2010: £5.7 million, 31 March 2011: £1.8 million), equal to 1.39p per Ordinary Share (30 September 2010: 11.41p per Ordinary Share, 31 March 2011: 3.55p per Ordinary Share). The 61% decrease in net asset value from 31 March 2011 was largely due to the £1.1 million return of capital to shareholders, as the Company only incurred a net loss for the period of £1,000 (30 September 2010: loss of £555,000, 31 March 2011: loss of £1,486,000).

Share Price

The share price dropped during the period by 42% from the 31 March 2011 price of 3.65p to 2.13p per Ordinary Share at 30 September 2011. We believe that this fall was largely attributable to the £1.1 million return of capital to shareholders. Despite the decrease in the share price, the Ordinary Shares continue to trade at a premium to the net asset value.

Investing Policy

Following the Annual General Meeting 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."

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 China CDM Exchange Centre Limited ("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 period was equal to approximately 2.16p per Ordinary share.

We will continue to try to dispose of the Company's remaining investment and return funds to shareholders. However, we do not expect to be able to raise significant funds, if any, from the disposal of this investment. Any further returns of capital will be at the discretion of the Board and will be subject to the rate at which the Company's investment is realised and the Company's financial position at the time.

Investments

During the period ended 30 September 2011, the Company disposed of its entire holding in China CDM Exchange Centre Limited ("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 30 September 2011, the Company held one investment, which cost £4.0 million (30 September 2010: five investments which cost £12.5, 31 March 2011: three investments which cost £7.7 million). At 30 September 2011, these investments had a fair value of nil (30 September 2010: £4.7million, 31 March 2011: £0.2 million).

Although the Wan Wei convertible loan note matures in May 2012, the Directors do not believe that Wan Wei will be 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 likely 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.

CHAIRMAN'S STATEMENT (continued)

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 will continue to reduce operating costs where possible and will endeavour to realise the remaining asset at the most favourable terms achievable.

Respectfully yours

R Davies
28 November 2011

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing these unaudited condensed half-yearly financial statements, which have not been reviewed or audited by the Company's independent auditors, and are required to:

- prepare the unaudited half-yearly financial statements in accordance with International Accounting Standard 34: *Interim Financial Reporting* ;
- include a fair review of important events that have occurred during the period, and their impact on the unaudited half-yearly financial statements, together with a description of the principal risks and uncertainties of the Company for the remaining six months of the financial year as detailed in the Chairman's Statement; and
- include a fair review of related party transactions that have taken place during the six month period which have had a material effect on the financial position or performance of the Company, together with disclosure of any changes in related party transactions in the last annual financial statements which have had a material effect on the financial position of the Company in the current period.

The Directors confirm that the unaudited condensed half-yearly financial statements comply with the above requirements.

On behalf of the Board

R Davies
Director
28 November 2011

CONDENSED HALF-YEARLY STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 September 2011

	<i>Note</i>	<i>1 April 2011 to 30 September 2011 (unaudited) £'000</i>	<i>1 April 2010 to 30 September 2010 (unaudited) £'000</i>	<i>1 April 2010 to 31 March 2011 (audited) £'000</i>
Investment gains and losses				
Net unrealised change in fair value of investments		3,499	4,180	4,453
Realised loss from sale of investments		(3,358)	(4,535)	(5,565)
		-----	-----	-----
Total investment gains and losses		141	(355)	(1,112)
Income				
Other income		1	1	3
		-----	-----	-----
Total income		1	1	3
Expenses				
Directors' remuneration		(48)	(69)	(117)
Administration fees		(50)	(63)	(119)
Other expenses		(45)	(69)	(141)
		-----	-----	-----
Total expenses		(143)	(201)	(377)
		-----	-----	-----
Total comprehensive loss for the period/year		(1)	(555)	(1,486)
		-----	-----	-----
Loss per share – basic and diluted	6	0.00p	(1.11)p	(2.97)p

All the items in the above statement are derived from continuing operations.

The accompanying notes on pages 8 to 10 form an integral part of these unaudited condensed half-yearly financial statements. These condensed half-yearly financial statements are unaudited and are not the Company's statutory financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 September 2011

	<i>Note</i>	<i>30 September 2011</i> <i>(unaudited)</i> £'000	<i>30 September 2010</i> <i>(unaudited)</i> £'000	<i>31 March 2011</i> <i>(audited)</i> £'000
Non-current assets				
Investments designated at fair value through profit or loss		-	4,722	187
		-----	-----	-----
Current assets				
Other receivables		5	9	12
Cash and cash equivalents		785	1,057	1,652
		-----	-----	-----
		790	1,066	1,664
		-----	-----	-----
Total assets		790	5,788	1,851
		-----	-----	-----
Current liabilities				
Payables and accruals		(94)	(82)	(76)
		-----	-----	-----
Net assets		696	5,706	1,775
		-----	-----	-----
Capital and reserves attributable to equity holders of the Company				
Share capital	<i>10</i>	500	500	500
Other reserve		2,293	2,293	2,293
Distributable reserves		(2,097)	2,913	(1,018)
		-----	-----	-----
Total equity shareholders' funds		696	5,706	1,775
		-----	-----	-----
Net Asset Value per Ordinary Share – basic and diluted	<i>9</i>	1.39p	11.41p	3.55p

The accompanying notes on pages 8 to 10 form an integral part of these unaudited condensed half-yearly financial statements.

These condensed half-yearly financial statements are unaudited and are not the Company's statutory financial statements.

CONDENSED HALF-YEARLY STATEMENT OF CHANGES IN EQUITY**for the six months ended 30 September 2011 (unaudited)**

	<i>Share capital</i>	<i>Other reserve</i>	<i>Distributable reserves</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 31 March 2011	500	2,293	(1,018)	1,775
Return of Capital (<i>note 7</i>)			(1,078)	(1,078)
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	-	(1)	(1)
Other comprehensive loss for the period	-	-	-	-
Balance at 30 September 2011	500	2,293	(2,097)	696

for the six months ended 30 September 2010 (unaudited)

	<i>Share capital</i>	<i>Other reserve</i>	<i>Distributable reserves</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 31 March 2010	500	2,293	3,468	6,261
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	-	(555)	(555)
Other comprehensive loss for the period	-	-	-	-
Balance at 30 September 2010	500	2,293	2,913	5,706

for the year ended 31 March 2011 (audited)

	<i>Share capital</i>	<i>Other reserve</i>	<i>Distributable reserves</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 31 March 2010	500	2,293	3,468	6,261
Return of Capital (<i>note 7</i>)	-	-	(3,000)	(3,000)
<i>Total comprehensive loss for the year</i>				
Loss for the year	-	-	(1,486)	(1,486)
Other comprehensive loss for the year	-	-	-	-
Balance at 31 March 2011	500	2,293	(1,018)	1,775

The accompanying notes on pages 8 to 10 form an integral part of these unaudited condensed half-yearly financial statements. These condensed half-yearly financial statements are unaudited and are not the Company's statutory financial statements.

CONDENSED HALF-YEARLY STATEMENT OF CASH FLOWS
for the six months ended 30 September 2011

	<i>1 April 2011 to 30 September 2011 (unaudited) £'000</i>	<i>1 April 2010 to 30 September 2010 (unaudited) £'000</i>	<i>1 April 2010 to 31 March 2011 (audited) £'000</i>
Cash flows from operating activities			
Other income received	1	1	3
Administration fees paid	(25)	(62)	(125)
Directors' remuneration paid	(48)	(88)	(136)
Audit fees paid	(14)	(23)	(23)
Other expenses paid	(31)	(52)	(126)
	-----	-----	-----
Net cash outflow from operating activities	(117)	(224)	(407)
Cash flows from investing activities			
Sale of fair value through profit or loss investments	-	69	3,847
	-----	-----	-----
Net cash inflow from investing activities	-	69	3,847
	-----	-----	-----
Cash flow from financing activities			
Return of capital	(750)	-	(3,000)
	-----	-----	-----
Net cash outflow from financing activities	(750)	-	(3,000)
	-----	-----	-----
(Decrease)/increase in cash and cash equivalents	(867)	(155)	440
	-----	-----	-----
Cash and cash equivalents brought forward	1,652	1,212	1,212
(Decrease)/increase in cash and cash equivalents	(867)	(155)	440
	-----	-----	-----
Cash and cash equivalents carried forward	785	1,057	1,652
	-----	-----	-----

The accompanying notes on pages 8 to 10 form an integral part of these unaudited condensed half-yearly financial statements.

These condensed half-yearly financial statements are unaudited and are not the Company's statutory financial statements.

NOTES TO THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS

for the six months ended 30 September 2011

1. General Information

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

On 30 August 2011, the registered office of the Company changed to 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX.

At the Annual General Meeting of the Company held on 2 August 2011, the Investing Policy was amended to be: "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 in the period ending on 30 September 2012."

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. Statement of Compliance

These unaudited condensed half-yearly financial statements, which have not been reviewed or audited, have been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

The unaudited condensed half-yearly financial statements were approved by the Board of Directors on 28 November 2011.

3. Significant Accounting Policies

These unaudited condensed half-yearly financial statements have adopted the same accounting policies as the last audited financial statements, which were prepared in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretations Committee and applicable legal and regulatory requirements of Guernsey Law and reflect the accounting policies as disclosed in the Company's last audited financial statements, which have been adopted and applied consistently.

4. Critical Accounting Estimates and Judgements

The preparation of these unaudited condensed half-yearly financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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.

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.

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 CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (*continued*)
for the six months ended 30 September 2011

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 period from 1 April 2011 to 30 September 2011.

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 period was interest of £1,000 (30 September 2010: £1,000; 31 March 2011: £3,000), arising from cash and cash equivalents, which was generated in Guernsey. The Company is domiciled in Guernsey.

6. Loss per Ordinary Share - basic and diluted

The loss per Ordinary Share of is based on the loss for the period of £1 (30 September 2010: loss of £555,000; 31 March 2011: loss of £1,486,000) and on a weighted average number of 50 million Ordinary Shares in issue during the period (30 September 2010 and 31 March 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 period ended 30 September 2011. The average price, of the Ordinary Shares of 13.87p and 3.90p for the periods ended 30 September 2010 and 31 March 2011 respectively, were less than the exercise price of the Warrants (120.00p). Therefore, there was no dilution in the return per Ordinary Share.

7. Dividends and Return of Capital

The Directors do not propose an interim dividend for the period ended 30 September 2011 (30 September 2010 and 31 March 2011: nil).

During the period ended 30 September 2011, the Board returned a total of £1,078,000 million (30 September 2010: nil, 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 in the period was equal to approximately 2.16p per Ordinary share.

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.

8. Tax effects of other comprehensive income

During the periods ended 30 September 2011, 30 September 2010 and 31 March 2011 there was no other comprehensive income disclosed in the statement of comprehensive income and as a result there were no tax effects arising thereon.

9. 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 £696,000 (30 September 2010: £5,706,000; 31 March 2011: £1,775,000) and on 50 million Ordinary Shares in issue at the end of the period (30 September 2010 and 31 March 2011: 50 million Ordinary Shares).

Diluted

The Warrants expired on 31 March 2011 and there were no other securities in issue at 30 September 2011 which could have a dilutive effect on the Company's Ordinary Shares. The share price of the Ordinary Shares at 30 September 2010 of 11.00p was below the exercise price of the Warrants of 120.00p. Therefore, as at 30 September 2010, the Warrants had no dilutive effect.

NOTES TO THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)
for the six months ended 30 September 2011

10. Share Capital

	<i>30 September 2011</i>	<i>30 September 2010</i>	<i>31 March 2011</i>
	£'000	£'000	£'000
<i>Authorised:</i>			
200,000,000 Ordinary Shares of 1p	2,000	2,000	2,000
	-----	-----	-----
<i>Allotted, called up and fully paid:</i>			
50,000,000 Ordinary Shares of 1p	500	500	500
	-----	-----	-----

10. Share Capital (continued)

All the Ordinary Shares 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 period (30 September 2010 and 31 March 2011: nil).

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

11. Related Parties

During the period ended 30 September 2011, £25,000 (30 September 2010: £63,000; 31 March 2011: £125,000) was paid to Elysium Fund Management Limited ("Elysium"), the Company's Administrator and Company Secretary. At 30 September 2011, £50,000 (30 September 2010: £31,000, 31 March 2011: £25,000) was owed to Elysium.

Mr Davies and Mr Miller each hold 50% of Damille Partners II, which held 5,100,000 Ordinary Shares (10.20%) at 30 September 2011 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 30 September 2011 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 period.

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

12. Events after the financial reporting date

There were no material events after the financial reporting date that required disclosure as at 16 November 2011.

13. 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 the net asset value, calculated at the time of borrowing.

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.

INVESTING POLICY

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.

DIRECTORS

Rhys Davies (*Executive Chairman*)

Brett Miller (*Executive Director*)

Weiming Zhang (*Non-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

Registrar

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

Custodian and Settlement Agent

Butterfield Bank (Guernsey) Limited
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 3AP

English Legal Adviser to the Company

Stephenson Harwood
1 Finsbury Circus
London
EC2M 7SH

Nominated Adviser and Broker

Singer Capital Markets Limited
One Hanover Street
London
W1S 1YZ

Independent Auditors

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

Guernsey Legal Adviser to the Company

Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

www.chinagrowthopportunities.com

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