

**PROSPER CHINA LIMITED**

**(formerly NEWCO 1 LIMITED)**

**REPORT and FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**



**Registered Number :**  
**SC227795**

**PROSPER CHINA LIMITED (formerly Newco 1 Limited)****DIRECTORS' REPORT**

The company changed its name to Prosper China Limited on July 2, 2007.

The directors submit their report and financial statements for the year ended December 31, 2008.

**Review of the business, results and dividends**

The company did not trade during the year. The directors do not recommend the payment of a dividend.

**Directors and their interests**

The directors who served during the year were as follows:-

T.A. Hogg  
J.A. Lithgow  
A.R. Reid  
A.W.C. Wishart

No director, who was not also a director of the holding company, had any interest in the shares of the company or of any other group company.

**Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, make judgments and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD



A. R. Reid  
Secretary

March 23, 2009

**PROSPER CHINA LIMITED (formerly NEWCO 1 LIMITED)****BALANCE SHEET AT DECEMBER 31, 2008**

	<u>2008</u> £	<u>2007</u> £
Debtors:		
Called up share capital not paid	100	100
	<u>          </u>	<u>          </u>
Capital and reserves		
Share capital		
Authorised		
Equity interests		
9,346 ordinary shares of £100 each - £934,600		
(2006 – 9,346 ordinary shares of £100 each - £934,600)		
654 preferred ordinary share of £100 each - £65,400		
(2006 – 654 preferred ordinary shares of £100 each - £65,400)		
Non Equity interests		
1,000,000 7.5% preference shares of £1 each £1,000,000		
(2006 – 1,000,000 7.5% preference shares of £1 each - £1,000,000)		
Issued		
Equity interests – 1 ordinary share of £100 each	100	100
	<u>          </u>	<u>          </u>

As defined by S.250 of the Companies Act 1985, the company remained dormant throughout the year.

For the year ended December 31, 2008, the company was entitled to exemption from audit under Section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221, and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of Section 226 and which otherwise comply with the Companies Act relating to accounts, so far as applies to the company.



A.R. REID  
Director

March 23, 2009

**PROSPER CHINA LIMITED (formerly NEWCO 1 LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2008**

**1. Directors' emoluments**

The company did not trade and no director received any emoluments in respect of services to the company during this or the previous year.

**2. Share Capital**

The preferred ordinary shares are non-voting shares, but have rights to be paid out of the distributable profits of each financial year in preference to any dividend on the ordinary shares of the company, but after payment of the dividend on the preference shares. In the event of a winding up, the holders of the ordinary shares and the holders of the preferred ordinary shares shall rank *pari passu*.

The preference shares are non-voting and non-convertible and have no rights to share in dividends other than the fixed 7.5% dividend which is non-cumulative. The shares are redeemable at the option of the holder at any time, subject to the holder providing the company one month's notice in writing of his intention to redeem. In the event of a winding up, the holders of the preference shares shall rank ahead of the holders of the ordinary shares and the preferred ordinary shares, but only to the extent of being repaid at par.

**3. Related parties**

The company's ultimate parent company is Lithgows Limited which is registered in Scotland. The results of the company are consolidated within the group financial statements of Lithgows Limited and these group financial statements are available from the Registrar of Companies.