

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or other appropriately authorised financial adviser if you are in a territory outside of the UK.

If you have sold or otherwise transferred all of your Shares, you should pass this Circular and the enclosed Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into Canada, Australia, the Republic of South Africa or Japan or into any other jurisdiction if to do so would constitute a violation of applicable laws and regulations in such other jurisdiction.

Canaccord Adams Limited, which is authorised and regulated in the UK by the Financial Services Authority, is acting for Vision Opportunity China Fund Limited and no one else in connection with the Capital Distribution and will not be responsible to anyone other than Vision Opportunity China Fund Limited for providing the protections afforded to its clients or for giving advice in relation to the contents of this Circular or on any of the matters referred to herein.

The Directors of the Company, whose names are listed on page 4 of this Circular, accept responsibility for the information set out in this Circular. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that it is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

VISION OPPORTUNITY CHINA FUND LIMITED

(a closed-ended investment company incorporated in Guernsey with registered number 47999)

Proposed Capital Distribution of 5 Cents per Share to Shareholders

and

Notice of Extraordinary General Meeting

The Capital Distribution described in this Circular is conditional on Shareholder approval at an Extraordinary General Meeting and satisfaction of the Conditions. Notice of an Extraordinary General Meeting of the Company to be held at 10 a.m. on 4 May 2010 is set out at the end of this Circular.

The accompanying Form of Proxy for use by Shareholders at the Extraordinary General Meeting should be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event not later than 10.00 a.m. on 2 May 2010. 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 wish to do so.

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EXPECTED TIMETABLE*

Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	10.00 a.m. on 2 May 2010
Extraordinary General Meeting	10.00 a.m. on 4 May 2010
Result of EGM announced	4 May 2010
Shares will commence trading without the right to participate in the Capital Distribution, assuming the Resolution is passed (what would typically be referred to as the ex-dividend date)	5 May 2010
Record Date for participation in the Capital Distribution	6.00 p.m. on 7 May 2010
Cheques for payment of Capital Distribution despatched for Certificated Shares	28 May 2010
CREST accounts credited with Capital Distribution	28 May 2010

** Each of the times and dates in the above table is subject to change. All times are London time.*

LETTER FROM THE CHAIRMAN

VISION OPPORTUNITY CHINA FUND LIMITED

(a closed-ended investment company incorporated in Guernsey with registration number 47999)

Directors:

Christopher Norman Fish (*Chairman*)
David William Benway
Dr. Randolph Baer Cohen
Dr. Christopher Keith Polk
Ruiping Wang

Registered Office:

Suites 13 & 15
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA

13 April 2010

To Shareholders

Dear Sir or Madam,

Proposed Capital Distribution of 5 Cents per Share

1. The Capital Distribution

The Board yesterday announced the following initiatives that are designed, collectively, to further improve the liquidity in the trading and rating of the Shares and, ultimately, to enhance Shareholder value:

- introducing a distribution policy which aims to return to Shareholders an amount equivalent to between 20% and 50% of the Company's relevant net realisation proceeds achieved in each financial year;
- implementing a Share buy-back policy; and
- moving the Company from AIM up to the London Stock Exchange's Main Market.

The Board has also announced, subject, *inter alia*, to Shareholder approval, a return of capital of 5 cents per Share, amounting to \$3.31 million in aggregate, which will be paid in pounds sterling on 28 May 2010 to Shareholders on the Register as at close of business on 7 May 2010. This payment will be funded through a reduction of share capital and will be taken into account for the purposes of the Company's new distribution policy. It is equivalent to 15.3% of the relevant net realisation proceeds in the current financial year to 31 March 2010 and 1.8% of the net asset value as at 31 March 2010.

The Shares will trade on AIM ex-Capital Distribution from 5 May 2010 and, with effect from that date, the Company will publish the NAV per Share net of the Capital Distribution.

Shareholder approval is required for the proposed reduction of capital which is part of the Capital Distribution and accordingly this Circular is being sent to you to convene an Extraordinary General Meeting of the Company at Suites 13 & 15, Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA at 10.00 a.m. on 4 May 2010, notice of which is set out at the end of this Circular. The Board is unanimously recommending that you vote in favour of the Resolution to approve the Capital Distribution

which is to be proposed at the Extraordinary General Meeting.

The Capital Distribution is conditional upon the Conditions being satisfied. If the Resolution is not passed then the Capital Distribution will not be paid. Further resolutions to obtain Shareholder approval for the move to the Official List and additional changes required to update the Company's constitution will be put to Shareholders at a later date.

2. Settlement

Subject to the Conditions being satisfied, the Capital Distribution will be paid (by cheque or by a CREST payment, as appropriate) on 28 May 2010.

The Capital Distribution will be paid in pounds sterling and calculated based on the rate of exchange as at 3.00p.m. on 5 May 2010.

Shares held in certificated form (that is, not in CREST): Cheques for the Capital Distribution due will be despatched by Capita Registrars by first class post to the registered address of each Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made by cheque drawn on a branch of a UK clearing bank.

Shares held in uncertificated form (that is, in CREST): For Shares held in uncertificated form, the Capital Distribution due will be paid by means of CREST in accordance with the CREST payment arrangements on 28 May 2010.

3. Taxation

The following statements are intended only as a general guide to current UK tax legislation and to the current practice of HMRC and may not apply to certain Shareholders in the Company, such as dealers in securities, insurance companies and collective investment schemes. They relate (except where stated otherwise) to persons who are resident and ordinarily resident in the UK for UK tax purposes, who are beneficial owners of Shares and who hold their Shares directly as an investment. **Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his or her own professional advisers immediately.**

Treatment of Capital Distribution

The Capital Distribution should be treated as a capital distribution in the hands of Shareholders for UK tax purposes. Subject to the below, Shareholders will therefore be treated for capital gains tax purposes as having disposed of interests in their Shares in consideration of the amount of Capital Distribution they receive and would compute their resulting capital gains tax liabilities using the part disposal rules.

If the Capital Distribution is "small" compared with the value of the Shares to which it relates, then the above treatment may be disapplied. If it is, then no disposal is treated as being made by the relevant Shareholder and so no tax need be paid by them in respect of the receipt of the Capital Distribution. Instead, each Shareholder's base costs in their holding of Shares will be reduced by the amount of the Capital Distribution they have received. The charge to capital gains tax in respect of the Capital Distribution is therefore effectively deferred until eventual disposal of the Shares.

If any Shareholder's base cost in their Shares is less than the amount of the Capital Distribution, then the special rules for small capital distributions do not apply and so any such Shareholder must

compute tax due on the deemed disposal of part of their holding of Shares in accordance with the normal part disposal rules. Such a Shareholder may however elect to adopt the treatment described above to the extent they have some base cost in their holding of Shares, with the consequence that if such election is made that part of the Capital Distribution received equal to their base cost would not be subject to tax and their base cost going forward would be reduced to zero.

HMRC regard a capital distribution as small if its value is 5 per cent. or less of the value of the shares to which it relates prior to the making of the distribution, or, in respect of any particular shareholder, if it is £3,000 or less. Based on the closing mid-price of the Shares at 9 April 2010, being the latest practicable date prior to publication of this Circular, it is therefore likely that the Capital Distribution will be treated as small.

Offshore funds

The treatment described above is based on a Shareholder's Shares not constituting an interest in an "Offshore Fund". If the Company were to be treated for UK taxation purposes as an "Offshore Fund", gains realised by a Shareholder could be taxable as income and not as capital gains. The Directors have been advised that it is not expected that the Company should be treated as an "Offshore Fund".

Withholding tax

No UK taxation will be required to be withheld or deducted from the Capital Distribution paid to Shareholders.

4. Extraordinary General Meeting

The implementation of the Capital Distribution requires the approval of the Shareholders. A notice convening an Extraordinary General Meeting of the Company, which is to be held at Suites 13 & 15, Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA at 10.00 a.m. on 4 May 2010, is set out at the end of this Circular.

At the Extraordinary General Meeting, the Resolution will be proposed to enable the Capital Distribution to be implemented. The Resolution approves the reduction of the Company's share capital by \$3,309,478.70 and the return of such sum to Shareholders by way of capital distribution.

For the Resolution to pass it must be passed by a majority of 75 per cent. or more of the total number of votes cast for and against the Resolution (i.e. by special resolution) at the Extraordinary General Meeting.

5. Action to be taken

Form of Proxy

Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. Regardless of whether you intend to be present at the Extraordinary General Meeting, you are requested to complete and return the accompanying Form of Proxy in accordance with the instructions printed thereon, so as to be received by the Company's registrar, at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and in any event not later than 10.00 a.m. on 2

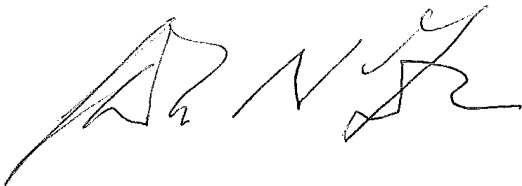
May 2010.

The Form of Proxy has a pre-paid address for use within the UK only. The completion and return of the Form of Proxy will not preclude you from attending the Extraordinary General Meeting or any adjournment thereof and voting in person should you so wish.

6. Recommendation

Your Board, which has been so advised by Canaccord, considers that the proposed Capital Distribution is in the best interests of the Company and of Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolution.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Chris Fish', written in a cursive style.

Christopher Fish
Chairman

DEFINITIONS

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

" Admission Document "	the admission document issued by the Company in respect of the admission of its Shares to trading on AIM on 28 November 2008
" Articles "	the articles of association of the Company
" Canaccord "	Canaccord Adams Limited, the Company's nominated adviser and broker
" Capital Distribution "	the reduction of the Company's share capital in accordance with the Resolution and the return of such sum by way of capital distribution of 5 cents per Share as described in this Circular
" Capita Registrars "	Capita Registrars Limited
" Circular "	this document
" Company "	Vision Opportunity China Fund Limited, a closed-ended investment company incorporated in Guernsey with registered number 47999
" Conditions "	(i) the passing of the Resolution at the Extraordinary General Meeting, (ii) the Board being satisfied, and continuing to be satisfied, on reasonable grounds that the Company will, immediately after the Capital Distribution, satisfy the Solvency Test, (iii) the Board issuing the necessary certificate of solvency under the Law and (iv) authorisation of the Board
" CREST "	the computerised settlement system to facilitate the transfer of title and holding of shares in uncertificated form, operated by Euroclear
" Directors " or " Board "	the directors of the Company
" Euroclear "	Euroclear UK & Ireland Limited, the operators of CREST
" Extraordinary General Meeting "	the extraordinary general meeting of the Company convened for 10.00 a.m. on 4 May 2010 (or any adjournment thereof), notice of which is set out at the end of this Circular
" Form of Proxy "	the form of proxy accompanying this Circular, for use by Shareholders in connection with the Extraordinary General Meeting
" FSA "	Financial Services Authority
" HMRC "	HM Revenue & Customs
" Law "	The Companies (Guernsey) Law, 2008 (as amended)
" Net Asset Value per Share "	the net asset value per Share calculated in accordance with the Company's accounting policies as set out in Part 4 of the Admission Document

"Register"	the register of members of the Company
"Resolution"	the special resolution set out in the notice of Extraordinary General Meeting at the end of this Circular relating to the Capital Distribution
"Shareholders"	the holders of Shares
"Shares"	ordinary shares of no par value each in the capital of the Company
"Solvency Test"	the solvency test as defined in section 527 of the Law (and, save where the context requires otherwise, as it applies to distributions other than dividends)
"UK"	the United Kingdom of Great Britain and Northern Ireland
"United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"£" or "pounds sterling"	the lawful currency of the UK

VISION OPPORTUNITY CHINA FUND LIMITED
(a closed-ended investment company incorporated in
Guernsey with registered number 47999)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Vision Opportunity China Fund Limited (the "**Company**") will be held at Suites 13 & 15, Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA, at 10.00 a.m. on 4 May 2010 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

Special Resolution

THAT

- (1) The Company be and is hereby authorised in accordance with article 40 of its articles of association to reduce its share capital by \$3,309,478.70 and return such sum to shareholders by way of capital distribution.

Registered Office

Vision Opportunity China Fund Limited
Suites 13 & 15
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA

13 April 2010

By order of the Board

Christopher Fish
Chairman

NOTES:

1. A member of the Company entitled to attend, speak and vote at the meeting convened by the notice set out above (the "Extraordinary General Meeting") is entitled to appoint a proxy to exercise all or any of his rights to attend, speak and vote at the meeting in his place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. An instrument for the purposes of appointing a proxy is enclosed. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by 10.00 a.m. on 2 May 2010 or not later than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, before the time appointed for taking the poll and, in default, the instrument shall not be treated as valid. **The Form of Proxy has a pre-paid address for use in the UK only.**
3. A member may appoint more than one proxy in relation to the Extraordinary General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy the enclosed form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.
4. In the case of a member which is a company, the instrument appointing a proxy must be executed under the member's common seal (or in any other manner permitted by law and having the same effect as if executed under seal) or under the hand of a duly authorised officer, attorney or other person.
5. Completion of the form of proxy appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he so wishes.
6. 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 other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
7. Pursuant to Article 45(b) of the articles of association of the Company, the Company specifies that only those members entered on the register of members of the Company as at 6.00 p.m. on 2 May 2010 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on 2 May 2010 or, if the meeting is adjourned, on the register of members 48 hours before the time fixed for the adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.

VISION OPPORTUNITY CHINA FUND LIMITED
FORM OF PROXY
EXTRAORDINARY GENERAL MEETING
on 4 May 2010 at 10.00 a.m. (GMT)

I/We (full name)
being a member of Vision Opportunity China Fund Limited (the "Company"), do hereby appoint: (full name)

Or failing him: (full name)
.....

or failing him the Chairman of the Meeting as my/our proxy to attend the Extraordinary General Meeting of the Company to be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA on 4 May 2010 at 10.00 a.m. (GMT) or any adjournment thereof.

The proxy is to vote as follows:

Special Resolution	For	Against	Withheld
1. To approve a reduction of the Company's share capital by \$3,309,478.70 and the return of such sum to shareholders by way of capital distribution.			

***please complete by marking "X" in the relevant box. If no indication is given, your proxy will have discretion to vote for or against or to abstain (including on any other matter which may properly come before the Meeting) as he/she thinks fit.**

If by an individual:

If for and on behalf of a corporation:

Signed by:.....

Signed by:.....

Dated:.....2010

For and on behalf of:.....

Position:.....

Dated:.....2010

NOTES:

1. A member of the Company entitled to attend, speak and vote at the meeting convened by the notice of Extraordinary General Meeting (the "Meeting") is entitled to appoint a proxy to exercise all or any of his or her rights to attend, speak and vote at the Meeting in his place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. A member may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.
3. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by 10.00 a.m. on 2 May 2010 or not later than 48 hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote or, in the case of a poll, before the time appointed for taking the poll and, in default, the instrument shall not be treated as valid. **The Form of Proxy has a pre-paid address FOR USE IN THE UK ONLY.**
4. In the case of a member which is a company, the instrument appointing a proxy must be executed under the member's common seal (or in any other manner permitted by law and having the same effect as if executed under seal) or under the hand of a duly authorised officer, attorney or other person.
5. Completion of the form of proxy appointing a proxy does not preclude a member from subsequently attending and voting at the Meeting in person if he/she so wishes.
6. 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 other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
7. Pursuant to Article 45(b) of the articles of association of the Company, the Company specifies that only those members entered on the register of members of the Company as at 6.00 p.m. on 2 May 2010 or, if the Meeting is adjourned, 48 hours before the time fixed for the adjourned Meeting shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on 2 May 2010 or, if the Meeting is adjourned, on the register of members 48 hours before the time fixed for the adjourned Meeting shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

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**Business Reply
Licence Number
RSBH-UXKS-LRBC**



First fold

**PXS
34 Beckenham Road
BECKENHAM
BR3 4TU**

Second fold