

**KUALA LIMITED**  
**(FORMERLY CHINA GROWTH OPPORTUNITIES LIMITED)**

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

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

## INVESTING POLICY

The Company's investing policy during the period ended 30 September 2014, was:

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

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

### **Amendment to Investing Policy**

At the Annual General Meeting held on 12 November 2014, a resolution was passed by shareholders to amend the Investing Policy to:

“The Company's proposed new Investing Policy is to invest in and/or acquire companies and/or projects within the natural resources and/or energy sector with potential for growth. It is anticipated that the geographical focus will primarily be Africa, however, investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist and returns can be achieved.

In selecting investment opportunities, the Board will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value.

Where appropriate, the Board may seek to invest in businesses where it may influence the business at a board level, add their expertise to the management of the business, and utilise their significant industry relationships and access to finance, as such investments are likely to be actively managed.

The Company's interests in a proposed investment and/or acquisition may range from a minority position to full ownership and may comprise one investment or multiple investments. The proposed investments may be in either quoted or unquoted companies; be made by direct acquisitions or farm-ins; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures, joint ventures or direct or indirect interests in assets or projects. The Board may focus on investments where intrinsic value can be achieved from the restructuring of investments or merger of complementary businesses.

The Board expects that investments will typically be held for the medium to long term, although short term disposal of assets cannot be ruled out if there is an opportunity to generate an attractive return for Shareholders. The Board will place no minimum or maximum limit on the length of time that any investment may be held.

There is no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover under the AIM Rules. The Directors intend to mitigate risk by appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholder approval. The Board considers that as investments are made, and new promising investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets, it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

### **INVESTING POLICY (*continued*)**

The Board will conduct initial due diligence appraisals of potential business or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist. The Board believes it has a broad range of contacts through which they are aware of various opportunities which may prove suitable, although at this point only preliminary due diligence has been undertaken. The Board believes its expertise will enable it to determine quickly which opportunities could be viable and so progress quickly to formal due diligence. The Company will not have a separate investment manager. The Company proposes to carry out a comprehensive and thorough project review process in which all material aspects of a potential project or business will be subject to rigorous due diligence, as appropriate. Due to the nature of the sector in which the Company is focused it is unlikely that cash returns will be made in the short to medium term; rather the Company expects a focus on capital returns over the medium to long term.”

## CHAIRMAN'S STATEMENT

I am pleased to have the opportunity to present the unaudited condensed half-yearly report and financial statements of Kuala Limited (formerly China Growth Opportunities Limited) (the "Company") for the six-month period ended 30 September 2014.

### Results

The net liabilities of the Company at 30 September 2014 were £117,000 (30 September 2013: net asset value of £77,000, 31 March 2014: net liabilities £34,000), equal to net liabilities of 0.17p per Ordinary Share (30 September 2013: net assets of 0.11p per Ordinary Share, 31 March 2014: 0.05p net liabilities per Ordinary Share). The decrease in value from 31 March 2014 was due to the net loss for the period of £83,000 (30 September 2013: loss of £123,000, 31 March 2014: loss of £234,000).

### Share Price

The share price dropped during the period by 14% from the 31 March 2014 price of 1.05p to 0.90p per Ordinary Share at 30 September 2014 and, at the period end, the Ordinary Shares traded at a significant premium to the Company's net liabilities.

### Scarborough Loan Facility

To cover current liabilities and costs, Scarborough made available a £150,000 loan facility to the Company, on 30 June 2014. The loan was unsecured and bore interest at a rate of 4% per annum. The loan and the related interest were repayable by 31 December 2015. On 16 June 2014, £50,000 was called from the loan facility with Scarborough. Following the equity raising of £668,000 on 12 November 2014, the loan and related interest of £871 were repaid in full, without penalty, on 18 November 2014 and the facility was cancelled.

### Post Period End Changes

At the Company's Annual General Meeting ("AGM") held on 12 November 2014, the shareholders voted in favour of the Company's recapitalisation proposal, which was circulated to shareholders on 20 October 2014. The structural changes became effective on 12 November 2014.

The main changes to the Company, which are explained in more detail in note 12, comprised the following:

- *Issue of shares*  
Each Existing Ordinary Share of £0.01 was sub-divided, into one Ordinary Share of £0.001 and one Deferred Share of £0.009. Subsequently, £668,000 was raised via a subscription of 201,204,820 Ordinary Shares of £0.001 at a price of £0.003320 per share. Then, the Ordinary Shares were consolidated so that every 10 Ordinary Shares of £0.001 became one Ordinary Share of £0.01 each. Therefore, on admission there were 27,120,552 Ordinary Shares of £0.01 each in issue. Admission of the 27,120,552 Ordinary Shares became effective on 13 November 2014.
- *Issue of Warrants*  
The Company entered into a Warrant Instrument pursuant to which the Company issued 158,400,000 Subscription Anti-Dilution Warrants to the Subscribers pro rata to their participation in the Subscription, which can only be exercised to the extent outstanding Warrants as at the date of the Subscription (the "Warrants") are exercised.
- *Increase in authorised share capital*  
The authorised share capital limit of the Company was increased from £2,000,000 to £20,000,000.
- *Waiver of Rule 9 of the Takeover Code*  
Following the AGM, the Subscribers, constituting the concert party members, held 201,204,820 Ordinary Shares, representing 74.19% of the issued share capital of the Company. The Subscribers had also been issued with 158,400,000 Subscription Anti-Dilution Warrants. Immediately after the AGM, the maximum controlling position of the Subscribers, including the acquisition by Regent Mercantile Holdings Limited ("Regent"), and after exercising the Subscription Anti-Dilution Warrants in full, was 77.88% of the issued share capital.
- *Change of Directors*  
Ian Burns and I joined the Board as a Non-Executive Director and Executive Chairman respectively, and Kevin McCabe and Nicholas Brooke resigned as Directors of the Company.

## CHAIRMAN'S STATEMENT *(continued)*

### Post Period End Changes *(continued)*

- *Change of Investing Policy*  
A new Investing Policy was adopted, as detailed on page 1.
- *Change of name*  
The Company changed its name from China Growth Opportunities Limited to Kuala Limited.
- *Suspension from and re-admission to trading on AIM and change of Nominated Adviser*  
The previous Nominated Adviser, N+1 Singer, resigned on 13 October 2014. Following the resignation of N+1 Singer, the Company was suspended from trading on AIM. On 12 November 2014, RFC Ambrian Limited "Ambrian" was appointed as the Company's Nominated Adviser and the Company resumed trading on AIM on 13 November 2014. In addition, Ambrian and Peterhouse Corporate Finance Limited ("Peterhouse") were appointed as joint brokers.
- *Change of Investing Policy resulted triggered AIM Rule 15 event*  
As a result of the change in Investing Policy, the Company is now a company subject to Rule 15 of the AIM Rules for Companies and as such has until 13 November 2015 to have made an acquisition or acquisitions which constitute a reverse takeover under Rule 14 or otherwise implemented its investing policy. If it has not done so by this date, trading in the Company's Ordinary Shares on AIM will be suspended pending implementation. If the Ordinary Shares remained suspended for a further 6 months from that date then trading would be cancelled.

I would like to take this opportunity to thank Kevin McCabe and Nick Brooke for their work as Directors and for making the recent change to the structure of the Company a smooth process.

### Investment

At 30 September 2014, the Company's only investment was an equity stake in Starlight Viewpoint Limited, which is part of the Wan Wei Group and has been valued at nil (30 September 2013 and 31 March 2014: nil). It is highly unlikely that the Company will recover any value in Starlight Viewpoint Limited as the Wan Wei Group has a history of bad debt problems and has insufficient working capital to advance the business.

### Outlook

Your new Board believes that the approval of the recapitalisation proposal and the new Investing Policy has set the foundations to move the Company forward and take advantage of investment opportunities in the natural resources and energy sector, primarily in Africa. In the short term we are intending to raise capital through equity and subsequently invest the capital raised into medium and long-term term projects. However, we will not rule out the short term disposal of an asset if there is an opportunity to generate and attractive return. We are confident that, through our broad range of contacts and market expertise, we will quickly identify viable opportunities and build a strong portfolio of investments with significant potential.

Stephen Dattels  
17 December 2014

## **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

Ian Burns  
Director  
17 December 2014

**CONDENSED HALF-YEARLY STATEMENT OF COMPREHENSIVE INCOME**  
**for the six months ended 30 September 2014**

	Note	1 April 2014 to 30 September 2014 (unaudited) £'000	1 April 2013 to 30 September 2013 (unaudited) £'000	1 April 2013 to 31 March 2014 (audited) £'000
<b>Expenses</b>				
Administration fees		(50)	(50)	(100)
Directors' remuneration		-	(36)	(63)
Other expenses		(20)	(24)	(46)
Nominated Adviser and broker's fees		(13)	(13)	(25)
		-----	-----	-----
<b>Total expenses</b>		<b>(83)</b>	<b>(123)</b>	<b>(234)</b>
		-----	-----	-----
<b>Total comprehensive loss for the period/year</b>		<b>(83)</b>	<b>(123)</b>	<b>(234)</b>
		-----	-----	-----
<b>Loss per share – basic and diluted</b>	6	<b>(0.12)p</b>	<b>(0.18)p</b>	<b>(0.33)p</b>

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

*The accompanying notes on pages 8 to 13 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 2014**

	<i>Note</i>	<i>30 September 2014</i> <i>(unaudited)</i> <i>£'000</i>	<i>30 September 2013</i> <i>(unaudited)</i> <i>£'000</i>	<i>31 March 2014</i> <i>(audited)</i> <i>£'000</i>
<b>Current assets</b>				
Other receivables		6	5	7
Cash and cash equivalents		18	134	44
		-----	-----	-----
		24	139	51
		-----	-----	-----
<b>Total assets</b>		<b>24</b>	<b>139</b>	<b>51</b>
		-----	-----	-----
<b>Current liabilities</b>				
Payables and accruals		(141)	(62)	(85)
		-----	-----	-----
<b>Net (liabilities)/assets</b>		<b>(117)</b>	<b>77</b>	<b>(34)</b>
		-----	-----	-----
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	10	700	700	700
Other reserve		2,293	2,293	2,293
Distributable reserves		(3,110)	(2,916)	(3,027)
		-----	-----	-----
<b>Total equity shareholders' funds</b>		<b>(117)</b>	<b>77</b>	<b>(34)</b>
		-----	-----	-----
<b>Net (liabilities)/assets per Ordinary Share – basic and diluted</b>	9	<b>(0.17)p</b>	<b>0.11p</b>	<b>(0.05)p</b>

*The accompanying notes on pages 8 to 13 form an integral part of these unaudited condensed half-yearly financial statements.*

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**CONDENSED HALF-YEARLY STATEMENT OF CHANGES IN EQUITY****for the six months ended 30 September 2014 (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>
<b>Balance at 31 March 2014</b>	700	2,293	(3,027)	(34)
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	-	(83)	(83)
<b>Balance at 30 September 2014</b>	700	2,293	(3,110)	(117)

**for the six months ended 30 September 2013 (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>
<b>Balance at 31 March 2013</b>	700	2,293	(2,793)	200
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	-	(123)	(123)
<b>Balance at 30 September 2013</b>	700	2,293	(2,916)	77

**for the year ended 31 March 2014 (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>
<b>Balance at 31 March 2013</b>	700	2,293	(2,793)	200
<i>Total comprehensive loss for the year</i>				
Loss for the year	-	-	(234)	(234)
<b>Balance at 31 March 2014</b>	700	2,293	(3,027)	(34)

*The accompanying notes on pages 8 to 13 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 2014**

	<i>1 April 2014 to 30 September 2014 (unaudited) £'000</i>	<i>1 April 2013 to 30 September 2013 (unaudited) £'000</i>	<i>1 April 2013 to 31 March 2014 (audited) £'000</i>
<b>Cash flows from operating activities</b>			
Administration fees paid	(50)	(50)	(75)
Directors' remuneration paid	-	(36)	(69)
Other expenses paid	(13)	(38)	(58)
Nominated Adviser and broker's fees paid	(13)	(13)	(25)
	-----	-----	-----
<b>Net cash outflow from operating activities</b>	<b>(76)</b>	<b>(137)</b>	<b>(227)</b>
<b>Cash flows from financing activities</b>			
Issue of shareholders loan	50	-	-
	-----	-----	-----
<b>Net cash inflow from financing activities</b>	<b>50</b>	<b>-</b>	<b>-</b>
	-----	-----	-----
<b>Decrease in cash and cash equivalents</b>	<b>(26)</b>	<b>(137)</b>	<b>(227)</b>
	-----	-----	-----
Cash and cash equivalents brought forward	44	271	271
Decrease in cash and cash equivalents	(26)	(137)	(227)
	-----	-----	-----
Cash and cash equivalents carried forward	<b>18</b>	<b>134</b>	<b>44</b>
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*The accompanying notes on pages 8 to 13 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 2014

#### 1. General Information

The Company is an authorised closed-ended investment company domiciled and incorporated as a limited liability company in Guernsey and the registered office of the Company is 1<sup>st</sup> Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX. The Company's Ordinary Shares are traded on AIM, a market operated by the London Stock Exchange.

At the Company's Annual General Meeting held on 12 November 2014, the shareholders voted in favour of the Company's recapitalisation proposal, which was circulated to shareholders on 20 October 2014. The structural changes became effective on 12 November 2014. Details of the changes to the Company are disclosed in note 12.

The Company's new Investing Policy is disclosed on pages 1 and 2.

#### 2. Statement of Compliance

These unaudited condensed half-yearly financial statements, which have not been independently 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 2014.

The unaudited condensed half-yearly financial statements were approved by the Board of Directors on 17 December 2014.

#### 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 ("IFRS"), 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 2014**

**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. Prior to the change in Investing Policy on 12 November 2014, the single segment was deemed to be investment in a portfolio of companies whose business operations were focused in China. Following the change in Investing Policy, the Board expects the single segment to be the natural resources and/or energy sector, primarily in Africa.

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 2014 to 30 September 2014.

There was no revenue generated by the Company during the periods ended 30 September 2014, 30 September 2013 and 31 March 2014. The Company is domiciled in Guernsey.

**6. Loss per Ordinary Share - basic and diluted**

The loss per Ordinary Share is based on the loss for the period of £83,000 (30 September 2013: loss of £123,000; 31 March 2014: loss of £234,000) and on a weighted average number of 70,000,709 Ordinary Shares in issue during the period (30 September 2013: 70,000,709 Ordinary Shares and 31 March 2014: 70,000,709 Ordinary Shares).

Following an Extraordinary General Meeting held on 28 May 2012, 44,999,992 Warrants were issued to qualifying shareholders on 29 May 2012. The average price, of the Ordinary Shares of 0.90 pence during the period was less than the exercise price of the Warrants (5.00 pence). Therefore, there was no dilution in the return per Ordinary Share (30 September 2013 and 31 March 2014: no dilution).

**7. Dividends and Return of Capital**

The Directors do not propose an interim dividend for the period ended 30 September 2014 (30 September 2013 and 31 March 2014: nil).

During the periods ended 30 September 2014, 30 September 2013 and 31 March 2014, the Board did not return any capital to shareholders of the Company.

Any future dividends or returns of capital will be at the sole discretion of the Board and will be subject to the Company's financial position at that time.

**8. Tax Effects of Other Comprehensive Income**

During the periods ended 30 September 2014, 30 September 2013 and 31 March 2014, 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 Liabilities/Assets per Ordinary Share**

*Basic*

The basic net liability value per Ordinary Share is based on the net liabilities attributable to equity shareholders of £117,000 (30 September 2013: net assets of £77,000; 31 March 2014: net liabilities of £34,000) and on 70,000,709 Ordinary Shares in issue at the end of the period (30 September 2013 and 31 March 2014: 70,000,709 Ordinary Shares).

**NOTES TO THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)**  
**for the six months ended 30 September 2014**

**9. Net Liabilities/Assets Value per Ordinary Share (continued)**

*Diluted*

The 30 September 2014 mid-price of the Ordinary Shares of 0.90 pence (30 September 2013: 0.75 pence; 31 March 2014: 1.05 pence) was below the exercise price of the 44,999,992 Warrants (exercise price of 5.00 pence). Therefore, as at 30 September 2014, 30 September 2013 and 31 March 2014 the Subscription Warrants had no dilutive effect.

There were no other securities in issue at 30 September 2014, 30 September 2013 or 31 March 2014 which could or had a dilutive effect on the Company's Ordinary Shares.

**10. Share Capital**

	<i>30 September 2014</i>	<i>30 September 2013</i>	<i>31 March 2014</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Authorised:</i>			
200,000,000 Ordinary Shares of 1p	2,000	2,000	2,000
	-----	-----	-----
<i>Allotted, called up and fully paid:</i>			
70,000,709 Ordinary Shares of 1p	700	700	700
	-----	-----	-----

At 30 September 2014, 30 September 2013 and 31 March 2014, the Company had 70,000,709 Ordinary Shares and 44,999,283 Warrants in issue.

Each Warrant entitles the warrant-holder to subscribe for one Ordinary Share in cash at any time from 29 May 2012 to 29 May 2015 at a price of 5.0 pence per Ordinary Share. The Warrants have not been admitted to listing or trading on any stock exchange.

Details of the changes to the share capital of the Company after 30 September 2014 are disclosed in note 12.

**11. Related Parties**

Mr Davies (who resigned as a Director on 3 March 2014) holds 50% of Damille Partners Limited and Damille Partners II, which together held 13,251,920 Ordinary Shares (18.93 %) at 31 March 2014. On 14 April 2014, Mr Brooke (who resigned as a Director on 12 November 2014) purchased the 13,251,920 shares from Damille Partners Limited and Damille Partners II Limited for 0.5p per share. At 30 September 2014, Mr Brooke still held 13,251,920 Ordinary Shares. Following the share consolidation (as detailed in note 12) and the subsequent sale of 500,000 Ordinary Shares of Mr Brooke's holding to Regent on 12 November 2014, Mr Brooke held 825,192 Ordinary Shares (3.04%) in the Company.

Mr McCabe (who resigned as a Director on 12 November 2014) holds 100% of Scarborough Holding Company Limited, which held 20,000,000 Ordinary Shares (28.57%) at 30 September 2014. Following the share consolidation (as detailed in note 12) and the subsequent sale of 500,000 Ordinary Shares of Scarborough's holding to Regent on 12 November 2014, Scarborough held 1,500,000 Ordinary Shares (5.53%) in the Company.

During the period ended 30 September 2014, Scarborough made available a £150,000 loan facility to the Company, to cover current liabilities and costs. The loan was unsecured, bore interest at the rate of 4% per annum. The loan and the related interest were repayable by 31 December 2015. On 16 June 2014, the Company called £50,000 from the loan facility with Scarborough. Following the equity raising of £668,000 on 12 November 2014, the loan and related interest of £871 were repaid in full, without penalty, on 18 November 2014 and the facility was cancelled.

Kevin McCabe and Nicholas Brooke received £8,400 each as full and final settlement for their services to the Company, following their resignations as Directors of the Company on 12 November 2014.

**NOTES TO THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)**  
**for the six months ended 30 September 2014**

**11. Related Parties (continued)**

Mr Dattels (who was appointed as a Director on 12 November 2014) is a discretionary beneficiary of a trust which owns Regent, which purchased 45,512,290 (16.78%) Ordinary Shares in the Company, as part of the share subscription on 12 November 2014. Regent's holding became 4,551,229 (16.78%) Ordinary Shares, following the share consolidation on 13 November 2014. At the date of signing this report, Regent still held 4,551,229 Ordinary Shares in the Company.

Mr Burns (who was appointed as a Director on 12 November 2014) is the legal and beneficial owner of Smoke Rise Holdings Limited ("Smoke"), which purchased 12,508,311 (4.61%) Ordinary Shares in the Company, as part of the share subscription on 12 November 2014. Smoke's holding became 1,250,831 (4.61%) Ordinary Shares, following the share consolidation on 13 November 2014. At the date of signing this report, Smoke still held 1,250,831 Ordinary Shares in the Company.

Mr Burns is also the Managing Director of Regent.

On 12 November 2014, Peterhouse Corporate Finance Limited ("Peterhouse"), was appointed joint broker to the Company, and were issued warrants to subscribe for 813,616 new Ordinary shares, equating to 3% of the enlarged share capital of the Company, exercisable for up to two years at 3.32 pence per Ordinary share.

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

**12. Events after the financial reporting date**

At the Company's AGM held on 12 November 2014, the shareholders voted in favour of the Company's recapitalisation proposal, which was circulated to shareholders on 20 October 2014. The structural changes became effective on 12 November 2014.

The changes to the Company comprise of the following:

- Each Existing Ordinary Share of £0.01 was sub-divided, into one Ordinary Share of £0.001 and one Deferred Share of £0.009. A Shareholder holding one Existing Ordinary Share as at 20 October 2014, following the Share Sub-Division on 12 November 2014, held one Sub-Ordinary Share and one Deferred Share.
- £668,000 was raised via a subscription of 201,204,820 Ordinary Shares of £0.001 at a price of £0.003320 per share. The Subscription Shares rank *pari passu* with the Ordinary Shares already in issue. Immediately following the issue of the Subscription Shares, the Company's total issued share capital was 271,205,529 Ordinary Shares of £0.001 each.
- The Ordinary Shares were then consolidated so that every 10 Ordinary Shares of £0.001 each became 1 Ordinary Share of £0.01 each. Therefore, on admission, there were 27,120,552 Ordinary Shares of £0.01 in issue. Admission of the 27,120,552 Ordinary Shares became effective on 13 November 2014.
- The Company entered into a Warrant Instrument pursuant to which the Company issued 158,400,000 Subscription Anti-Dilution Warrants to the Subscribers *pro rata* to their participation in the Subscription. The Anti-Dilution Warrants can only be exercised to the extent that the outstanding Warrants as at the date of the Subscription are exercised (i.e. if 10% of the Warrants are exercised, a Subscriber shall be entitled to exercise 10% of their respective Subscription Anti-Dilution Warrants).
- The authorised share capital limit of the Company was increased from £2,000,000 to £20,000,000.
- *Waiver of Rule 9 of the Takeover Code*  
 Following the AGM, the Subscribers, constituting the concert party members, held 201,204,820 Ordinary Shares, representing 74.19% of the issued share capital of the Company. The Subscribers had also been issued with 158,400,000 Subscription Anti-Dilution Warrants and, as explained above, these can only be exercised in the same proportions to the extent that Warrants are exercised. Immediately after the AGM, the maximum controlling position of the Subscribers, including the acquisition by Regent, as mentioned above, and after exercising the Subscription Anti-Dilution Warrants in full, was 77.88% of the issued share capital.

**NOTES TO THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)**  
**for the six months ended 30 September 2014**

**12. Events after the financial reporting date (continued)**

- *Directors' Authority to Allot Shares*  
 In substitution for any existing authority, the Directors are generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities and subject to the terms the Directors may determine up to a maximum aggregate nominal amount of £5,000,000 (representing 5,000,000,000 Sub-Ordinary Shares of £0.001 each, or 500,000,000 New Ordinary Shares of £0.01 each). Authority under this resolution will expire on the date falling five years after the date of the Annual General Meeting. The Guernsey Companies Law does not limit the power of Directors to issue shares or impose any pre-emption rights on the issue of new shares. Accordingly, the Directors are generally and unconditionally authorised to allot securities in the Company up to the authorised but unissued share capital of the Company, any such power not to be limited in duration.
- *Amendment to the Company's Memorandum and Articles of Incorporation*  
 Following the creation of the Deferred Shares, and changes to the capital structure of the Company following the Share Sub-Division and the Share Consolidation, the Company was required to amend its memorandum and articles of incorporation. Save for changes required by law, there were no other changes to the Company's existing articles that affect the rights of shareholders.
- *Change of Directors*  
 Stephen Dattels joined the Board as Executive Chairman and Ian Burns as Non-Executive Director. Kevin McCabe and Nicholas Brooke resigned from as Directors of the Company, and both received £8,400 each as full and final settlement for their services to the Company and will waive all claims against the Company.
- *Change of Investing Policy*  
 Adoption of new Investing Policy as detailed on pages one and two of this report.
- *Change of name*  
 The Company changed its name from China Growth Opportunities Limited to Kuala Limited.
- *Suspension from and re-admission to trading on AIM and change of Nominated Adviser*  
 The previous Nominated Adviser, N+1 Singer, resigned on 13 October 2014. Following the resignation of N+1 Singer, the Company was suspended from trading on AIM. On 12 November 2014, RFC Ambrian Limited "Ambrian" was appointed as the Company's Nominated Adviser and the Company resumed trading on AIM on 13 November 2014. In addition, Ambrian and Peterhouse were appointed as joint brokers. The Company agreed to issue to Peterhouse warrants to subscribe for 813,616 new Ordinary shares, equating to 3% of the enlarged share capital of the Company, exercisable for up to two years at 3.32 pence per Ordinary share.
- *Change of Investing Policy resulted triggered AIM Rule 15 event*  
 As a result of the change in Investing Policy, the Company is now a company subject to Rule 15 of the AIM Rules for Companies and as such has until 13 November 2015 to have made an acquisition or acquisitions which constitute a reverse takeover under Rule 14 or otherwise implemented its investing policy. If it has not done so by this date, trading in the Company's Ordinary Shares on AIM will be suspended pending implementation. If the Ordinary Shares remained suspended for a further 6 months from that date then trading would be cancelled.

There were no other material events after the financial reporting date that required disclosure as at 17 December 2014.

**NOTES TO THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)**  
**for the six months ended 30 September 2014**

**13. Capital management policy and procedures**

The Company does not currently intend to fund any investments through debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Company may also offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

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

- The need to obtain funds for new investments, as and when they arise.
- 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.



## DIRECTORS

**Stephen Dattels** (*Executive Chairman*)

**Ian Burns** (*Non-Executive Director*)

## ADVISERS

### **Administrator, Secretary and Registered Office**

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