



Origo Sino-India PLC

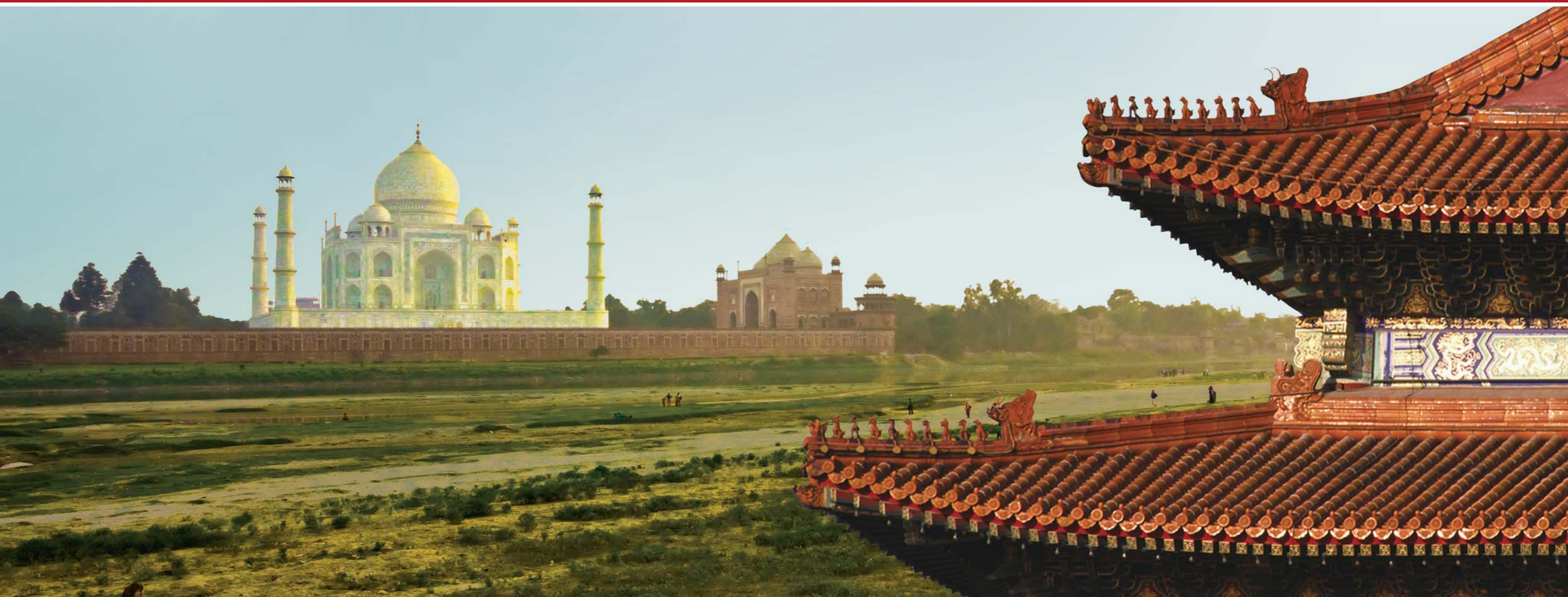
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007



www.origopl.com

Stanley House, Lord Street, Douglas, Isle of Man, IM1 2BF





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Directors

Wang Chao Yong, *Executive Chairman*
 Chris Andre Rynning, *Chief Executive Officer*
 Karl Niklas Ponnert, *Chief Financial Officer*
 Vinay Babu Ganga, *Managing Director India*
 Christopher Martin Jemmett, *Non Executive Director*
 Dipankar Basu, *Non Executive Director*
 Stockton Birthisel, *Non Executive Director*

Country of incorporation of parent company

Isle of Man

Legal form

Public limited company

Secretary and registered office

Stockton Birthisel
 Stanley House
 Lord Street
 Douglas
 Isle of Man IM1 2BF

Company number

116102C

Auditors

Ernst & Young LLC
 Rose House, 51-59 Circular Road
 Douglas, ISLE OF MAN
 IM1 1AZ, United Kingdom

Chairman's Statement

It is with great pleasure I present the Annual Report and Accounts for 2007, our first full fiscal year as an AIM listed Company. The last year and a half has been a transformative time for Origo: we have developed from being a closely held private company to a public entity, set up a first co-investment fund and completed a private placement with one of Europe's largest alternative asset management groups.

The Company spent the first six months of the year investing the proceeds from the IPO, taking stakes in eight new promising companies. In total, at year end, the Company was actively involved in the development of 17 investee companies, each of which has expanded during the year.

Since the completion of the IPO in December 2006, the Company has witnessed a steadily increasing flow of quality investment opportunities, particularly in the natural resource sector. Having considered different financing options, the Board decided to expand the business scope of the Group by launching a co-investment fund, Origo Resource Partners Ltd ("ORP").

Admitted to trading on the AIM market of the London Stock Exchange in December 2007, ORP is a US\$100 million closed ended fund dedicated to private equity investments in Chinese and Indian related natural resource companies. In the capacity of consultant to ORP, Origo stand to benefit from management and performance fees as well as a co-investment arrangement.

In early 2008, Origo formed a partnership with GLG Partners LP, one of Europe's largest alternative asset managers, which has the potential to deliver significant benefits to Origo by broadening the range and scale of transactions open to us whilst underpinning the development of our asset management business. Through various funds, GLG invested approximately £17.1 million in the Company via a placing of new ordinary shares. Following completion of the placing, GLG held a 29.6% interest in the Company's issued ordinary share capital.

I was delighted to welcome to the Board of Directors, Niklas Ponnert as an Executive Director and Chief Financial Officer. A Managing Director since early 2006, Mr. Ponnert is familiar with the Company and its portfolio. Besides playing a critical role in our fund-raising efforts, he has left a mark by taking a lead role in the deployment of capital and monitoring of our growing portfolio.

The Company has adopted IFRS in its single entity accounts, including IAS 39 "Financial Instruments: Recognition and Measurement," with changes in fair value being recognized in the profit and loss account. Besides adhering to best practices of the private equity industry, we believe this change in accounting policy will allow us to better reflect the value of our portfolio companies – and hence the value of the Group as a whole. We also appointed new advisers, including Smith & Williamson as nominated adviser, Liberum Capital as broker, and, after having completed a process to ascertain their cost competitiveness and competence, Ernst & Young as our auditor.

The Company's achievements during the course of the year underline the commitment of our team. I thank them for their support, as well as the management, staff and my fellow board directors for their hard work over the year.



Wang Chao Yong
Executive Chairman



Origo Sino-India PLC is the only private equity
and strategic advisory company that
exclusively focuses on the cross border
opportunities between China and India

Chief Executive's Statement

Origo's business model expanded in 2007 to include asset management consulting, commodity brokering and equity research services in addition to our existing private equity investment and transaction service practice.

We intend to aggressively expand these new business areas, with growth of assets under management being the key strategic objective. To support these initiatives, we have recruited several investment professionals and invested in business support staff and systems.

The cornerstone of Origo's strategy remains unchanged: we invest from our balance sheet in promising Chinese and Indian companies across various sectors, ranging from natural resources and energy, manufacturing and consumer services, to technology and media. Starting from last year, we complement our proprietary investments with capital from third party co-investment funds.

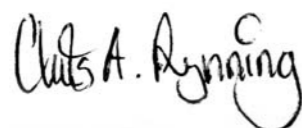
We support local entrepreneurs and partner with foreign market leaders who invest in China and India. Through the partnership with GLG Partners, we will also seek to capitalise on what promises to be a new trend in international capital flows: out-bound investments by Chinese and Indian companies going overseas to invest and acquire assets.

Positioning the Company as a value-adding investor, we work closely with our investee companies, providing services relating to private placements, expansions into new markets, mergers and acquisitions and access to international capital markets. Through active ownership we are able to control risk and optimise value. It also allows the Group to earn fees, thus reducing our dependency on asset realisations, while providing us with an edge in increasingly competitive markets.

The seeds of success of our strategy can be seen in the results for 2007. Revenues reached £902k, up from £42k in 2006. Other Administration costs were up significantly in line with our investments in people and infrastructure, reaching £1,478k, compared to £398k in the previous year. As a result, including a non-cash expense of £901k for share-based payments, the Company posted an operating loss of £1,871k. The operating loss was offset by growth in the value of our portfolio, crystallised in the revaluation of our holdings in Rising Technology Corporation Ltd and Roshini International Bio Energy Corporation. Including movements in fair value, the Company posted a profit of £11.4 million, equivalent to 16.48p per ordinary share on a fully diluted basis.

Our balance sheet is strong. We ended 2007 with £3.6 million in cash and cash equivalents, down from £9.2 million in 2006, reflecting an active year of investing. Net assets rose to £25.8 million, up from £11.5 million last year. In early 2008, our balance sheet was further strengthened with £17.1 million in proceeds from the placing of ordinary shares to GLG Partners.

In summary, 2007 was an exceptional year for the Company. Much was achieved and several new initiatives were successfully launched. Looking forward, we note that China and India have been relatively shielded thus far from the turmoil in international financial markets and underlying growth remains strong.



Chris Andre Rynning
Chief Executive Officer



Directors' Report

Report of the directors for the period ended 31 December 2007

The directors present their report together with the audited financial statements for the year ended 31 December 2007.

Results and dividends

The result of the Group for the period is set out on page 12 and shows a profit for the year of £11,394,000 (2006: loss of £7,398,000).

The limited trading history of the Group neither justifies nor allows the payment of a dividend. The directors are therefore not able to recommend the payment of a dividend (2006: £nil). The retained profit of the year of £11,394,000 (2006: loss of £7,398,000) has been transferred to reserves.

Principal activities, review of business and future developments

The strategy of the Group is to invest in and provide consultancy services to fast growing, profitable private companies across various sectors of the Chinese and Indian economies. The review of business and future developments is covered in the Chairman's Statement and the Chief Executive's Statement.

Directors and their interests

	At 31 December 2007	
	Options and similar interests**	Ordinary Shares
Mr. Wang Chao Yong	4,000,000	1,047,500
Mr. Chris A Rynning	1,000,000	12,125,000
Mr. Lou Lin*	-	400,000
Mr. Niklas Ponnert	800,000	400,000
Mr. Vinay Ganga	800,000	6,690,000
Mr. Christopher Jemmett	100,000	50,000
Mr. Dipankar Basu	100,000	50,000
Mr. Stockton Birthisel	-	25,000

* Mr. Lou Lin resigned in September 2007 and Mr. Niklas Ponnert assumed the position of director and CFO.

** Referring to option settled share based payment amortising in vesting period.

Change of accounting policy

In the prior year, the Group financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company financial statements were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting practice). In the current year, both the Group and the Company financial statements are prepared in accordance with IFRSs as the requirements of section 3 of the Isle of Man Society of Chartered Accountants and the Association of Chartered Certified Accountants Statement of Recommended Practice.



Directors' Report (continued)

Report of the directors for the period ended 31 December 2007

Directors' responsibilities in respect of the financial statements

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 the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

As far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware.

Financial statements are published on the Group's website in accordance with legislation in the Isle of Man governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Each of the directors has taken all the steps they ought to have taken individually as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

During the year BDO Stoy Hayward LL resigned as auditors and Ernst & Young LLC were appointed in their place by the directors. In accordance with S12(2) of the Isle of Man Companies Act 1982, Ernst & Young LLC have expressed their willingness to continue in office and a resolution to reappoint Ernst & Young LLC will be proposed at the forthcoming Annual General Meeting.

By order of the Board
Stockton Birthisel
Company Secretary



Portfolio Companies



*Selected portfolio companies at 31 December, 2007

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Origo Sino-India PLC

We have audited the Group and Parent Company financial statements (the "financial statements") of Origo Sino-India PLC for the year ended 31 December 2007, which comprise the consolidated income statement, consolidated balance sheet, Company balance sheet, consolidated statement of changes in equity, Company statement of changes in equity, consolidated cash flow statement, Company cash flow statement and related notes 1 to 26. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, pursuant to Section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Isle of Man law and appropriate accountings standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts 1931 to 2004. We also report if, in our opinion, the Group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the Group is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, Chief Executive's Statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

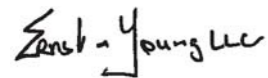
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of affairs of the Group and the Company as at 31 December 2007 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Acts 1931 to 2004.



23 May 2008

Chartered Accountants
Isle of Man

Consolidated income statement

for the year ended 31 December 2007

	Note	2007 £'000	From 31 March 2006 (Date of incorporation) to 31 December 2006 £'000
Revenue	2	902	42
Cost of sales	2	(355)	(26)
Gross profit		547	16
Distribution costs		(39)	(1)
Impairment of goodwill		–	(4,795)
Share-based payments		(901)	(1,043)
AIM flotation fees		–	(1,184)
Other administrative expenses		(1,478)	(398)
Total administrative expenses	3	(2,379)	(7,420)
Loss from operations		(1,871)	(7,405)
Investment income	7	12,856	(1)
– Realised gains on disposal of associate		172	–
Finance income	8	418	12
Finance costs	8	(13)	(4)
Other income		4	–
Profit/(loss) before and after tax		11,394	(7,398)
Attributable to:			
– Equity holders of the parent		11,394	(7,398)
		11,394	(7,398)
	10	11,394	(7,398)
Basic and diluted EPS		16.48p	(22.88p)

Consolidated balance sheet

at 31 December 2007

Assets	Note	2007 £'000	2006 (Restated) £'000
Non-current assets			
Property, plant and equipment (PPE)	11	21	12
Investments at fair value through profit or loss	13	20,537	–
Loan investments	15	126	–
Available for sale investments	17	130	132
Investments in associates	14	52	22
Other investments		4	4
		20,870	170
Current assets			
Inventories		13	–
Trade and other receivables	16	1,517	2,996
Cash and bank balance		3,659	9,175
		5,189	12,171
Total assets		26,059	12,341
Current liabilities			
Trade and other payables	18	225	880
		225	880
Total liabilities		225	880
Total net assets		25,834	11,461
Equity attributable to equity holders of the company			
Share capital	20	7	7
Share premium		15,105	13,071
Share based payment reserve	21	1,944	1,043
Retained earnings		3,996	(7,398)
Warrant reserve		4,738	4,738
Translation reserve		44	–
Total equity		25,834	11,461
Total equity and liabilities		25,834	11,461

The financial statements were approved by the Board of Directors and authorised for issue. They were signed on its behalf by:



Wang Chao Yong
Chairman



Chris Andre Rynning
Chief Executive Officer



Niklas Ponnert
Chief Financial Officer

Company balance sheet

at 31 December 2007

Assets	Note	2007 £'000	2006 £'000
Non-current assets			
Investments at fair value through profit or loss		20,356	–
Loan investments		330	–
Investments in subsidiaries		27	27
		20,713	27
Current assets			
Trade and other receivables	16	2,300	3,379
Cash and bank balance		3,476	9,069
		5,776	12,448
Total assets			
Current liabilities			
Trade and other payables	18	160	745
		160	745
Total net assets		26,329	11,730
Equity attributable to equity holders of the company			
Share capital		7	7
Share premium		15,105	13,071
Share based payment reserve		1,944	1,043
Retained earnings		4,535	(7,129)
Warrant reserve		4,738	4,738
Total equity		26,329	11,730

The financial statements were approved by the Board of Directors and authorised for issue. They were signed on its behalf by:



Wang Chao Yong
Chairman



Chris Andre Rynning
Chief Executive Officer



Niklas Ponnert
Chief Financial Officer

Consolidated statement of change in equity

for the year ended 31 December 2007

Note	Share Capital £'000	Share Premium £'000	Share based Payment Reserve £'000	Retained Earnings £'000	Warrant Reserve £'000	Merger Reserve £'000	Translation Reserve £'000	Total £'000
Proceeds on share issues for cash	6	9,123	-	-	4,738	-	-	13,867
Share issue costs	-	(701)	-	-	-	-	-	(701)
Share-based payment expense	-	-	1,043	-	-	-	-	1,043
Equity-settled combination	1	4,649	-	-	-	-	-	4,650
Loss for the year	-	-	-	(7,398)	-	-	-	(7,398)
At 31 December 2006 (restated)	7	13,071	1,043	(7,398)	4,738	-	-	11,461
At 1 January 2007 (as previously reported)	7	6,998	1,043	(7,398)	6,162	4,649	-	11,461
Prior year adjustments	22	6,073	-	-	(1,424)	(4,649)	-	-
At 1 January 2007 (restated)	7	13,071	1,043	(7,398)	4,738	-	-	11,461
Proceeds on share issues	-	2,034	-	-	-	-	-	2,034
Share-based payment expense	-	-	901	-	-	-	-	901
Profit for the year	-	-	-	11,394	-	-	-	11,394
Foreign currency translation	-	-	-	-	-	-	44	44
At 31 December 2007	7	15,105	1,944	3,996	4,738	-	44	25,834

Company statement of change in equity

for the year ended 31 December 2007

	Share Capital £'000	Share Premium £'000	Share based Payment Reserve £'000	Retained Earnings £'000	Warrant Reserve £'000	Total £'000
Proceeds on share issues for cash	6	9,123	-	-	4,738	13,867
Share issue costs	-	(701)	-	-	-	(701)
Share-based payment expense	-	-	1,043	-	-	1,043
Equity-settled combination	1	4,649	-	-	-	4,650
Loss for the year	-	-	-	(7,129)	-	(7,129)
At 31 December 2006	7	13,071	1,043	(7,129)	4,738	11,730
Proceeds on share issues	-	2,034	-	-	-	2,034
Share-based payment expense	-	-	901	-	-	901
Profit for the year	-	-	-	11,664	-	11,664
At 31 December 2007	7	15,105	1,944	4,535	4,738	26,329

Consolidated cash flow statement

for the year ended 31 December 2007

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	Year ended 31 Dec 2007	Year ended 31 Dec 2006
	£'000	£'000
Profit before and after tax	11,394	(7,398)
Adjustments for:		
Depreciation	3	2
Share-based payment	901	1,043
Impairment of goodwill	-	4,795
Gains on fair value changes of FVTPL	(12,684)	-
Gains on disposal of associate	(172)	-
Other investment income	-	1
Finance income	(418)	(12)
Operating loss before changes in working capital and provisions	(976)	(1,569)
Increase in trade and other receivables	(1,382)	(5)
Change in trade and other payables	(655)	349
Increase in inventories	(13)	-
Net cash outflows from operations	(3,026)	(1,225)
Investing activities		
Acquisition of subsidiary, net of cash acquired	-	106
Purchases of property, plant and equipment	(12)	(9)
Investment of financial instruments	(5,761)	-
Finance income received	418	12
Net cash flows used in investing activities	(5,355)	109
Financing activities		
Issue of ordinary shares	2,865	10,291
Increase in cash and cash equivalents	(5,516)	9,175
Cash and cash equivalents at beginning of year	9,175	-
Cash and cash equivalents at end of year	3,659	9,175

Company cash flow statement

for the year ended 31 December 2007

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	Year ended 31 Dec 2007	Year ended 31 Dec 2006
	£'000	£'000
Profit before and after tax	11,664	(7,129)
Adjustments for:		
Share-based payment	901	1,043
Gains from fair value changes of FVTPL assets	(12,684)	-
Impairment of long-term investment	-	4,650
Finance income	(417)	(12)
Operating loss before changes in working capital and provisions	(536)	(1,448)
Increase in trade and other receivables	(1,761)	(514)
Change in trade and other payables	(585)	728
Net cash outflows from operations	(2,882)	(1,234)
Investing activities		
Cash paid for set-up of subsidiaries	(25)	-
Investment of financial instruments	(5,968)	-
Finance income received	417	12
Net cash flows used in investing activities	(5,576)	12
Financing activities		
Issue of ordinary shares	2,865	10,291
Increase in cash and cash equivalents	(5,593)	9,069
Cash and cash equivalents at beginning of year	9,069	-
Cash and cash equivalents at end of year	3,476	9,069

Notes to the financial statements

for the year ended 31 December 2007

1 Accounting policies

1.1 Corporate information

Origo Sino-India Plc ("the Company") and its subsidiaries (together "the Group") provide strategic consultancy and equity investments services. The Company is a limited liability company incorporated and domiciled in the Isle of Man.

1.2 Basis of preparation

For the year ended 31 December 2006, the Group financial statements were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and the Company financial statements were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting practice). In the current year, both the Group and the Company financial statements are prepared in accordance with IFRSs pursuant to the requirements of section 3 of the Isle of Man Society of Chartered Accountants and the Association of Chartered Certified Accountants Statement of Recommended Practice.

The principal accounting policies applied in the preparation of the consolidated and Company financial information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

- (a) The financial information set out below, is based on financial statements of the Company and its subsidiaries and associates for the year ended 31 December 2007 and all values rounded to the nearest £'000 except where indicated.
- (b) The consolidated and Company financial information have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair value and in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee's interpretations ("IFRIC") (collectively, "IFRSs") issued by the International Accounting Standards Board ("IASB").

1.3 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial information in conformity with IFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial information and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results may differ from those estimates.

The following is a list of accounting policies which cover areas that the directors consider requiring estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Share based payments and equity settled transactions

The Group has applied the requirements of IFRS2 Share based payments in these financial statements.

The Group has issued equity-settled share based payments to certain directors and employees, and to its advisors for services provided in respect to the admission of the Company to trading on the Alternative Investment Market ("AIM") of the London Stock Exchange. Equity-settled share-based payments to directors and employees are measured at the fair value of equity instruments awarded at the date of grant. Equity-settled share-based payments to non-employees are measured at the fair value of goods or services rendered at the date when goods or services are received. Where equity investments are granted subject to vesting conditions, share-based payments are expensed to the income statement on a straight line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

Fair value is measured by use of the Black-Scholes model. When estimating the value of options, significant assumptions such as expected life of the option and expected volatility of the share have been applied based on management's best estimate.

(b) Fair value of unquoted equity instruments

The Group has estimated the value of each of its unquoted equity instruments by using judgement to select the most appropriate valuation methodology for each investment based on the recommendation of the International Private Equity and Venture Capital Guidelines (the "Guidelines"). Valuation methodologies mainly include price of recent investment, earnings multiple, industry valuation benchmarks, available market prices and so on, which may apply individually or in combination. Key assumptions and judgements of each methodology concerning the future and other key sources of estimation uncertainty will have a significant risk of causing a material adjustment to the fair value of the instrument within the next financial year.

(c) Impairment of assets

The carrying amounts of non-current assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in administrative expenses in the income statement.

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is possible, for the cash generating unit.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in the income statement.

The following principal accounting policies have been applied consistently throughout the year in dealing with items which are considered material in relation to the financial information:

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies

(a) Basis of consolidation

· Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from the consideration from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries according to IFRS3 by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill acquired in a business combination will not be amortised. Instead, the Group will test it for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired in accordance with IAS36. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

A subsidiary's excess losses which exceed minority interest in the subsidiary's equity are allocated against the majority interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses in accordance with IAS27.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

· Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the net assets of the subsidiary.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights except where the entity has been classified as held for trading and measured at fair value through profit or loss according to IAS39. Investments in associates are accounted

for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest Group of assets in which the asset belongs for which there are separately identifiable cash flows).

Impairment charges are included in the administrative expenses line item in the income statement, except to the extent they reverse gains previously recognised in equity.

(d) Foreign currencies

· Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in British Sterling, which is the Group's presentational currency.

· Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortized cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies (Continued)

(d) Foreign currencies (Continued)

Non-monetary financial assets and liabilities that are carried at historic cost are translated using the exchange rate as at the dates of initial transactions and not re-measured. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in the fair value reserve in equity.

· Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that are recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Financial assets

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

· Investments at fair value through profit or loss

These financial assets are designated by the Board of Directors at fair value through profit or loss at inception, which include debt and equity securities, and related derivatives.

Recognition/De-recognition:

Regular acquisitions and disposals of investments are recognised on the date on which the Group commits to acquisitions

or disposals of investments. A fair value through profit or loss asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when rights are realised, expire or are surrendered and the rights to receive cash flows from the investment have expired or the Group has transferred substantially all risks and rewards of ownership. Realised gains and losses on fair value through profit or loss assets sold are calculated as the difference between the sales proceeds and cost. Fair value through profit or loss assets that are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Group commits to sell the assets.

Measurement:

Financial assets held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Income Statement. Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses arising from changes in the fair value of financial assets held at fair value through profit or loss are presented in the Income Statement in the period in which they arise.

Interest income from financial assets at fair value through profit or loss is recognised in the Income Statement within other income using the effective interest method. Dividend income from investments at fair value through profit or loss is recognised in the Income Statement within other income when the Group's right to receive payments is established.

Fair value estimation:

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price. The fair value of financial instruments that are not traded in an active market (for example, PLUS listed securities and unlisted private companies) is determined by using valuation techniques in accordance with the International Private Equity and Venture Capital Valuation Guidelines ("the Guidelines"). Pursuant to the Guidelines, the Group believes the following techniques applied individually, or in combination, are the most suitable ones for the Group's current portfolios:

- (I) Price of recent investment: When valuing investments on the basis of the price of recent investment, the cost of the investment itself or the price at which a significant amount of new investment into the relevant investee company was made is used to estimate the fair value of the investment, but only for a limited period following the date of the relevant transaction. During the limited period following the date of the relevant transactions, changes or events subsequent to the relevant transaction which would imply a change in the investment's fair value have been assessed.
- (II) Earnings multiple: When valuing investments on a multiple basis, the Company has abided by the following principles:
 - (i) Apply a multiple that is appropriate and reasonable (giving the risk profile and earnings growth prospects of the underlying company) to the maintainable earnings of the company;
 - (ii) Adjust the amount derived in (i) above for surplus assets or excess liabilities and other relevant factors to derive the enterprise value for the company;
 - (iii) Deduct from the enterprise value all amounts relating to financial instruments ranking ahead of the highest ranking instrument of the Company in a liquidation and taking into account the effect of any instrument that may dilute the Company's investments in order to derive the gross attributable enterprise value;

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies (Continued)

(e) Financial assets (Continued)

(iv) Apply an appropriate marketability discount to the gross attributable enterprise value derived in (iii) above in order to derive the net attributable enterprise value. The marketability discount relates to an investment rather than to the underlying business. Marketability discounts will vary from situation to situation and is a question of judgment. When a discount is applied, relevant factors in determining the appropriate marketability discount in each particular situation will be considered. A discount in the range of 10% to 30% (in steps of 5%) is generally used in practice, depending upon the particular circumstances;

(v) Apportion the net attributable enterprise value appropriately between the relevant financial instruments.

(III) Industry valuation benchmarks: The use of industry benchmarks is only likely to be reliable and therefore appropriate as the main basis of estimating fair value in limited situations, and is more likely to be useful as a sense of check of values produced using other methodologies. The Company has primarily relied on such metrics to validate the outcome produced by other valuation techniques.

(IV) Available market prices: Instruments quoted on an active stock market will be valued at their bid prices on the reporting date.

As recommended by the Guidelines, the Group generally does not adopt net asset value or discounted cash-flow methodologies for assessing the fair value of its investments, unless such methodologies results in a more accurate estimate of fair value.

· Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise principally through the provision of goods and services to customers (trade debtors), but also incorporate other types of contractual monetary asset. At each balance sheet date subsequent to initial recognition, they are carried at amortised cost using the effective interest rate method less any identified impairment losses.

· Available-for-sale investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale investments and comprise the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. Investments that do not have a quoted market price and whose fair value cannot be reliably measured are held at cost. Where investments are carried at fair value, any changes are recognised directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the income statement.

(f) Financial liabilities

Financial liabilities comprise trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost.

(g) Cash and cash equivalents

Cash and Cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity, generally less three months, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

(h) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). Advisors receive equity-settled options in relation to the Company's admission to trading AIM. The cost of equity-settled transactions with employees are measured by reference to the fair value of the equity instruments awarded at the date on grant, whereas those with non-employees are measured at the fair value of goods or services received at the date when goods or services have been received. The fair value is determined by use of Black-Scholes Model, further details of which are given in Note 21.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and /or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge of credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies (Continued)

(i) Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where a significant portion of the risks and rewards incidental to ownership is retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

(j) Employee benefits

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the income statement as incurred.

(k) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate cost or revalue amounts to their residual values over their estimated useful lives, as follows:

- Furniture, fittings and equipment	3-8 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

(l) Goodwill

In accordance with IFRS 3 Business Combinations, goodwill is no longer amortised but stated at cost less any provision for impairment in value. Goodwill is reviewed annually for any impairment in its value or at such time that there is an indication that its value has been reduced.

Goodwill allocated to cash generating units on an acquisition is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(m) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(I) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(II) in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(I) where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(II) in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies (Continued)

(m) Income taxes (Continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income taxes are recognised in the income statement except when a tax exemption has been granted.

(n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of sales taxes, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

· Sales of goods – wholesale

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and ability to collect the related receivables is reasonably assured.

· Sales of goods – retail

Sales of goods are recognised when a Group entity sells a product to the customer. Retail sales are usually in the form of cash or through a credit card transaction. The recorded revenue includes credit card fees payable for the transaction. Such fees are included in distribution costs. It is Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

· Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

· Interest Income

Interest income is recognized on a time-proportionate basis using the effective interest method and includes bank interest and interest from debt securities.

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

(p) Segment reporting

The Group's primary reporting format for reporting segment information is geographical location based on the location of assets. The Group's secondary reporting format is business segment based on nature of business.

(q) Impact of new and revised international financial reporting standards

The following new and revised IFRSs and IFRIC interpretations have been adopted for the first time for the current year's financial statements:

IFRS 7	Financial Instruments: Disclosures
IAS 1 Amendment	Capital Disclosures
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment

The principal effects of adopting these new and revised IFRSs and IFRIC interpretations are as follows:

The Group has adopted IFRS 7 in these financial statements, which requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. There has been no effect on the financial position or results of operations of the Group.

IAS 1 Amendment has affected the disclosures about the qualitative information about the Company's objectives, policies and processes for managing capital. The new disclosure has been shown in note 19.

The adoption of IFRIC 8, 9 and 10 has had no material impact on these financial statements.

(r) Impact of issued but not yet effective international financial reporting standards

The Group has not applied the following new and revised IFRSs and IFRIC interpretations that have been issued but are not yet effective, in these financial statements.

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies (Continued)

(r) Impact of issued but not yet effective international financial reporting standards(Continued)

IFRS 2 Amendment	Share-based Payments - Vesting Conditions and Cancellations
IFRS 3 (Revised)	Business Combinations
IFRS 8	Operating Segments
IAS 1 (Revised)	Presentation of Financial Statements
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IFRIC 11	IFRS 2 - Group and Treasury Share Transactions
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRS 2 Amendment shall be applied for annual periods beginning on or after 1 January 2009. IFRS 2 Amendment restricts the definition of "vesting condition" to a condition that includes an explicit or implicit requirement to provide services.

IFRS 3 (Revised) shall be applied for annual periods beginning on or after 1 July 2009. It introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The changes must be applied prospectively and will affect future acquisitions and transactions with minority interests.

IFRS 8 shall be applied for annual periods beginning on or after 1 January 2009 and will replace the existing IAS 14 "Segment Reporting". IFRS 8 requires an entity to report on the financial performance of its operating segments, based on the information used internally for the purpose of evaluating segment performance and deciding resources allocation to operating segments. Such information may be different from what is used for preparing the income statement and balance sheet. IFRS 8 therefore requires explanations of the basis on how the segment information is prepared and reconciled to the income statement and balance sheet.

IAS 1 (Revised) shall be applied for annual periods beginning on or after 1 January 2009. The standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements.

IAS 27 (Revised) shall be applied for annual periods beginning on or after 1 July 2009. It requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes must be applied prospectively and will affect future acquisitions and transactions with minority interests.

IFRIC interpretation 11 shall be applied for annual periods beginning on or after 1 March 2007. It requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instrument from another party, or the shareholders provide the equity instruments needed.

IFRIC interpretation 14 shall be applied for annual periods beginning on or after 1 January 2008. This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 "Employee Benefits".

The Group is in the process of making an assessment of the impact of these new and revised IFRSs and interpretations upon initial application.

(s) Company Income Statement

In accordance with S3(3)(b)(ii) of the Companies Act 1982, the Company is exempt from the requirements to present its own income statement. Of the profit before taxation, £11,664,000 (2006: loss of £7,129,000) has been retained by the Company.

2 Revenue and cost of sales

	2007 £'000	2006 £'000
Revenue		
Consulting services	663	42
Furniture trading	239	–
Total:	902	42
Cost of sales		
Consulting services	145	26
Furniture trading	200	–
Business tax	10	–
Total:	355	26

3 Administrative expenses

	2007 £'000	2006 £'000
Impairment of goodwill	–	4,795
Employee expense	760	52
Professional fees	372	306
–Audit fees	131	306
Share based payment	901	1,043
AIM flotation fees		1,184
Other	346	40
Total:	2,379	7,420

4 Information regarding directors and employees

	Year ended 31 December 2007	Year ended 31 December 2006
Average number of employees of the group	Number	Number
Management	9	6
Investment accounting	4	5
Administration	9	8
HR	2	1
Design and IT	2	14
	26	34
The aggregate payroll costs of these employees were as follows:	£'000	£'000
Wages and salaries	747	44
Share-based payment expense	901	740
Social security costs	13	8
	1,661	792

5 Directors' remuneration (Continued)

	2007 £'000	2006 £'000
Directors' emoluments	508	88
Share-based payment expense	807	442
	1,315	530

Remuneration for year 2007 and number of options held was as follows:

Name	Salaries £'000	Benefits £'000	Share based payment ** £'000	Total £'000	2007 Number of options
Mr. Wang Chao Yong	76	–	477	553	4,000,000
Mr. Chris A Rynning	140	–	118	258	1,000,000
Mr. Lou Lin*	56	–	–	56	–
Mr. Niklas Ponnert	71	–	95	166	800,000
Mr. Vinay Ganga	115	–	95	210	800,000
Mr. Christopher Jemmett	25	–	11	36	100,000
Mr. Dipankar Basu	25	–	11	36	100,000
Mr. Stockton Birthisel	–	–	–	–	–
	508	–	807	1,315	6,800,000

* Mr. Lou Lin resigned in September 2007 and Mr. Niklas Ponnert assumed the position of CFO and director.

** Referring to expenses arising from the Company's share option plan (note 21).

Directors' remuneration for year 2006 and number of options held was as follows:

Name	Salaries £'000	Benefits £'000	Share based payment * £'000	Total £'000	2006 Number of options
Mr. Wang Chao Yong	–	–	93	93	4,000,000
Mr. Chris A Rynning	46	10	186	242	1,000,000
Mr. Lou Lin	32	–	114	146	800,000
Mr. Vinay Ganga	–	–	9	9	800,000
Mr. Christopher Jemmett	–	–	26	26	100,000
Mr. Dipankar Basu	–	–	1	1	100,000
Mr. Stockton Birthisel	–	–	13	13	–
	78	10	442	530	6,800,000

* Including expenses arising from the Company's share option plan (note 21) and fair value of once-off gifted share options granted during the year.

6 Segment information

The Group's primary reporting format for reporting segment information is geographical location based on location of assets. The segments are defined as Isle of Man, Mauritius, Malaysia, China and Other.

The Group mainly operates in three business segments based on nature of business which are consulting services, private equity investment and furniture trading in 2007. The Group operated in a single business segment in 2006.

For the year ended 31 December 2007

	Isle of Man £'000	Mauritius £'000	Malaysia £'000	China £'000	Other £'000	Total £'000
Revenue						
External	469	–	1	193	239	902
Finance income	417	–	–	1	–	418
Total Revenue	886	–	1	194	239	1,320
Expenses						
Cost of sales	(35)	–	(1)	(119)	(200)	(355)
Operation expenses	(1,008)	(18)	(104)	(219)	(168)	(1,517)
Share-based payment	(901)	–	–	–	–	(901)
Finance costs	(6)	–	(2)	(2)	(3)	(13)
Other						
Investment income	12,684	–	172	–	–	12,856
Other income	–	–	4	–	–	4
Total profit/(loss) before taxation	11,620	(18)	70	(146)	(132)	11,394
Balance sheet						
Assets	25,216	12	474	197	160	26,059
(Liabilities)	(161)	(6)	(21)	(35)	(2)	(225)
Net assets	25,055	6	453	162	158	25,834

6 Segment information (Continued)

	Private equity investment	Consulting services	Furniture trading	Total £'000
Revenue				
External	–	663	239	902
Finance income	397	21	–	418
Total Revenue	397	684	239	1,320
Expenses				
Cost of sales	–	(155)	(200)	(355)
Operation expenses	(1,283)	(68)	(166)	(1,517)
Share-based payment	(856)	(45)	–	(901)
Finance costs	(9)	(1)	(3)	(13)
Other				
Investment income	12,856	–	–	12,856
Other income	4	–	–	4
Total profit/(loss) before taxation	11,109	415	(130)	11,394
Balance sheet				
Assets	24,605	1,295	159	26,059
(Liabilities)	(212)	(11)	(2)	(225)
Net assets	24,393	1,284	157	25,834

For the year ended 31 December 2006

	Isle of Man £'000	Mauritius £'000	Malaysia £'000	China £'000	Other £'000	Total £'000
Revenue						
External	–	–	–	32	10	42
Finance income	12	–	–	–	–	12
Total Revenue	12	–	–	32	10	54
Expenses						
Cost of sales	–	–	–	(20)	(6)	(26)
Operation expenses	(1,446)	(10)	(88)	(30)	(9)	(1,583)
Share-based payment	(1,043)	–	–	–	–	(1,043)
Finance costs	(4)	–	–	–	–	(4)
Impairment of goodwill	(4,795)	–	–	–	–	(4,795)
Other						
Investment income	–	–	(1)	–	–	(1)
Total profit/(loss) before taxation	(7,276)	(10)	(89)	(18)	(5)	(7,398)
Balance sheet						
Assets	11,735	27	403	135	41	12,341
(Liabilities)	(175)	(11)	(610)	(13)	(71)	(880)
Net assets	11,560	16	(207)	122	(30)	11,461

7 Investment income

	2007 £'000	2006 £'000
Unrealized gains on fair value changes of FVTPL using estimation techniques*	12,684	–
Realised gains on disposal of associate	172	–
Other gains and losses	–	(1)
Total	12,856	(1)

* FVTPL refer to fair value through profit or loss

8 Finance income and expense

	2007 £'000	2006 £'000
Finance income		
Bank interest	418	12
	418	12
Finance expense		
Bank charges	(13)	(4)
	(13)	(4)

9 Tax expense

No provision for current tax was made as the subsidiaries had no assessable profit and the Company had been granted exemption from Isle of Man Income Tax up to the 5 April 2007. Subsequently the Company is liable to Isle of Man Income Tax at 0%. The tax expense for the period can be reconciled per the income statement as follows:

	2007 £'000	2006 £'000
Profit/(Loss) before tax	11,394	(7,398)
Expected tax charge based on the Isle of Man statutory income tax rate of 0%	–	–
Tax effect of non deductible expenses	–	–
Tax effect of unutilised tax losses	–	–
Total tax charge	–	–

10 Earnings per share

	2007 £'000	2006 £'000
Numerator		
Profit/(Loss) for the year	11,394	(7,398)
Earnings used in basic EPS and diluted EPS	11,394	(7,398)
	number 2007	number 2006
Denominator		
Weighted average number of shares used in basic and diluted EPS	69,149,922	32,333,027
Basic and diluted EPS	16.48p	(22.88p)

The options and warrant in issue are anti-dilutive under IAS Earnings per share, and hence basic and diluted earnings per share are the same.

11 Property, plant and equipment

Cost	Fixtures and fittings £'000	Computer equipments £'000	Total £'000
At 31 March 2006	–	–	–
Additions	3	6	9
Business combinations	2	4	6
At 31 December 2006	5	10	15
Additions	3	9	12
At 31 December 2007	8	19	27
Accumulated depreciation			
Charge for the period 2006	1	1	2
Business combinations	–	1	1
At 31 December 2006	1	2	3
Charge for the year 2007	–	3	3
At 31 December 2007	1	5	6
Net book value			
At 31 December 2006	4	8	12
At 31 December 2007	7	14	21

12 Subsidiaries

The principal subsidiaries of the Group, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation	Proportion of ownership interest
Ascend Ventures Ltd	Malaysia	100%
Origo Sino-India Mauritius Ltd	Mauritius	100%
Ascend (Beijing) Consulting Ltd	China	100%(Owned by Ascend Ventures Ltd)
Global Art Ventures Ltd	British Virgin Islands	80.14% (Owned by Ascend Ventures Ltd)
ISAK International Holding Ltd	British Virgin Islands	71.21% (Owned by Ascend Ventures Ltd)

13 Investments at fair value through profits or loss

Name	Country of incorporation	Proportion of ownership interest	Cost £'000	Fair value £'000
SHERQ Ltd	British Virgin Islands	25%	510	510
Roshini Int'l Bio-Energy Corporation	British Virgin Islands	19.75%	–	8,016
Fans Media Co., Ltd	British Virgin Islands	15.88%	1,200	1,200
Possibility Space Incorporated	United States of America	9.50%	510	510
Bach Technology AS	Norway	6.32%	31	31
Fomento International Ltd	British Virgin Islands	3%	2,038	2,038
Rising Technology Corporation Ltd	British Virgin Islands	2%	3,564	8,232
Total			7,853	20,537

14 Investments in associates

The following entities meet the definition of an associate and have been accounted in the consolidated financial statements as of 31, December, 2007 on an equity basis:

Name	Country of incorporation	Proportion voting rights held
Dragon Ports Ltd ("DP")	British Virgin Islands	32.87% (Owned by Ascend Ventures Ltd)
Spiced Bits Ltd ("SB")	British Virgin Islands	31.58% (Owned by Ascend Ventures Ltd)
OS Consulting Ltd ("OS")	Malaysia	21.20% (Owned by Ascend Ventures Ltd)

Aggregated amounts relating to associates are as follows:

	2007(DP) £'000	2007(SB) £'000	2007(OS) £'000
Total assets	135	38	233
Total liabilities	33	145	11
Revenues	174	90	–
Profit/(loss)	14	(109)	(12)

The following entities meet the definition of an associate and have been equity accounted in the consolidated financial statements as of 31, December, 2006:

Name	Country of incorporation	Proportion voting rights held
Dragon Ports Ltd ("DP")	British Virgin Islands	25% (Owned by Ascend Ventures Ltd)
M-IKON Ltd ("M-ikon")	Malaysia	30% (Owned by Ascend Ventures Ltd)
Spiced Bits Ltd ("SB")	British Virgin Islands	40% (Owned by Ascend Ventures Ltd)
OS Consulting Ltd ("OS")	Malaysia	45% (Owned by Ascend Ventures Ltd)

Aggregated amounts relating to associates are as follows:

	2006(DP) £'000	2006(M-ikon) £'000	2006(SB) £'000	2006(OS) £'000
Total assets	17	10	17	41
Total liabilities	26	–	16	8
Revenues	18	14	72	–
Profit/(loss)	(37)	(11)	1	(3)

15 Loan investments

The Group has entered into convertible credit agreements in the current year. Under the agreements, the Group has the rights to convert the outstanding principal balance and accrued interest of relevant loans into borrower's shares according to certain conversion conditions.

Borrower	Agreement Date	Loan Due Date	Loan Principal USD'000	Loan Principal GBP'000
Spiced Bits Ltd	1-Aug-06	1-Aug-08	10	5
Spiced Bits Ltd	1-May-07	30-Sep-07	70	36
Spiced Bits Ltd	15-Aug-07	14-Aug-08	17	9
China Silvertone Investment Co, Ltd	10-Sep-07	31-Dec-07	150	76
Total			247	126

16 Trade and other receivables

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Trade debtors	311	58	107	–
Other debtors	1,188	2,929	2,184	3,379
Prepayments	18	9	9	–
Total	1,517	2,996	2,300	3,379
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Other debtors				
Origo Resource Partners (equity investment in Staur) *	163	–	163	–
Origo Resource Partners (convertible credit to RIBEC) *	521	–	521	–
Other receivable from share subscription	–	2,890	–	2,865
Others	504	39	1,500	514
	1,188	2,929	2,184	3,379

* An equity Investment of 4.81% in Staur Aqua AS and a US\$1 million convertible note extended to RIBEC were assigned to Origo Resource Partners Ltd in February and April, 2008, respectively.

Aging for the Group	0-30days £'000	31-60days £'000	61-90days £'000	91-180days £'000	181-365days £'000	365 above £'000	Total £'000
Trade debtors	110	57	41	61	42	–	311
Other debtors	859	3	308	7	5	6	1,188
Other	18	–	–	–	–	–	18
Total	987	60	349	68	47	6	1,517
Percentage	65%	4%	23%	5%	3%	0%	100%

17 Other financial assets

	2007 £'000	2006 £'000
Available-for-sale investments	130	132
Total	130	132

Available for sale investments comprise a 0.46% investment in Boonty SA belonging to Ascend Ventures Limited ("AVL").

18 Trade and other payables - current

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Other payables	225	880	160	745
Total	225	880	160	745

19 Financial instruments - risk management

The Group and the Company are exposed through their operations to one or more of the following risks:

- Fair value risk
- Cash flow interest rate risk
- Currency risk
- Credit risk

The policy for managing these risks is set by the board. The policy for each of the above risks is described in more detail below:

Fair value risk

The Group and the Company's financial assets are predominantly investments in unquoted companies, and the fair value of each investment depends upon a combination of market factors and the performance of the underlying asset. The Group and the Company do not hedge the market risk inherent in the portfolio but manages asset performance risk on an asset-specific basis by continuous monitoring of each asset's performance and charging the change of each asset's fair value to profit and loss account as necessary.

Cash flow interest rate risk

The Directors currently view interest rate risk as low since the fixed rate return from interest generating assets is not material in the context of the portfolio return as a whole and the Group's investments are financed entirely by shareholders' funds with investment needs being met ahead of planned investment.

Currency risk

Foreign exchange risk arises where the Group and the Company make investments denominated in a foreign currency. Investments of the Group and the Company are primarily denominated in US dollar, whereas the reporting currency of both entities is British Sterling. Accordingly, the Group and the Company are exposed to US dollar/sterling exchange rate risk.

The following table demonstrates the sensitivity of the Group's profit before tax due to change in the fair value of monetary assets and liabilities resulting from a reasonably possible change in the US dollar/sterling exchange rate, with all other variables held constant.

19 Financial instruments - risk management (Continued)

	Increase/ decrease in US dollar rate	Effect on profit before tax £'000
2007	+5%	-236
	-5%	261
2006	+5%	-538
	-5%	594

Credit risk

The Group and the Company are primarily exposed to credit risk from the convertible loans extended to unquoted portfolio companies, in which the directors consider the maximum credit risk to be the carrying value of the convertible loan which amounted to £126,000. The credit risk exposure is managed on an asset specific basis by management.

20 Share capital

	2007 Number	2007 £'000
Authorised		
Ordinary shares of £0.0001 each	500,000,000	50
Issued and fully paid		
At beginning of the year	65,193,238	7
Issued on 11 January 2007 for acquisition of Rising Technology Corporation Ltd *	4,068,140	-
At end of the year	69,261,378	7
Warrants		
At beginning and end of the year	25,673,238	-
Exercised during the year	-	-
At end of the year	25,673,238	-

* On 11 January 2007, the Company entered into an agreement with China Equity International Holding Company Ltd to acquire a 2% ownership of Rising Technology Corporation Ltd in consideration for US\$3,000,000 in cash and 4,068,140 ordinary shares of the Company. The consideration shares were calculated at 50p per share at an exchange rate of US dollar 1.9665 per Pounds Sterling and 4,068,140 shares were therefore issued and allotted.

21 Share option scheme

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movement in, share options during the year:

	2007 No.	2007 WAEP	2006 No.	2006 WAEP
Outstanding at 1 January	9,051,932	50	-	50
Granted during the year	-	-	10,221,932	50
Forfeited during the year *	800,000	50	1,170,000	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December **	8,251,932	50	9,051,932	50
Exercisable at 31 December	651,932		651,932	

* In relation to a private placement completed in 2006, the Company entered into obligations with certain private placement investors to issue options to acquire up to 1,170,000 Ordinary Shares in the event the pre-money valuation of the Group was less than US\$24,000,000 immediately prior to an admission to trading on AIM or less than US\$48,000,000 immediately after such admission. The above described conditions were not satisfied, and accordingly such options were forfeited in 2006. Lou Lin was granted 800,000 options in 2006. Lou Lin resigned in 2007 and all options granted to him were forfeited pursuant to the vesting conditions of the Company's share option plan.

**Outstanding options include 7,600,000 equity-settled options granted on 6 October 2006 to certain directors and employees of the Company and 651,932 equity-settled options granted on 21 December 2006 to the Company's nominated adviser. The employee options do not vest for the first 12 month after grant date and will then vest over a three year period, with the current vesting condition being that the individual remains an employee at the vesting date. Options granted to the Company's nominated adviser are exercisable at any time until three year from the Company's admission to trading on AIM.

The weighted average remaining contractual life for employee equity-settled options outstanding as at 31 December 2007 is 8.83 years (2006: 9.83 years).

The weighted average remaining contractual life for nominated adviser equity-settled options outstanding as at 31 December is 1.97 years (2006: 2.97 years).

The following information is relevant in the determination of the fair value of share options granted during 2006 under remuneration schemes operated by the Group.

21 Share option scheme (Continued)

Equity-settled	2006 £'000
Option pricing model used	Black-Scholes
Weighted average share price at grant date	50
Exercise price(pence)	50
Expected weighted average mature life(years)	5
Expected volatility(%)	53
Expected dividend growth rate	-
Risk-free interest rate	4.75

The volatility assumption, measured at the standard deviation of expected share price returns, was based on a statistical analysis of three-year daily share prices before the options being granted of similar companies. The Company did not enter into any share-based transactions with parties other than employees during 2007 and 2006, except as described above. All options of the same class have been valued on the same basis.

22 Business combination during prior year and prior year adjustments

By a share exchange agreement dated 23 October 2006 entered into by Amalie International Holdings Ltd, Bullfrog Holdings Ltd, Global Holdings Ltd, and Chee Lai Yong (together being "AVL" shareholders) and the Company, the AVL shareholders agreed to transfer the entire issued share capital held by them in AVL to the Company in exchange for 9,300,000 fully paid Ordinary Shares in aggregate in the capital of the Company. Following the transaction, AVL became a wholly owned subsidiary of the Company.

	Book value and fair value 23 October 2006 £'000
Net asset acquired	
Property, plant and equipment	5
Inventories	27
Trade and other receivables	116
Cash and cash equivalents	106
Available for sale investments	132
Trade and other payables	(531)
	(145)
Goodwill on acquisition	4,795
Total consideration	4,650
Satisfied by:	
Equity	4,650

The remaining excess of purchase consideration over the fair value of net assets acquired of £4,795,000 had been capitalized as goodwill. The goodwill had been allocated to the cash-generating unit of AVL from impairment testing. As this was the lowest level of cash-generating unit that could be reliably and separately identified, a goodwill impairment of £4,795,000 arising on the acquisition of AVL was identified.

In the prior year's Company level accounts prepared under previous GAAP, merger relief under the Isle of Man Companies Act 1992 was applied and accordingly the cost of investment in AVL was initially measured at the nominal amount of the equity consideration issued by the Company. In accordance with IFRSs, this combination should be recognised as an acquisition, and hence merger relief under the Isle of Man Companies Act 1992 does not apply. Accordingly, on first-time adoption of IFRSs, an adjustment has been made to record the excess of fair value of equity consideration issued over the nominal value as share premium with a corresponding amount of impairment of long-term investment being charged to the prior year's profit or loss account (note 26)

On admission to AIM on 21 December 2006 the Company issued 25,673,238 warrants entitling each Warrant holder to subscribe for 1 Ordinary Share at a price per Ordinary Share of 55p. The Warrant holder may exercise the warrants held at six monthly intervals during the period of 3 years from the date of admission. The fair value of the warrants at the grant date, amounting to £6,162,000, was estimated by using Black-Scholes Model and recorded in warrant reserve at the fair value. Within the Black-Scholes Model formula, a key input of 5 years for the term of the warrant was used instead of 3 years. Accordingly, the warrant reserve was overstated by £1,424,000 and at the same time the share premium reserve was understated by the same amounts. The warrant reserve has been adjusted with the comparative information for this reporting year.

23 Related party transactions

Identification of related parties

The Group has a related party relationship with its subsidiaries, associates and key management personnel. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel

The Group's key management personnel are the Executive and Non-Executive directors as identified in the directors' report. Other than as disclosed above, in the Directors' report and in note 4, there were no other transactions with key management personnel in the period.

Trading transactions

During the period Group companies entered into the following transactions with related parties who are not members of the Group.

	Amounts owed by related parties	Amounts owed to related parties
	2007 £'000	2006 £'000
Director		
Chris Andre Rynning	4	2
Sigbjorn Dugal	–	8
Vicky Lowes	–	9
Vinay Ganga	–	23
Niklas Ponnert	–	4
Blackstone Holdings Limited	2	–
Total	6	46
Associates	–	–
Dragon Ports Limited	2	–
Spiced Bits Limited	3	–
OS Consulting Limited	–	–
SHERQ Limited	1	–
Total	6	46

Chris Andre Rynning is a director of Origo Sino-India Plc.

Sigbjorn Sirnes Dugal is a director of Ascend Ventures Ltd.

Vicki Lowes is a director of Global Art Ventures Limited, a subsidiary of Origo Sino-India Plc.

Vinay Babu Ganga is a director of Origo Sino-India Plc.

Karl Niklas Ponnert is the CFO and a director of Origo Sino-India Plc.

Blackstone Holdings Ltd is under the control of Chris Andre Rynning.

Origo Sino-India Plc became the parent of Ascend Ventures Ltd on 23 October 2006 by way of share for share acquisition. The Group has not made any provision for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during 2007 or 2006 regarding related party transactions.

During the period the Company entered into the following transactions with related parties:

	Amounts owed by related parties	Amounts owed to related parties
	2007 £'000	2007 £'000
Associates		
SHERQ Ltd	1	–
Total	1	–
	Amounts owed by related parties	Amounts owed to related parties
	2006 £'000	2006 £'000
Associates		
Dragon Ports Ltd	8	–
Spiced Bits Ltd	5	–
Total	13	–

In December 2007, the Company announced the success of a US\$100 million fundraising for Origo Resource Partners Ltd. ("ORP" or "the Fund"), a self-managed private equity fund focused on the private equity opportunities related to the Chinese and Indian natural resource sectors.

The day to day investment management activities of ORP are undertaken by the two executive directors of the Fund, Chris Rynning and Niklas Ponnert. The services of the executive directors together with various support services are provided by Origo Advisers Ltd, a company whose only Directors and shareholders are Chris Rynning, Niklas Ponnert, and Vinay Ganga – all of whom are executive directors of Company. Origo Advisers Ltd, in turn, has delegated various of its duties to the Company pursuant to an investment support agreement. The Company and Origo Advisers Ltd each ultimately have a 50% entitlement to an advisory fee of 2% per annum of the Fund's net asset value, payable quarterly in advance, and a performance fee if certain hurdle rates are met.

As disclosed in the admission document of ORP and related regulatory releases of the Company, ORP had at the time of its admission to trading been offered the opportunity to invest in 11 companies with which Origo had entered into non-binding letters of intent, term sheets and/or conditional share-subscription agreements. The Company has, subsequent to ORP's admission to trading, transferred to ORP at cost an equity interest in Staur Aqua A/S and a convertible loan facility already extended to Roshini International Bio Energy Corporation. These two investments were thus classified as receivables in the Company's balance sheet at the balance sheet date with no material difference between the fair value and carrying amount, as set out in Note 16, and have subsequently been assigned to ORP at cost, as set out in Note 25.

24 Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages and makes appropriate adjustments to its capital structure on an ongoing basis in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders and/or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the year ended 31 December 2007 and 31 December 2006.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes trade and other payables less cash and bank balances. Capital includes equity attributable to equity holders of the parent. The gearing ratios as at the balance sheet dates were as follows:

	2007	2006
	£'000	£'000
Trade and other payables	225	880
Less: cash and bank balance	(3,659)	(9,175)
Net debt	(3,434)	(8,295)
Equity attributable to equity holders	25,834	11,461
Capital	25,834	11,461
Capital and net debt	22,400	3,166
Gearing ratio	(-15%)	(262%)

25 Post balance sheet transactions

- In January 2008, the Company extended a convertible loan of US\$500,000 to Possibility Space Incorporated.
- In January 2008, the Company extended a further US\$78,000 convertible loan to China Silvertone Investment Co. Ltd.
- In February 2008, the Company assigned a 4.81% equity investment and a related loan facility of NOK 3,000,000 along with all future participation rights in Staur Aqua A/S to Origo Resource Partners Ltd.
- In March 2008, the Company announced that funds managed by GLG Partners LP ("GLG Funds") were investing approximately £17.1 million in the Company via a placing of 28,286,499 new ordinary shares (equivalent to an average placing price per share of approximately 60.4p). Following completion of the placing, GLG Funds had a 29.6% interest in the Company's issued ordinary share capital. In addition, the Company and GLG Partners LP entered into an agreement whereby Origo Sino-India Plc will provide GLG Partners LP research services for a period of three years for a fee of £3 million.
- In March 2008, the Company announced the grant of 2 million options for the benefit of Niklas Ponnert, Chief Financial Officer and director of the Company, and 1.8 million options to several other key personnel of the Company, all pursuant to the Company's existing share option plans. The options are exercisable at an exercise price of 59.85p.
- In March 2008, the Company entered into an agreement to acquire an equity stake of approximately 5% in E-Bill China Holdings ("E-Bill"), an electronic payment services provider, for an investment of US\$1.3 million.
- In March 2008, the Company announced it had entered into an agreement to subscribe for an additional US\$3 million worth of Ordinary Shares, equivalent to 0.9% interest, in Fomento International Ltd.
- In April 2008, the Company assigned, at cost, a US\$1million convertible credit facility and further investment rights in Roshini International Bio Energy Corporation to Origo Resource Partners Ltd.

26 Reconciliation of equity and profit or loss of Company financial statements

As detailed in note 1.2, the Company financial statements were previously prepared in accordance with United Kingdom Generally Accepted Accounting Practice. In the current year the Company financial statements have been prepared in accordance with IFRSs as adopted by the European Union on a consistent basis with the Group financial statements in accordance with the Isle of Man Society of Chartered Accountants and the Association of Chartered Certified Accountants Statement of Recommended Practice (Isle of Man SORP). The Isle of Man SORP requires financial statements to be drawn up in accordance with United Kingdom Accounting Standards or IFRSs or other standards applied consistently and in totality to the financial statements.

Reconciliation of equity at 1 January 2007 (date of transition)

Note	Previous GAAP	Effect of transition to IFRSs	IFRSs
Investments at fair value through profit or loss	–	–	–
Loan investments	–	–	–
Investments in subsidiaries	27	–	27
Total non-current assets	27	–	27
Trade and other receivables	3,379	–	3,379
Cash and bank balance	9,069	–	9,069
Total current assets	12,448	–	12,448
Total assets	12,475	–	12,475
Trade and other payables	745	–	745
Total current liabilities	745	–	745
Total net assets	11,730	–	11,730
Equity attributable to equity holders of the company			
Share capital	7	–	7
1 Share premium	8,422	4,649	13,071
Share based payment reserve	1,043	–	1,043
1 Retained earnings	(2,480)	(4,649)	(7,129)
2 Warrant reserve	4,738	–	4,738
Total equity	11,730	–	11,730

Notes to reconciliation of equity at 1 January 2007

1 As detailed in note 22, the amount of accumulated losses and the amount of share premium at the Company level have been increased by £4,649,000 as a result of the first-time adoption of IFRSs at the Company level.

2 As disclosed in note 22, warrant reserve has been adjusted for the prior year.

Reconciliation of profit or loss for 2006

Note	Previous GAAP	Effect of transition to IFRSs	IFRSs
Revenue	–	–	–
Cost of sales	–	–	–
Gross profit	–	–	–
Administrative expenses	(2,491)	(4,649)	(7,140)
1 –Impairment of long-term investment	(1)	(4,649)	(4,650)
Finance income	12	–	12
Finance cost	(1)	–	(1)
Loss from operations	(2,480)	(4,649)	(7,129)
Investment income	–	–	–
Net profit/(loss) before and after income tax	(2,480)	(4,649)	(7,129)

Notes to reconciliation of profit or loss for 2006

1 As detailed in note 22, the amount of impairment of long-term investment has been increased by £4,649,000 as a result of the first-time adoption of IFRSs at the Company level.