ORIGO PARTNERS PLC

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

Origo
Partners PLC

PRIVATE EQUITY
INVESTORS IN CHINA

Directors

Wang Chao Yong, Executive Chairman
Chris Andre Rynning, Chief Executive Officer
Karl Niklas Ponnert, Chief Financial Officer
Christopher Martin Jemmett, Non Executive Director

Country of incorporation of parent company

Isle of Man

Legal form

Public limited company

Company number

005681V

Auditors

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

Nominated adviser

Liberum Capital Ltd.
Ropemaker Place, Level 12
25 Ropemaker Street
London, EC2Y 9AR

Solicitors to the company

Charles Russell LLP
5 Fleet Place
London, EC4M 7RD

Public relations advisers

Aura Financial LLP
The Economist Plaza
7th Floor 27 St James's Street
London, SW1A 1HA

Broker

Liberum Capital Ltd.
Ropemaker Place, Level 12
25 Ropemaker Street
London, EC2Y 9AR

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Highlights

Net asset value: rose by 22 per cent to US$240.6 million
(2010: US$196.6 million)

Net asset value per share: rose by 3 per cent to US$0.68
(2010: US$0.66)

Assets under management grew by 76 per cent to US$358.1 million
(2010: US$203.4 million)

Gains in the fair value of investments and from disposals of investments of US$26.4 million
(2010: US$39.9 million)

Total comprehensive income after tax of US$2.2 million
(2010: US$36.1 million)

Total investments of US$83.6 million
(2010: US$35.2 million)

Cash position of US$56.9 million as at 31st December 2011
(2010: US$33.4 million)

Establishment of China Cleantech Partners Fund in conjunction with Ecofin

Establishment of Joint Venture with Trafigura provides a new platform for growth in mining

Chairman's Statement

Our second full year as Origo Partners Plc was a successful one as we continued to deliver on the objectives set out at the time of the merger of Origo Sino-India Plc and Origo Resource Partners Ltd, notably to capitalise on the significant pipeline of identified investments and develop an asset management business including the establishment of RMB funds.

These objectives were achieved against a background which clearly illustrated both the significant opportunities and risks inherent in operating in China.

The Chinese economy continued to post strong growth in 2011 against an otherwise lacklustre global economic backdrop. Sustained Chinese demand for coal, copper, and iron ore propped up commodity prices despite the on-going European debt crises. Meanwhile, the Twelfth 5-year plan, enacted in Spring of 2011, manifested a shift in the Chinese Government's development strategy towards sustainable growth, including support for the development of a domestic cleantech industry. For the first time in China's history, the proportion of city dwellers surpassed the rural population, prompting a renewed focus in both policy circles as well as the broader popular discourse about the imperative of developing supply of safe and high-quality food sources.

Our portfolio of investments, which is increasingly focussed on metals & mining, cleantech and agriculture, is well placed to benefit from these macro trends.

Balanced against these significant opportunities, a number of high profile cases over the last year also demonstrated the risks of investing in China. I believe that our active approach to investment and portfolio management enables us to mitigate against such risks. We take a rigorous approach to due diligence and maintain a close involvement in our portfolio companies in the post-investment phase. We seek to link disbursements of funds to the delivery of key targets, hold board-seats and often second our own employees and/or recruit and appoint key personnel to portfolio management teams.

A key determinant of our success is, therefore, to ensure we attract and retain those employees who are vital to our continued ability to deliver on our strategy. To this end, we recently granted options and shares to executive directors and a senior employee and last year we began accruing for performance incentives under the framework endorsed by shareholders in conjunction with the merger.

In sum, Origo is well positioned to continue its progress in 2012 and we are confident that in the year ahead we will be able to deliver value from our portfolio.

Wang Chao Yong
Executive Chairman
27 Apr 2012

Chief Executive's Statement

Last year we set out three clear goals for the business: to build on our strong position in the natural resources and cleantech sectors; to re-launch our asset management business; and to deliver value to shareholders through revaluations and exits. I'm pleased to say that we have delivered good progress against each objective.

In particular, I am very pleased to report on the significant progress being made at a number of our portfolio companies. We saw increases in the carrying value of a number of holdings, in particular in the mining portfolio. The value of Gobi Coal & Energy Ltd rose by 65 per cent to US$87.1 million (2010: US$52.7 million); the value of our investment in Celadon Mining Ltd increased by 78 per cent to US$23.3 million (cost of US$13.1 million); whilst the valuation of Kincora Copper Ltd increased by just below 300 per cent to US$11.5 million, which included a US$0.5 million following investment this year (2010: US$2.9 million). I believe the value creation in these portfolio companies were - to a large extent - directly related to the on-going assistance of our strong metal and mining team, comprising investment professionals, geologists and technical experts.

The formation of our Joint Venture ("JV") with Trafigura Beheer B.V. ("Trafigura") in November 2011 was a significant endorsement of the underlying quality and increasing scale of our mining portfolio. The JV will invest in coal and iron ore opportunities in Mongolia with the objective of targeting high-grade deposits with the potential to produce significant export volumes. The combination of Origo's technical and deal making skills with Trafigura's global network and sector expertise in logistics and trading has the potential to form a powerful platform to identify, fund and develop metal and mining assets.

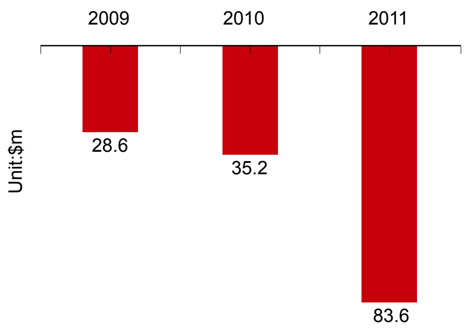
We developed our cleantech strategy by partnering with Ecofin Limited ("Ecofin"), a sector leader in the global utility, infrastructure, alternative energy and environmental sectors. Together, we launched China Cleantech Partners, L.P. ("CCP"), a private equity fund targeting investment opportunities in the Chinese cleantech sector alongside the Chinese Government. CCP benefits from a flexible and unique dual USD/RMB structure and invests either directly, or indirectly as a limited partner through the Origo Xinxiang Renewable Energy Fund, L.P., which was launched by Origo and the Xinxiang Municipal Government in April 2010. Origo and a trust managed by Ecofin have each made an initial commitment of US$15 million to CCP This partnership again provides significant third party endorsement of Origo's ability to identify and complete investments, this time in the cleantech sector.

Following our successful US$60 million convertible issue in February 2011, we raised a further US$32.5 million before commissions and expenses in December 2011 via a placing of new ordinary shares to institutional investors. Increasingly, we thus have the balance sheet and financial flexibility to capture opportunities as they arise.

Investments

In 2011, total investments amounted to US$83.6 million compared to US$35.2 million in the prior year. Investments comprised US$22.3 million in funds and investment vehicles advised and co-managed by the Group; US$46.1 million in three new portfolio companies; and US$15.2 million of follow-on investments in a number of existing companies.

Investment activities



In February, we made a small loan investment of approximately US$0.5 million to acquire a 49 per cent stake in Shanghai EV-Tech Ltd. ("EV-Tech") in the future, subject to the achievement of certain operational and financial milestones. EV-Tech specializes in the sale and development of battery management systems and vehicle control units for the electrical vehicle market.

In March, we made a US$13 million investment in China Rice Ltd ("China Rice"), one of China's largest privately held rice processing and distribution groups, converting a US$13 million loan into equity. At the same time, we secured an option to invest a further US$10 million in the form of a convertible note which was exercised in August.

We are pleased to report that company posted healthy growth in FY 2011 on the back of our capital injection.

In that same month, we announced a US$9 million follow on investment in Unipower Battery Ltd ("Unipower") in the form of a convertible note. Our investment enabled Unipower to increase production of large capacity lithium-ion batteries. While the electrical vehicle market grew slower than expected in the second half of the year, the company made good progress in building its customer base and expanding its product offering into the power storage segment.

In March, Origo also acquired a 9.7 per cent equity stake in Celadon Mining Ltd ("Celadon"), a China focused coal mining and exploration company. Celadon owns four coal properties with a total estimated resource base of 260 million tonnes of predominantly high grade PCI and meagre coal. The position was acquired in a secondary transaction for US$13.1 million, prompting us to revaluate the holding on the back of several other secondary transactions at a significantly higher price level during the second a half of the year.

In June, Origo invested US$10 million in Moly World Ltd ("Moly World"), the owner of an advanced stage molybdenum exploration project in Mongolia in return for a 20 per cent equity stake and an off take covering up to 20 per cent of all future production for the life of the mine. Moly World used the proceeds to fund the drilling program resulting in a maiden JORC-compliant resource estimate,which was published in March 2012. The resource statement confirmed the presence of a high grade, near surface resource of 203.4 million tonnes grading 0.1261 per cent molybdenum with total contained molybdenum metal of 256,000 MT. This very significant resource could support a large scale open cut mine and consultants have been retained to produce a scoping study which is expected to lead to the commencement of a detailed pre-feasibility study.

In December, Origo exercised warrants granted in conjunction with the Company’s initial equity investment in Niutech Energy Ltd to subscribe for US$1.65 million worth of additional preferred stock in that company.

Divestments

In January, we sold part (0.4 per cent) of our beneficial interest in Beijing Rising Information Technology Ltd. ("Rising"), raising US$2.5 million in cash.

In July 2011,Kincora Copper Ltd (“Kincora”) was successfully created following the acquisition of Origo's interests in Kincora Group Ltd by Brazilian Diamonds Ltd. As a result of this transaction, we were able to convert our holding in a private company into a public listed exploration and development company with a strong management team. Kincora, which is listed on the Toronto Venture Exchange, has already made significant progress in advancing the development of its key Bronze Fox copper gold project in Mongolia. In August 2011, Kincora successfully acquired the remaining 25 per cent holding in the Bronze Fox deposit which it did not already own and, after the end of the year, acquired two highly prospective contiguous mining licences. Both of these transactions were funded via equity issuance and whilst this has led to our equity interest in Kincora reducing to 33.2 per cent we believe the company’s prospects are much enhanced as a result of the transactions. After the year end, Kincora announced a number of positive exploration results significantly extending the potential zone of copper mineralisation and underlining the potential to discover significant copper-gold porphyry.

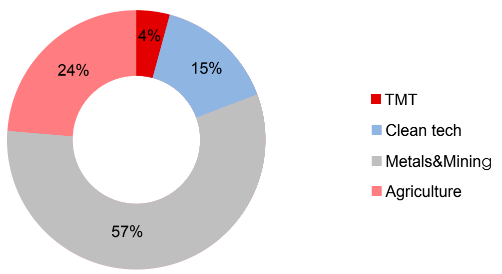
Finally, in October 2011 our portfolio company Smarton5 was acquired by 6 Waves Lolapps, a leading global social and mobile game developer and publisher with significant venture capital backing. The transaction, settled in a combination of cash and 6 Waves common stock, valued Origo’s interest in Smartron 5 at (US$2.6 million) compared to cost of US$0.7 million.

Portfolio

At the end of 2011, the carrying value of our portfolio was US$260 million compared to US$163 million at the end of 2010. The portfolio comprised 27 companies with the top ten investments representing 90 per cent of the fair value.

The proportion of our portfolio in the metals and mining sector rose, from 50 per cent in 2010 to 57 per cent in 2011, following US$23 million of new investments in the sector and the revaluation of a number of holdings. Our exposure to cleantech also rose from 13 per cent to 15 per cent. Despite investments in China Rice during the year, the portion of the portfolio invested in agriculture fell slightly to 24 per cent from 27 per cent. Following our decision to dispose of older investments this meant the TMT portion of our portfolio fell to 4 per cent from 9 per cent.

Portfolio at fair value – by sector

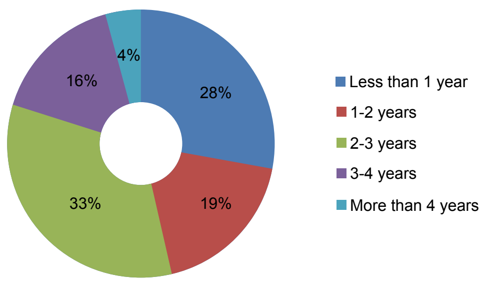


Reflecting the Group's strategy of investing in privately held companies, 92 per cent of the portfolio (in terms of fair value) at the end of the year was invested in unquoted portfolio companies.

The Company's direct holdings in listed companies included stakes in HaloSource Inc. (LSE: HAL), Kincora Copper Limited (TSXV: KCC), Voyager Resources Ltd (ASX: VOR) and Iscool Entertainment (ALISC:EN Paris). The Group also held indirect interests in quoted stocks through its investments in the Mongolian Stock Exchange Liquidity ("MSE") Fund and China Commodities Absolute Return Ltd ("CCF"), further described below in assets under management.

The weighted average holding period for portfolio companies is 2.5 years, up from 1.9 years in 2010, with 80 per cent of the Portfolio (primarily comprising of our natural resources investments) having been held for less than 3 years. Of the remainder, 16 per cent has been held for 3-4 years, and 4 per cent for 4 years or longer.

Portfolio at fair value – by holding period



Assets under management

The Group defines its assets under management ("AUM") as total assets of the Group plus the net asset value of (and the aggregate commitments to) third party funds and other pools of investments advised by the Group (net of any commitments to or ownership of the Group in such funds).

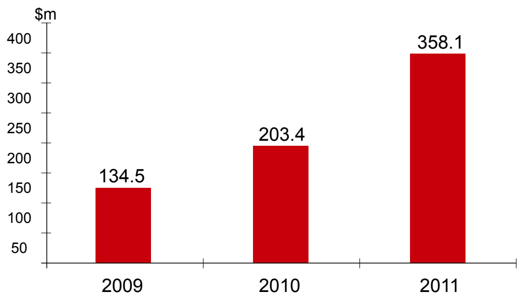
Assets under management rose from US$203.4 million at the end of 2010 to US$358.1 million at the end of 2011 as we launched new funds and made significant progress in developing our asset management business. Total assets of the Group equalled US$323.1 million (2010: US$203.4 million). Aggregate commitments to funds managed by the Group amounted to US$35 million (2010:nil)

Besides CCP, described above, we manage two public equity funds; the Mongolian Stock Exchange Liquidity ("MSE") Fund and the China Commodities Absolute Return Ltd ("CCF").

The MSE Fund provides investors with exposure to the fast growing Mongolian economy through investments in the largest companies listed on the Mongolian Stock Exchange; high interest savings deposit rates on offer at Mongolian commercial banks; and exposure to the Mongolian currency. The MSE Fund is open-ended and has a minimum subscription threshold of US$10,000. The fund is off to a promising start, having posted annualized returns of 22 per cent since launch in September 2011until end of 2011.

CCF is a global equity, long/short mining fund with a focus on China event driven opportunities. The fund seeks to capitalize on opportunities through taking long and short positions mainly in publicly traded equities. CCF seeks to holds 10-15 positions and principally invests in base metals, precious metals and steel raw materials. Currently, CCF is predominantly invested in companies with Mongolia based assets (c.60 per cent of portfolio). CCF has returned 46 per cent since inception until end of 2011.

Assets under management



Profit and Loss

Administration costs amounted to US$21.9 million compared to US$6.2 million in 2010. 72 per cent of these costs were non-cash based charges in the form of movements in accruals including a reversal in the accrued interest on loans extended to portfolio companies of US$2.4 million and a provision for US$13.4 million in performance incentives.

Accruals for performance incentives were assessed on the basis of performance fees arising on individual investments under the terms of the Company's investment performance scheme, capped at 20 per cent of the accumulated gain (realised and unrealised) of the Company's portfolio of investments taking into account write-offs, realisations, and movements in the fair value of all investments completed from the time of admission until the reporting date and previous incentive payments made.

Adjusting for the above items, operating expenses equated to US$6 million in 2011 compared to US$6.2 million in 2010.

Primarily due to the same accruals, our operating loss widened to US$21.4million (2010: loss of US$4.7 million). Investment income decreased to US$26.4 million compared to US$39.7 million in 2010. Post net gains from foreign exchange movements and finance income, Origo posted total comprehensive income after tax of US$2.2 million (2010: US$36.1 million).

Balance Sheet

The Directors' valuation of the portfolio at 31 December 2011 was US$260 million compared to US$163 million at 31 December 2010, an increase of US$97 million. A significant part of the 59 per cent increase was due to US$83.6 million of investments completed during the year offset by divestments of US$14 million. The remaining balance of US$27.4 resulted from a net positive movement in the fair value of our portfolio.

At the end of 2011, Origo had total cash and cash equivalents of US$56.9 million (2010: US$33.4 million). The increase is mainly a result of US$57.3 million in net proceeds following the issuance of convertible zero-dividend preference shares in March 2011 and a placing of US$32.5 million before commission and expenses in December 2011. Net asset value rose from US$196.6 million in 2010 to US$240.6 million in 2011 representing a net asset value per share of US$0.68, a 3 per cent increase from US$0.66 per share in 2010.

Outlook

Having been close to overheating in 2010/2011, we expect the Chinese economy to enter into a more modest, but stable growth mode in 2012 and beyond.

Still, China's comparatively low rates of consumption of commodities per capita relative to OECD economies indicates that consumption of natural resources is likely to continue to rise for years to come as the processes of industrialisation and urbanisation continues to unfold. Similarly, we expect China's shift to a more sustainable development strategy, coupled with a growing middle class, will provide a fertile ground for identifying promising investment opportunities in the cleantech and agricultural sectors.

To address these opportunities, we will continue to develop on our competitive strengths – both through further growing our team and developing our in-house competence as our asset base expands – as well as through partnerships with sector leaders.

In fiercely competitive private equity markets, we expect our nascent fund management business, in particular that of RMB funds, to become a valuable tool in gaining access to the best deals. We also believe our experience in originating and managing cross-border transactions form a powerful value-proposition to Chinese enterprises, which are increasingly seeking to capitalise on China linked opportunities outside of China's borders.

Accordingly, executing on our fund-raising strategy, as well as realising value in our existing portfolio and recycling the proceeds into new products and investment targets remain key priorities for this year and beyond.

Chris Andre Rynning
Chief Executive Officer
27 Apr 2012

Portfolio Overview*

	Gobi Coal & Energy Ltd	R.M. Williams Agricultural Holdings Pty Ltd	Celadon Mining Ltd
Abbreviation	Gobi	RMWAH	Celadon
Market	Mongolia	Australia	China
Industry Sector	Metals & Mining	Agriculture	Metals & Mining
Segment	Coal	Soft-commodities	Coal
Date of Investment	2009-11-24	2008-9-2	2011-3-29
Cost of Investment (US$m)	14.96	23.09	13.07
Instrument	Common Stock	Common Stock & Loan	Common Stock
Equity Interest	14.3%	17.5%	9.7%
Fair Value (US$m)	87.06	32.48	23.32
% of Net Assets	36.1%	13.5%	9.7%
Basis of Valuation	Price of last investment	Price of last investment	Price of last investment
Business Description	Gobi is a privately held coal development company with significant high quality coal resources in Mongolia, competitively positioned to supply fast growing demand from China.	RMWAH operates prime farmland and a diversified portfolio of properties and companies, supplying a full range of premium branded organic and protein-based commodities for both local and international markets.	Celadon is a China-focused coal mining and development company. Through its Chinese subsidiaries, Celadon owns three coal mines and a substantial exploration area (39k ㎡) in the eastern sector of the Qitaihe coal-bearing basin in Heilongjiang Province, northeast China.

	China Rice Ltd	Unipower Battery Ltd	Kincora Copper Ltd
Abbreviation	China Rice	Unipower	Kincora Copper Ltd
Market	China	China	Mongolia
Industry Sector	Agriculture	Cleantech	Metals & Mining
Segment	Processing	Electrical Storage	Copper-gold & gold
Date of Investment	2010-12-17	2010-9-3	2011-7-31
Cost of Investment (US$m)	23.00	13.30	4.59
Instrument	Preferred Stock & Loan	Preferred Stock & Loan	Common Stock
Equity Interest	32.1%	16.5%	33.2%
Fair Value (US$m)	23.00	13.30	11.45
% of Net Assets	9.5%	5.5%	4.8%
Basis of Valuation	Price of last investment	Price of last investment	Adjusted market price
Business Description	China Rice, and its subsidiries form one of China's leading privately held rice processing and distribution groups with an annual production capacity of approximately 300,000 tons. The Company maintains a strong resource and procurement base in the north eastern province of Jilin, one of China's largest rice producing belts.	Unipower is a China based provider of lithium-ion materials and battery solutions. Producing high-quality material and batteries solution for the Electric Vehicle ("EV") and power storage industries, Unipower is supported by patents, facilities and a technical management team with more than 20 years of experience.	Kincora is a mining exploration and development company focused on copper deposits in Mongolia. Its key asset is the Bronze Fox copper-gold deposit located in southeast Mongolia along the Oyu Tolgoi copper belt.

* Top 9 portfolio companies

	Moly World Ltd	IRCA Holdings Ltd	Niutech Energy Ltd
Abbreviation	Moly World	IRCA	Niutech
Market	Mongolia	Africa/China/India	China/ROW
Industry Sector	Metals & Mining	Metals & Mining	Cleantech
Segment	Molybdenum & Tungsten	Mining services	Recycling/Waste to energy
Date of Investment	2011-6-2	2007-11-20	2010-6-22
Cost of Investment (US$m)	10.00	23.56	6.35
Instrument	Common Stock	Common Stock & Loan	Preferred Stock
Equity Interest	20.0%	49.1%	21.1%
Fair Value (US$m)	10.00	7.93	6.35
% of Net Assets	4.2%	3.3%	2.6%
Basis of Valuation	Price of last investment	Comparable	Price of last investment
Business Description	Moly World is the owner of an advanced stage molybdenum exploration project in Mongolia, known locally as Mandal Moly, which covers an area of 2,360 hectares approximately 40 kilometres north of Tsagaan-Uul Soum, Khuvsgul Province, in northern Mongolia.	IRCA provides safety, health, environment, and quality and risk management ("SHERQ") solutions, focused particularly on the mining, transport and energy sectors.	Niutech is a provider and operator of waste plastic and scrap-tyre recycling solutions. Niutech provides patent protected recycling technology which converts waste tires and plastics into valuable products like fuel oil, carbon black and steel wire.

Investment Policy Statement

Origo invests predominantly in privately held companies across various sectors of China's economy, and in companies and assets with connections to the Chinese market, with the objective being to provide shareholders with above market returns, primarily through capital appreciation.

In terms of stage, Origo generally pursues three kinds of opportunities:

- investments in pre-IPO opportunities, where the Group can add value through providing assistance in relation to restructuring, international expansion and the listing on a domestic or foreign stock exchange;
- profitable, expansion stage companies requiring financing to meet working capital requirements, expansion capital and/or as capital to finance merger and acquisition opportunities; and
- selected earlier-stage companies, which demonstrate compelling prospects for fast-growth and paths to profitability.

At its present level of capitalisation, Origo is unlikely to commit in excess of US$20 million to any single investee company at the time of investment. For early-stage opportunities, initial commitments may be less than US$1 million. While Origo does not have any set of gearing policies, investee companies, directly or indirectly, may themselves have outstanding borrowings.

In addition to investing predominantly in privately held companies, Origo may, in its absolute discretion, hold or invest in publicly traded shares, quasi-equity and/or debt instruments, including convertible or non-convertible debt securities coupled with warrants and/or options, which may or may not represent shareholding or management control. Origo plans to allocate no more than 20 per cent of available cash resources to investment in publicly traded equities.

Origo seeks to be an active investor. To the extent possible, minority investments are structured so as to ensure adequate minority protection rights, including but not limited to board participation (via a board director/observer), membership of supervisory, audit and oversight committees, as well as specific veto rights over key corporate decisions. In addition, Origo generally dedicates at least one other nominee who, together with the board director/observer, is responsible for assisting the investee company on matters such as building and augmenting the management team, implementing relevant corporate governance and financial control procedures, defining and executing a growth and financing strategy, introducing suitable partners and business opportunities and matters related to future fund-raisings, acquisitions or exit considerations.

The holding period for investments is expected to vary depending on the type of investment, the particular circumstances of the relevant investee company, and the intended exit route. The holding period for pre-IPO and expansion stage investments is targeted at between 9 and 24 months and for earlier stage investments at between 24 and 48 months.

Sustainability

We see no conflict between achieving our financial goals and our commitment to social and environmental responsibility. Indeed we believe the two can go hand in hand and our increasing activity in the renewable and cleantech sectors reflects this position.

The rapid economic development of China has played a significant role in lifting a large number of China's population of 1.2 billion out of poverty. As an investor, Origo believes it has made a small but positive contribution to this process.

It is vital that Origo retains its reputation as a responsible investor, both with potential investee companies and government authorities to ensure continued access to investment opportunities and the generation of consistently good returns over the long-term. Therefore, in everything we do, we seek to further our reputation as a good corporate citizen that behaves responsibly and complies with all legal and regulatory requirements.

Our growing partnerships with local authorities in China, such as the Xinxiang Municipal Government, reflect both our commitment to and success in achieving these high standards of corporate citizenship.

Whilst commercial considerations remain paramount, before making any investment decision, Origo considers the social and environmental impacts of the business in which we are investing. We have a substantial exposure to green and sustainable companies, and a number of our portfolio companies such as Niutech Energy, Unipower Battery, Staur Aqua AS (Aqualyng), HaloSource, and IRCA provide commercial solutions to environmental and social problems.

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 December 2011.

Results and dividends

The result of the Group for the period is set out on page 14 and shows a profit for the year of US$2,155,000 (2010: US$36,023,000). The limited trading history of the Group neither justifies nor allows the payment of a dividend. The Directors are therefore not able to recommend the payment of a dividend (2010: US$nil). The retained profit of the year of US$2,155,000 (2010: US$36,023,000) has been transferred to reserves.

Principal activities, review of business and future developments

The Group invests predominately in privately held companies across various sectors of China's economy, and in companies and assets with connections to the Chinese market. The Group's objective is to provide shareholders with above market returns, primarily through capital appreciation, and to generate fees from consultancy services related to further fundraisings, M&A and strategic development. The review of business and future developments is covered in the Chairman's Statement and Chief Executive's Statement.

Directors

At 31 December 2011

	Options	Ordinary shares	Shares in subsidiaries
Mr. Wang Chao Yong	4,000,000	3,987,575**	-
Mr. Chris Rynning	1,000,000	14,081,008***	12,500,001***
Mr. Niklas Ponnert	2,800,000	2,406,009****	12,500,001****
Mr. Christopher Jemmett	100,000	300,000*****	9,996,500*****
Mr. Dipankar Basu*	100,000	50,000	-

At 31 December 2010

	Options	Ordinary shares	Shares in subsidiaries
Mr. Wang Chao Yong	4,000,000	3,987,575**	-
Mr. Chris Rynning	1,000,000	14,081,008***	12,500,001***
Mr. Niklas Ponnert	2,800,000	2,406,009****	12,500,001****
Mr. Christopher Jemmett	100,000	300,000*****	9,996,500*****
Mr. Dipankar Basu*	100,000	50,000	-

* Resigned from the Board on 16 February 2011.

** 1,047,500 Shares are held in Wang Chao Yong's name, 1,625,451 Shares are held through ChinaEquity International Holding Company Ltd and 1,314,624 Shares are held jointly with the EBT pursuant to the Company's Joint Share Ownership Plan.

*** 12,766,384 Shares are held through Amalie International Holdings Ltd and 1,314,624 Shares are held jointly with the EBT pursuant to the Company's Joint Share Ownership Plan. 1 Ordinary share with voting right accounted for 50 per cent of CCF which is one of subsidiaries of the Group is held in Chris Rynning's name, 12,500,000 Redemption shares without voting right accounted for 2.16 per cent of CCF are held through Amalie International Holdings Ltd.

**** 400,000 Shares are held in Niklas Ponnert's name, 691,385 Shares are held through Paracelsus Holdings Ltd, and 1,314,624 Shares are held jointly with the EBT pursuant to the Company's Joint Share Ownership Plan. 1 Ordinary share with voting right accounted for 50 per cent of CCF which is one of subsidiaries of the Group is held in Niklas Ponnert's name, 12,500,000 Redemption shares without voting right accounted for 2.16 per cent of CCF are held through Paracelsus Holdings Ltd.

***** 250,000 Shares are beneficially owned by Mr. Jemmett's wife, Jessie Kathleen Jemmett.
9,996,500 Redemption shares without voting right accounted for 1.73 per cent of CCF which is one of subsidiaries of the Group.

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 of 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 the 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 can 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 Act 2006. 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.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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

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
Karl Niklas Ponnert
Chief Financial Officer
27 April 2012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ORIGO PARTNERS PLC

We have audited the consolidated financial statements of Origo Partners Plc ("the group") for the year ended 31 December 2011 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

This report is made solely to the group's members, as a body. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's 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 group's members as a body for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2011 and of the group's profit for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards.

Ernst & Young LLC

Ernst & Young LLC
Chartered Accountants
Isle of Man
27 April 2012

Origo Partners Plc

Consolidated statement of comprehensive income
For the year ended 31 December 2011

	Notes	2011 US$'000	2010 US$'000
Revenue	2	**1,584**	**2,827**
Cost of sales	2	(1,196)	(1,333)
Gross profit		**388**	**1,494**
Share-based payments	3	29	(625)
Performance incentive	3	(13,357)	(462)
Other administrative expenses	3	(8,502)	(5,125)
Total administrative expenses	3	(21,830)	(6,212)
Loss from operations		**(21,442)**	**(4,718)**
Investment income	7	26,372	39,676
Including:			
- Share of loss of an associate	14	(92)	(17)
- Share of loss of joint ventures	15	(34)	
Foreign exchange losses		(181)	(366)
Finance income	8	1,590	2,227
Finance costs	8	(3,409)	(77)
Other income		-	5
Profit before tax		**2,930**	**36,747**
Income tax expense	9	(775)	(724)
Profit after tax		**2,155**	**36,023**
Other comprehensive income			
Exchange differences on translating foreign operations		42	31
Other comprehensive income for the period		42	31
Tax on other comprehensive income		-	-
Other comprehensive income net of tax		42	31
Total comprehensive income after tax		**2,197**	**36,054**
Profit after tax			
Attributable to:			
- Owners of the parent		2,502	36,067
- Non-controlling interests		(347)	(44)
		2,155	**36,023**
Total comprehensive income			
Attributable to:			
- Owners of the parent		2,544	36,098
- Non-controlling interests		(347)	(44)
		2,197	**36,054**
Basic EPS	10	**0.72 cents**	**13.86 cents**
Diluted EPS	10	**0.70 cents**	**13.72 cents**

The accompanying notes form an integral part of these consolidated financial statements.

Origo Partners Plc

Consolidated statement of financial position
At 31 December 2011

Assets	Notes	2011 US$'000	2010 US$'000
Non-current assets			
Property, plant and equipment	11	157	42
Intangible assets		12	14
Investments at fair value through profit or loss	13	219,196	127,963
Loans	16	12,720	33,146
Available-for-sale investments	20	29	49
Investment in an associate	14	-	73
Investment in joint ventures	15	66	-
Other investments		-	13
Derivative financial assets	17	6,990	-
		239,170	161,300
Current assets			
Inventories		1	52
Trade and other receivables	18	6,336	6,828
Loans due within one year	16	20,777	1,796
Cash and cash equivalents	19	56,855	33,411
		83,969	42,087
Total assets		**323,139**	**203,387**
Current liabilities			
Short-term borrowings	19	8,544	-
Trade and other payables	21	1,032	3,502
Deferred income tax liability	9	1,546	1,270
Performance incentive payable within one year	21	-	462
		11,122	5,234
Total assets less current liabilities		**312,017**	**198,153**
Non-current liabilities			
Liability component of convertible zero dividend preference shares	23	56,595	-
Provision	22	14,852	1,562
		71,447	1,562
Net assets		**240,570**	**196,591**
Equity attributable to owners of the parent			
Issued capital	24	56	47
Share premium		151,023	119,261
Share-based payment reserve		5,528	5,490
Retained earnings		77,490	74,988
Translation reserve		(1,427)	(1,469)
Equity component of convertible zero dividend preference shares	23	7,462	-
Other reserve	25	(1,950)	(1,432)
		238,182	196,885
Non-controlling interests		2,388	(294)
Total equity		**240,570**	**196,591**
Total equity and liabilities		**323,139**	**203,387**

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

Wang Chao Yong
Executive Chairman
27 April 2012

Chris Andre Rynning
Chief Executive Officer
27 April 2012

Karl Niklas Ponnert
Chief Financial Officer
27 April 2012

The accompanying notes form an integral part of these consolidated financial statements.

Origo Partners Plc

Consolidated statement of changes in equity
For the year ended 31 December 2011

	Attributable to equity holders of the parent									
	Issued capital US$'000	Share premium US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Equity component of CZDP US$'000	Other reserve US$'000	Translation reserve US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2010	**35**	**89,785**	**6,427**	**38,921**	**-**	**(1,432)**	**(1,500)**	**132,236**	**(249)**	**131,987**
Profit for the year	-	-	-	36,067	-	-	-	36,067	(44)	36,023
Other comprehensive income	-	-	-	-	-	-	31	31	-	31
Total comprehensive income	-	-	-	36,067	-	-	31	36,098	(44)	36,054
Proceeds from share issues	12	29,476	-	-	-	-	-	29,488	-	29,488
closing of subsidiaries	-	-	-	-	-	-	-	-	(1)	(1)
Share-based payment expense	-	-	(937)	-	-	-	-	(937)	-	(937)
At 31 December 2010	**47**	**119,261**	**5,490**	**74,988**	**-**	**(1,432)**	**(1,469)**	**196,885**	**(294)**	**196,591**
Profit for the year	-	-	-	2,502	-	-	-	2,502	(347)	2,155
Other comprehensive income	-	-	-	-	-	-	42	42	-	42
Total comprehensive income	-	-	-	2,502	-	-	42	2,544	(347)	2,197
Proceeds from share issues	9	31,762	-	-	-	-	-	31,771	-	31,771
Issue of convertible zero dividend preference shares	-	-	-	-	7,651	-	-	7,651	-	7,651
Issue cost of convertible zero dividend preference shares	-	-	-	-	(189)	-	-	(189)	-	(189)
Own share acquired	-	-	-	-	-	(600)	-	(600)	-	(600)
Unrealized losses reversed	-	-	-	-	-	82	-	82	-	82
Share-based payment expense	-	-	38	-	-	-	-	38	-	38
Minority interests	-	-	-	-	-	-	-	-	3,029	3,029
At 31 December 2011	**56**	**151,023**	**5,528**	**77,490**	**7,462**	**(1,950)**	**(1,427)**	**238,182**	**2,388**	**240,570**

The following describes the nature and purpose of each reserve within parent's equity:

Reserve	**Description and purpose**
Share premium	Amounts subscribed for share capital in excess of nominal value.
Share-based payment reserve	Equity created to recognise share-based payment expense.
Equity component of CZDP	Convertible zero dividend preference shares.
Other reserve	Equity created to recognise fair value change of available-for-sale investments and own share acquired.
Translation reserve	Equity created to recognise foreign currency translation differences.

The accompanying notes form an integral part of these consolidated financial statements.

Origo Partners Plc

Consolidated statement of cash flows
For the year ended 31 December 2011

	Notes	Year ended 31 December 2011 US$'000	Year ended 31 December 2010 US$'000
Profit before tax		**2,930**	**36,747**
Adjustments for:			
Depreciation and amortisation	3	38	26
Performance incentive	3	13,357	462
Share-based payments		(29)	625
Provision of loan interest receivables	18	2,404	-
Unrealised gains on investments at FVTPL*	7	(32,223)	(37,321)
Unrealised losses on loans	7	8,240	238
Fair value gain on derivative financial assets	7	(3,447)	-
Realised losses/(gains) on disposal of investments	7	932	(2,610)
Share of loss of an associate	7	92	17
Share of loss of joint ventures	7	34	-
Foreign exchange losses		181	366
Finance income		(1,590)	(2,227)
Interest expenses of convertible zero dividend preference shares	23	3,264	-
Operating loss before changes in working capital and provisions		**(5,817)**	**(3,677)**
Increase in trade and other receivables	18	(884)	(1,009)
Decrease in trade and other payables	21	(368)	(974)
Decrease/(increase) in inventories		51	(1)
Net cash outflow from operating activities		**(7,018)**	**(5,661)**
Investing activities			
(Purchases)/disposal of property, plant and equipment		(153)	13
Purchases of investments at FVTPL		(61,405)	(17,020)
Purchases of loans		(22,185)	(17,144)
Proceeds from disposals of investments at FVTPL		14,066	19,666
Proceeds from repayment of loans		1,650	335
Finance income received		242	88
Acquisition of subsidiary		(7,000)	-
Net cash acquired with subsidiary		8,705	-
Net cash outflow from investing activities		**(66,080)**	**(14,062)**
Financing activities			
Short-term borrowings		8,500	-
Issue of convertible zero dividend preference shares	23	60,000	-
Transaction costs of issue of convertible zero dividend preference shares	23	(2,750)	-
Issue of ordinary shares		32,583	30,337
Transaction costs of issue of ordinary shares		(813)	(849)
Net cash inflow from financing activities		**97,520**	**29,488**
Net increase in cash and cash equivalents		**24,422**	**9,765**
Effect of exchange rate changes on cash and cash equivalents		(978)	(1,348)
Cash and cash equivalents at beginning of period		33,411	24,994
Cash and cash equivalents at end of period		**56,855**	**33,411**

* FVTPL refers to fair value through profit or loss

The accompanying notes form an integral part of these consolidated financial statements.

Origo Partners Plc

Notes to the financial statements

1 Accounting policies

1.1 Corporate information

The consolidated financial statements of Origo Partners Plc (‘the Company”) and its subsidiaries (together “the Group”) for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 27 April 2012. The Company is a limited liability company incorporated and domiciled in the Isle of Man whose shares are publicly traded on the AIM market of the London Stock Exchange. The registered office is located at 1 Circular Road Douglas, Isle of Man IM99 3NZ. The principal activities of the Group are described in Note 6.

1.2 Basis of preparation

The Group financial statements are prepared in accordance with International Financial Reporting Standards issued by the Accounting Standards Board and also to comply with relevant Isle of Man law.

The principal accounting policies applied in the preparation of the consolidated financial information is 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 the financial statements of the Company and its subsidiaries and associates for the year ended 31 December 2011.

(b) The consolidated financial information has been prepared under the historical cost convention except for certain financial instruments, which have been 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 (the “IASB”).

(c) Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders’ equity.

1.3 Significant accounting judgements, 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, equity-settled transactions and cash-settled transactions

The Group has applied the requirements of IFRS 2 share-based payment in these financial statements.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.3 Significant accounting judgements, estimates and assumptions (continued)

(a) Share-based payments, equity-settled transactions and cash-settled transactions (continued)

The Group has issued equity-settled share-based payments to certain directors and employees, and to its advisors for services provided in respect of the admission of the Company to trading on the AIM market 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 the goods or services are received. Where equity investments are granted subject to vesting conditions, share-based payments are expensed to the profit or loss 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.

The Group has granted cash-settled share-based payments to certain directors, executives and key employees under the Company's joint share ownership scheme ("JSOS"). The cost of cash-settled share-based payments is measured initially at fair value at the grant date using Black-Scholes option pricing model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee expense.

When estimating the value of the options and the upper share rights ("USR"), significant assumptions such as the expected life of the option and the USR, and expected volatility of the share have been applied based on management's best estimates.

(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 recommendations of the International Private Equity and Venture Capital Guidelines (the "Guidelines"). Valuation methodologies mainly include the price of recent investments, earnings multiples, 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 instruments within the next financial year.

1.4 Summary of significant accounting policies

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.

(a) Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2011.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

Basis of consolidation from 1 January 2010 (continued)

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations from 1 January 2010

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

Business combinations from 1 January 2010 (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent 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 IAS 39. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associates include 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 statement of comprehensive income, 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 interests 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) Joint ventures

Interests in joint ventures which are held for operating activity are accounted for in accordance with IAS 31 using the equity method of accounting. Interest in joint ventures that are held as part of Group's investment portfolio are carried in the balance sheet at fair value through profit or loss in accordance with IAS 39, with changes in fair value recognised in the statement of comprehensive income in the period of the change.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(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 United States dollar, which is the Group's presentation 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 statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currencies classified as available for sale are analysed between translation differences resulting from changes in the amortised 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 other reserve.

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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(II) income and expenses for each statement of comprehensive income 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.

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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(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 derivatives.

Recognition / Derecognition:

Regular acquisitions and disposals of investments are recognised on the date on which the Group received acquisitions of investments or delivered 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 is initially recognised at fair value. Transaction costs are expensed in the profit or loss. 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 the financial assets held at fair value through profit or loss are presented in the profit or loss in the period in which they arise.

Interest income from financial assets at fair value through profit or loss is recognised in the profit or loss within other income using the effective interest method. Dividend income from investments at fair value through profit or loss is recognised in the profit or loss 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 reporting date. The quoted market price used for financial assets held by the Group 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:

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(e) Financial assets (continued)

- **Investments at fair value through profit or loss (continued)**

Fair value estimation (continued):

(I) Price of recent investments: When valuing investments on the basis of the price of recent investments, the cost of the investment itself or the price at which a significant amount of new investment into the relevant investee company was made 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 multiples: When valuing investments on a multiple basis, the Group 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 underlying 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 underlying company;

iii. deduct from the enterprise value all amounts relating to financial instruments ranking ahead of the highest ranking instrument of the Group in a liquidation and taking into account the effect of any instrument that may dilute the Group's investments in order to derive the gross attributable enterprise value;

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 judgement. 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 per cent to 30 per cent (in steps of 5 per cent) is generally used in practice, depending upon the particular circumstances; and

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 Group 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 are valued at their bid prices on the reporting date.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(e) Financial assets (continued)

• Investments at fair value through profit or loss (continued)

Fair value estimation (continued):

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 result 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. Income from loans and receivables is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's carrying value. The losses arising from impairment are recognised in the statement of comprehensive income.

• 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 or associates. 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 other comprehensive income.

• Derivative financial instruments

Derivative financial instruments are held at fair value and changes in fair value are recognised in profit or loss of the statement of comprehensive income.

(f) Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently carried at amortised cost.

• Preference shares

Convertible Redeemable Zero-Dividend Preference Shares ("CZDP") are regarded as a compound financial instrument, consisting of a liability component and an equity component. The fair value of the liability component is estimated at the date of issue using the prevailing market interest rate for similar bond without early redemption or equity conversion option. The difference between the proceeds of the CZDP issue and the fair value of the liability component of the CZDP is assigned to the equity component of the CZDP representing the embedded equity conversion option, and the derivative financial assets representing the embedded early redemption option.

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Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(f) Financial liabilities (continued)

- **Preference shares (continued)**

  Issue costs were allocated among the liability, and equity components of the CZDP and the derivative financial assets based on their relative carrying amounts at the date of issue.

  The interest charges on the CZDP liability component is computed using the prevailing market interest rate for similar bond without early redemption or equity conversion option.

(g) Cash and cash equivalents and short-term borrowings

Cash and cash equivalents are defined as cash in hand, demand deposits, time deposit 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 than 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 statement of financial positions, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Short-term borrowings are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Group, and pay interest at the respective short-term borrowing rates.

(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"). Certain directors, executives and key employees of the Group are granted share appreciation rights, which can only be settled in cash ("cash-settled transactions"). Advisors receive equity-settled options in relation to the Company's admission to trading on the AIM market of the London Stock Exchange.

The cost of these options with employees are measured by reference to the fair value of the equity instruments awarded at the date of grant, whereas those with non-employees are measured at the fair value of goods or services received at the date when the goods or services have been received. The fair value is determined by using Black-Scholes model, further details of which are given in note 26.

Equity-settled transactions

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 and is recognised in employee expense (see Note 4).

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Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(h) Share-based payments (continued)

Equity-settled transactions (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting 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.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using Black-Scholes option pricing model, further details of which are given in Note 26. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee expense (see Note 4).

(i) Leased assets

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 profit or loss 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) Taxes

Current Income 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 reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(j) Taxes (continued)

Deferred Tax
Deferred tax is provided using the liability method on temporary differences at the reporting 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 goodwill or 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 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 tax assets are recognised for all deductible temporary differences, carry forward 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 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.

The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting 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 tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 reporting 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 profit or loss except when a tax exemption has been granted.

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Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(k) Performance incentive payable

Performance incentive payable is only accrued on those investments (classified as investments at fair value through profit or loss and loans) in which the investment's performance conditions, measured at the end of each reporting period , would be achieved if those investments were realised at fair value. Fair value is determined using the Group's valuation methodology and is measured at the end of each reporting period. A provision is made based on the Group's share of profits, taken into account, the overall performance of the Company's portfolio and return to shareholders, subject to the discretion of the Board of Directors.

Any changes in the performance incentive provision will be reflected in the line item of the statement of comprehensive income in which the expense establishing the provision was originally recorded.

(l) 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 the 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 include fund consulting and consulting services which 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.

- **Income**

  Interest income is recognised on a time proportion basis using the effective interest method and includes bank interests and interests from debt securities.

  Investment income includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'at fair value through profit or loss' and excludes interest and dividend income and expense.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(l) Revenue recognition (continued)

- **Income (continued)**

Realised profits over value on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its initial carrying value, converted into dollar using the exchange rates in force at the date of disposal.

Unrealised profits on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period converted into dollar using the exchange rates in force at the date of the movement.

(m) 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.

(n) New and revised international financial reporting standards that are effective or early adopted in 2011 and relevant to the Group

The IASB has issued the following new and revised IFRSs (including International Accounting Standards ("IASs")) and IFRIC interpretations that are effective as of 1 January 2011:

IAS 24 Related Party Transactions (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have material impact on the financial position or performance of the Group.

IAS 32 Financial Instruments: Presentation (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no material effect on the financial position or performance of the Group.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(n) New and revised international financial reporting standards that are effective or early adopted in 2011 and relevant to the Group (continued)

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as pension asset. The amendment to the interpretation had no material effect on the financial position or performance of the Group.

(o) Impact of improvements to International Financial Reporting Standards (issued 2010)

Improvements to IFRSs (issued May 2010)

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in certain changes to accounting policies, but did not have significant impact on the financial position or performance of the Group.

(a) IFRS 3 Business Combinations: The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

The amendments to IFRS 3 are effective for annual periods beginning on or after 1 July 2011. The Group however adopted these as of 1 January 2011 and changed its accounting policy accordingly as the amendment was issued to eliminate unintended consequences that may arise from the adoption of IFRS 3.

(b) IFRS 7 Financial Instruments – Disclosures: The amendment was intended to simplify the disclosures provided, by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

(c) IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

Other amendments resulting from improvements to IFRSs to the following standards did not have significant impact on the accounting policies, financial position or performance of the Group.

(a) IFRS 3 Business Combinations (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))

(b) IFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(o) Impact of improvements to International Financial Reporting Standards (issued 2010) (continued)

Other amendments resulting from improvements to IFRSs to the following standards did not have significant impact on the accounting policies, financial position or performance of the Group (continued).

(c) IAS 27 Consolidated and Separate Financial Statements

(d) IAS 34 Interim Financial Statements

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Group:
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

(p) Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued that the Group reasonably expects to be have an impact on disclosures, financial position or performance when applied at a future date.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(p) Standards issued but not yet effective (continued)

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address hedge accounting and impairment of financial asset. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including 'special purpose entities'. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers.

IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

This standard becomes effective for annual periods beginning on or after 1 January 2013.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(p) Standards issued but not yet effective (continued)

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 – Fair Value measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

The Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

2 Revenue and cost of sales

	2011 US$'000	2010 US$'000
Revenue		
Consulting services	1,291	2,450
Fund consulting	165	-
Furniture trading	128	377
Total	**1,584**	**2,827**
Cost of sales		
Consulting services	982	904
Fund consulting	45	-
Furniture trading	104	365
Business tax	65	64
Total	**1,196**	**1,333**

Origo Partners Plc

Notes to the financial statements (continued)

3 Administrative expenses

	2011 US$'000	**2010 US$'000**
Employee expenses	3,136	1,889
Professional fees	1,190	1,427
Including:		
- Audit fees	221	146
Share-based payments	(29)	625
Depreciation expenses	38	16
Acquisition cost	-	24
Performance incentive expenses*	13,357	462
- Payable within one year	-	462
- Provision for performance incentive expense	13,357	-
Provision for impairment of loan interest receivables	2,404	-
Others	1,734	1,769
Total	**21,830**	**6,212**

* In connection with the passing of the subsequent re-admission of the Company on November 10, 2009 and Resolution 5 of the Company's extraordinary general meeting on December 11, 2009, an investment performance incentive arrangement for investment professionals, including Chris Rynning and Niklas Ponnert, involved with OPP's investment portfolio became effective (the "Scheme")

Under the arrangement, Origo Advisors Ltd ("OAL"), a company beneficially owned by Chris Rynning and Niklas Ponnert, will become entitled to a performance fee with respect to any profitable realisation of an investment of the Group on the following basis:

- a performance incentive shall be paid only if the Group has realised a profit on a realisation in excess of the cost of investment plus a rate of 10 per cent. per annum on a compounding basis up to the date of realisation ("Performance Hurdle");
- if the Performance Hurdle is met, the performance incentive will be an amount equal to 20 per cent. of the excess of the sum of the cost of investment and the Performance Hurdle ("Performance Incentive"); and
- Performance Incentives accruing to OAL shall be payable at the discretion of the board of directors of the Company (other than Chris Rynning and Niklas Ponnert), subject to (i) there being no change in control of the Company; and (ii) Chris Rynning and Niklas Ponnert both serving as Directors, save if either voluntarily resigns or is guilty of misconduct or neglect in the performance of his duties on behalf of the Company.

In exercising its discretion, the Board shall take into account, inter alia: the overall performance of the Company's portfolio and return to shareholders; and the requirement to incentivise and retain key members of the Company's wider management team from time to time.

Origo Partners Plc

Notes to the financial statements (continued)

For the year ended 31 December 2011, performance incentive accruals of US$13,357K was approved by the board of Directors of the Company (other than Chris Rynning and Niklas Ponnert) at the board meeting held on 27 April 2012.

In determining the amount to be accrued, the board (i) assessed the amount of performance incentives arising on each and every individual investment under the terms of the Scheme; and (ii) capped the total amount to be accrued at 20 per cent of the accumulated gain (realised and unrealised) of the Company's portfolio of investments taking into account write-offs, realisations, and movements in the fair value of all investment completed from the time of admission until the balance sheet date and previous payments made under the Scheme.

4 Information regarding directors and employees

	Year ended 31 December 2011	**Year ended 31 December 2010**
Average number of employees of the Group	**Number**	**Number**
Management*	2	2
Investment and transaction team	22	10
Finance and accounting	11	7
Administration and HR	9	7
Design and IT	2	1
Trading sales	1	2
Geologist	5	3
	52	32
The aggregate payroll costs of these employees were as follows:	**US$'000**	**US$'000**
Wages and salaries	2,998	1,771
Share-based payments	(29)	625
Social security costs	138	117
	3,107	2,513

* Management includes Mr. Chris A Rynning, the Chief Executive Officer and Mr. Niklas Ponnert, the Chief Financial Officer.

Origo Partners Plc

Notes to the financial statements (continued)

5 Directors' remuneration

	2011 US$'000	2010 US$'000
Directors' emoluments	939	806
Share-based payment expenses	(54)	534
	885	1,340

Directors' remuneration for the year 2011 and the number of options held were as follows:

Name	Salaries* US$'000	Director Fee US$'000	Share-based payment** US$'000	Total US$'000	2011 Number of options
Mr. Wang Chao Yong	150	-	(18)	132	4,000,000
Mr. Chris A Rynning	295	-	(18)	277	1,000,000
Mr. Niklas Ponnert	245	-	(18)	227	2,800,000
Mr. Christopher Jemmett	-	175	-	175	100,000
Mr. Dipankar Basu***	-	74	-	74	100,000
	690	249	(54)	885	8,000,000

Directors' remuneration for the year 2010 and the number of options held were as follows:

Name	Salaries* US$'000	Director Fee US$'000	Share-based payment** US$'000	Total US$'000	2010 Number of options
Mr. Wang Chao Yong	150	-	193	343	4,000,000
Mr. Chris A Rynning	275	-	366	641	1,000,000
Mr. Niklas Ponnert	225	-	(13)	212	2,800,000
Mr. Christopher Jemmett	-	78	(6)	72	100,000
Mr. Dipankar Basu***	-	78	(6)	72	100,000
	650	156	534	1,340	8,000,000

* Short term employee benefits

** Share-based payment refers to expenses arising from the Company's share option scheme (note 26).

*** Resigned from the Board on 16 February 2011.

6 Operating segment information

The Group's primary reporting format for reporting segment information is by operating segment based on the nature of its business which was private equity investments, fund consulting, consulting services and furniture trading in 2011 and 2010.

The Group mainly had five geographical segments based on the location of assets. The segments are defined as Isle of Man, Guernsey, Malaysia, China and others.

Origo Partners Plc

Notes to the financial statements (continued)

6 Operating segment information (continued)

For the year ended 31 December 2011

	Private equity investments US$'000	Fund consulting US$'000	Consulting services US$'000	Furniture trading US$'000	Total US$'000
Revenue					
External	-	165	1,291	128	1,584
Finance income	1,590	-	-	-	1,590
Total revenue	**1,590**	**165**	**1,291**	**128**	**3,174**
Expenses					
Cost of sales	(169)	(45)	(878)	(104)	(1,196)
Operation expenses	(8,675)	-	(13,014)	(170)	(21,859)
Share-based payments	18	-	11		29
Finance costs	(140)	-	-	(5)	(145)
Other					
Investment income/(loss)	26,541	-	(169)	-	26,372
Other income	-	-	-	-	-
Foreign exchange loss	(181)	-	-	-	(181)
Interest expenses of CZDP	(3,264)	-	-	-	(3,264)
Income tax	(775)	-	-	-	(775)
Total profit/(loss) after tax	**14,945**	**120**	**(12,759)**	**(151)**	**2,155**
Statement of financial position					
Assets	323,039	45	-	55	323,139
(Liabilities)	(82,528)	-	-	(41)	(82,569)
Net assets	**240,511**	**45**	**-**	**14**	**240,570**

For the year ended 31 December 2011

	Isle of Man US$'000	Guernsey US$'000	Malaysia US$'000	China US$'000	Others US$'000	Total US$'000
External revenue	848	-	-	434	302	1,584
Non-current assets	-	-	-	113	56	169

Origo Partners Plc

Notes to the financial statements (continued)

6 Operating segment information (continued)

For the year ended 31 December 2010

	Private equity investments US$'000	Fund consulting US$'000	Consulting services US$'000	Furniture trading US$'000	Total US$'000
Revenue					
External	-	-	2,450	377	2,827
Finance income	2,227	-	-	-	2,227
Total revenue	**2,227**	**-**	**2,450**	**377**	**5,054**
Expenses					
Cost of sales	(193)	-	(775)	(365)	(1,333)
Operation expenses	(2,168)	-	(3,252)	(167)	(5,587)
Share-based payments	(375)	-	(250)	-	(625)
Finance costs	(73)	-	-	(4)	(77)
Other					
Investment loss	39,697	-	(21)	-	39,676
Other income	-	-	5	-	5
Foreign exchange (loss)/gain	(366)	-	-	-	(366)
Income tax	(724)	-	-	-	(724)
Total profit/(loss) after tax	**38,025**	**-**	**(1,843)**	**(159)**	**36,023**
Statement of financial position					
Assets	202,640	-	652	95	203,387
(Liabilities)	(6,405)	-	(362)	(29)	(6,796)
Net assets	**196,235**	**-**	**290**	**66**	**196,591**

For the year ended 31 December 2010

	Isle of Man US$'000	Guernsey US$'000	Malaysia US$'000	China US$'000	Others US$'000	Total US$'000
External revenue	2,328	-	-	117	382	2,827
Non-current assets	-	-	86	42	14	142

7 Investment income

	2011 US$'000	2010 US$'000
Unrealised gains/(losses)	27,430	37,083
- Investments at FVTPL*	32,223	37,321
- Loans	(8,240)	(238)
- Derivative financial assets	3,447	-
Realised (losses)/gains on disposal of investments	(932)	2,610
- Investments at FVTPL*	(919)	2,853
- Loans	-	(243)
- Available-for-sale investments	(3)	-
- Other investments	(10)	-
Share of loss of an associate	(92)	(17)
Share of loss of joint ventures	(34)	-
Total	**26,372**	**39,676**

Origo Partners Plc

Notes to the financial statements (continued)

7 Investment income (continued)

* FVTPL refers to fair value through profit or loss

8 Finance income and costs

		2011 US$'000	2010 US$'000
Finance income			
Bank and loan interest		1,590	2,227
		1,590	2,227
Finance costs			
Bank charges		(145)	(77)
Interest expenses of convertible zero dividend preference shares	23	(3,264)	-
		(3,409)	(77)

9 Tax

No provision for current tax was made for the year as the subsidiaries had no assessable profit. As the Company is not in receipt of income from Manx land or property and does not hold a Manx banking licence, it is taxed at the standard rate of zero per cent on the Isle of Man. As the Company is quoted on AIM market of the London Stock Exchange, it is outside the scope of the Attribution Regime for Individuals.

	2011 US$'000	2010 US$'000
Current taxes		
Current year*	499	-
Deferred taxes		
Deferred income taxes**	276	724
Total income taxes in the statement of comprehensive income	**775**	**724**

* The tax charge for the year arises from realised profits of Rising Technology Corporation Ltd based on a tax rate of 25 per cent and realised profits of Smartron 5 Inc. based on a tax rate of 10 per cent.

** The deferred income tax relates to net change in fair value loss of Rising Technology Corporation Ltd, fair value gain of Celadon Mining Ltd and fair value gain of convertible option of China Rice Ltd, estimated in accordance with the relevant tax laws and regulations in the PRC based on a tax rate of 10 per cent.

The tax expense for the year can be reconciled per the statement of comprehensive income as follows:

	2011 US$'000	2010 US$'000
Profit before tax	2,930	36,747
Profit before tax multiplied by rate of corporate income tax in the Isle of Man of 0% (2010: 0%)	-	-
Effects of:		
Current tax on realised gains on investments	499	-
Deferred tax on unrealized gains on investments	276	724
Total income taxes in the statement of comprehensive income	**775**	**724**

Origo Partners Plc

Notes to the financial statements (continued)

9 Tax (continued)

Deferred income taxes

	2011 US$'000	2010 US$'000
Opening deferred income tax liability		
Income in accounts taxable in the future	1,270	546
	1,270	546
Recognised through statement of comprehensive income		
Income in accounts taxable in the future	276	724
	276	724
Closing deferred income tax liability		
Income in accounts taxable in the future	1,546	1,270
	1,546	1,270

10 Earnings per share

Numerator	2011 US$'000	2010 US$'000
Profit for the period attributable to owners of the parent as used in the calculation of basic earnings per share	2,155	36,023
Profit for the period attributable to owners of the parent as used in the calculation of diluted earnings per share	2,155	36,023

Denominator	2011 Number of shares	2010 Number of shares
Weighted average number of ordinary shares for basic EPS	298,793,644	259,920,984
Effect of dilution:		
Share options	6,886,274	2,599,476
Weighted average number of ordinary shares adjusted for the effect of dilution	305,679,918	262,520,460
Basic EPS	0.72 cents	13.86 cents
Diluted EPS	0.70 cents	13.72 cents

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Notes to the financial statements (continued)

11 Property, plant and equipment

	Fixtures and fittings US$'000	Computer equipment US$'000	Vehicles US$'000	Machinery equipment US$'000	Total US$'000
Cost					
At 1 January 2010	32	62	28	-	122
Additions	2	6	-	-	8
Disposal	-	-	(28)	-	(28)
At 31 December 2010	34	68	-	-	102
Additions	5	36	64	48	153
Disposal	-	(2)	-	-	(2)
At 31 December 2011	39	102	64	48	253
Accumulated depreciation					
At 1 January 2010	15	29	7	-	51
Charge for the year 2010	5	11	-	-	16
Disposal	-	-	(7)	-	(7)
At 31 December 2010	20	40	-	-	60
Charge for the year 2011	6	16	4	12	38
Disposal	-	(2)	-	-	(2)
At 31 December 2011	26	54	4	12	96
				-	
Net book value				-	
At 31 December 2010	14	28	-	-	42
At 31 December 2011	13	48	60	36	157

12 Investments in 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 at 31 December 2011	Proportion of ownership interest at 31 December 2010
Ascend Ventures Ltd	Malaysia	100%	100%
Origo Resource Partners Ltd	Guernsey	100%	100%
PHI International Holding Ltd	Bermuda	100%	100%
Origo Partners MGL LLC	Mongolia	100%	100%
PHI International (Bermuda) Holding Ltd*	Bermuda	100%	100%
Ascend (Beijing) Consulting Ltd**	China	100%	100%
ISAK International Holding Ltd**	British Virgin Islands	71.2%	71.2%
Origo Asset Management Ltd	Cayman	100%	100%
China Commodities Absolute Return Ltd	Isle of Man	69.62%	-
MSE Liquidity Fund	Bermuda	83.95%	-

* Owned by Origo Resource Partners Ltd

** Owned by Ascend Ventures Ltd

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Notes to the financial statements (continued)

12 Investments in subsidiaries (continued)

Statement of changes in investments in subsidiaries:

	2011 US$'000	2010 US$'000
Opening balance	30,970	30,920
Investment in a new subsidiary	6,940	100
Striking-off of subsidiaries	-	(50)
Exchange difference	-	-
Closing balance	**37,910**	**30,970**

- **Consolidation of China Commodities Absolute Return Ltd ("CCF")**

CCF is an open ended commodity hedge fund registered in the Isle of Man, which invests principally in commodity related derivatives and equities, with a particular focus on China event driven opportunities.

On 1 May 2011, the Group made further subscriptions of US$2 million in CCF, at which point the Group's ownership increased to 60 per cent. Following further subscription of US$4 million on 1 June 2011, the Group's ownership increased to 79.5 per cent, which decreased to 69.6 per cent on 31 December 2011. The Group has consolidated the separate assets and liabilities of CCF from 1 May 2011 and has consolidated the transactions of CCF for the period from 1 May 2011 to 31 December 2011.

The Group has elected to measure the non-controlling interests in CCF at the proportionate share of the acquiree's identifiable net assets.

The assets and liabilities of CCF at the date of consolidation on 1 May 2011 and at 31 December 2011 were as follows:

	1 May 2011 US$'000	31 Dec 2011 US$'000
Non-current assets		
Investments at fair value through profit or loss	2,081	6,734
Current assets		
Cash and cash equivalents	431	1,950
Other current assets	-	35
Total assets	**2,512**	**8,719**
Current liabilities		
Other payables	135	132
Total liabilities	**135**	**132**
Net assets	**2,377**	**8,587**

- **Consolidation of MSE Liquidity Fund ("MSE Fund")**

MSE Fund is an open-ended investment fund registered as a segregated accounts company under the Segregated Accounts Companies Act 2000 of Bermuda, which accesses the top companies on the Mongolian Stock Exchange and high interest savings deposit rates at the leading Mongolian commercial banks. The Fund has a 100 per cent exposure to the Mongolian Tugrik.

Origo Partners Plc

Notes to the financial statements (continued)

12 Investments in subsidiaries (continued)

- **Consolidation of MSE Liquidity Fund ("MSE Fund") (continued)**

MSE Fund was formed in September 2011, the Group subscribed for US$1 million in the MSE Fund in October 2011, and held 100 per cent ownership of MSE Fund at which point, following the subscriptions by other investors in MSE Fund, the Group's ownership decreased to 84 per cent as at 31 December 2011. The Group has consolidated the separate assets and liabilities of MSE Fund from 1 October 2011 and has consolidated the transactions of MSE Fund for the period from 1 October 2011 to 31 December 2011.

The Group has elected to measure the non-controlling interests in MSE Fund at the proportionate share of the acquiree's identifiable net assets.

The assets and liabilities of MSE Fund at the date of consolidation on 31 December 2011 were as follows:

	1 Oct 2011 US$'000	**31 Dec 2011 US$'000**
Non-current assets		
Investments at fair value through profit or loss	-	100
Current assets		
Cash and cash equivalents	-	1,105
Other current assets	-	13
Total assets	**-**	**1,218**
Current liabilities		
Other payables	-	-
Total liabilities	-	-
Net assets	**-**	**1,218**

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Notes to the financial statements (continued)

13 Investments at fair value through profit or loss

As at 31 December 2011

Name*	Country of incorporation	Fair Value hierarchy level	Proportion of ownership interest	Cost US$'000	Fair value US$'000
China Cleantech Partners, L.P.*****	Cayman	3	50.1%	12,500	12,500
Trafigura Origo Joint Venture LLC ******	Mongolia	3	50.0%	400	400
IRCA Holdings Ltd	British Virgin Islands	3	49.1%	9,505	-
Resources Investment Capital Ltd	British Virgin Islands	3	38.5%	287	287
Roshini International Bio Energy Corporation	British Virgin Islands	3	35.9%	17,050	-
Kincora Copper Ltd****	Canada	3	33.2%	4,592	11,454
China Rice Ltd	British Virgin Islands	3	32.1%	13,000	13,000
Niutech Energy Ltd	British Virgin Islands	3	21.1%	6,350	6,350
Moly World Ltd	British Virgin Islands	3	20.0%	10,000	10,000
R.M. Williams Agricultural Holdings Pty Ltd	Australia	3	17.5%	20,000	29,551
Unipower Battery Ltd	Cayman Islands	3	16.5%	4,301	4,301
Fans Media Co., Ltd	British Virgin Islands	3	14.3%	2,360	2,360
Gobi Coal & Energy Ltd****	British Virgin Islands	3	14.3%	14,960	87,061
Celadon Mining Ltd	British Virgin Islands	3	9.7%	13,069	23,325
Staur Aqua AS	Norway	3	9.2%	719	528
HaloSource, INC.	USA	1	4.3%	3,121	2,689
Voyager Resource Ltd****	Australia	1	3.5%	4,871	3,236
Bach Technology GmbH**	Germany	3	2.5%	60	184
Rising Technology Corporation Ltd/ Beijing Rising Information Technology Ltd***	British Virgin Islands	3	2%/ 1.6%	5,565	4,828
Kooky Panda Ltd	Cayman Islands	3	1.2%	25	25
Six Waves Inc	British Virgin Islands	3	1.1%	240	2,600
Fram Exploration AS	Norway	3	1.1%	1,495	1,488
Other quoted investments****		1		3,860	3,029
Total				**148,330**	**219,196**

Origo Partners Plc

Notes to the financial statements (continued)

13 Investments at fair value through profit or loss (continued)

As at 31 December 2010

Name*	Country of incorporation	Fair Value hierarchy level	Proportion of ownership interest	Cost US$'000	Fair value US$'000
IRCA Holdings Ltd	British Virgin Islands	3	49.1%	9,505	9,505
Resources Investment Capital Ltd	British Virgin Islands	3	41.7%	287	287
Roshini International Bio-Energy Corporation	British Virgin Islands	3	35.9%	17,050	-
China Commodities Absolute Return Ltd	Isle of Man	3	27.3%	400	512
Kincora Group Ltd	British Virgin Islands	3	25.0%	2,925	2,925
R.M. Williams Agricultural Holdings Pty Ltd	Australia	3	19.3%	20,000	28,547
Gobi Coal & Energy Ltd	British Virgin Islands	3	19.5%	14,708	52,674
Achieve Stars Development Ltd	British Virgin Islands	3	17.1%	4,700	4,700
Unipower Battery Ltd	Cayman Islands	3	16.5%	4,301	4,301
Fans Media Co., Ltd	British Virgin Islands	3	14.3%	2,360	2,360
Huremtiin Hyar LLC	Mongolia	3	10.0%	300	300
Staur Aqua AS	Norway	3	9.2%	719	739
HaloSource Inc	USA	3	4.3%	3,121	7,293
Bach Technology AS	Norway	3	3.3%	60	189
Rising Technology Corporation Ltd***	British Virgin Islands	3	2.0%	7,000	12,079
Kooky Panda Ltd	Cayman Islands	3	1.2%	25	25
Fram Exploration AS	Norway	3	1.1%	1,501	1,527
Total				**88,962**	**127,963**

* There are no significant restrictions that will have an impact on ability to transfer of these investments, except a lock up of the shares of Kincora Copper Ltd which will expire in July 2014.

** The Group exchanged its equity holding in Bach Technology AS upon the completion of acquisition of Bach Technology AS by Bach Technology GmbH.

*** 2 per cent equity stake in Rising Technology Corporation Ltd and 1.6 per cent beneficial interest in Beijing Rising Information Technology Ltd, a company incorporated in the PRC, under a nominee agreement.

**** Investments held by China Commodities Absolute Return Ltd ("CCF") and MSE Liquidity Fund ("MSE Fund"), the funds managed by the Group. The Group ceased to recognize CCF as an investment at FVTPL on 1 May 2011 when its ownership in CCF increased to 60 per cent and instead recognized its separate assets and liabilities (see note 12 for details).

***** A private equity fund focusing on China's cleantech sectors, jointly formed and co-managed by the Group and EFMI Limited on 50/50 basis.

****** A company focusing on mineral and metal exploration, jointly formed and co-managed by the Group and Eltrana LLC on 50/50 basis.

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Notes to the financial statements (continued)

13 Investments at fair value through profit or loss (continued)

As at 31 December 2011 the proportion of ownership interest held by CCF in investments is as follows:

Name*	Proportion of ownership interest	Cost	US$'000
Kincora Copper Ltd	5.2%	1,063	1,819
Gobi Coal & Energy Ltd	0.2%	252	1,466
Voyager Resource Ltd	0.6%	685	519

In accordance with IFRS 7: Financial Instruments: Disclosures, financial instruments recognised at fair value are required to be analysed between those whose fair value is based on:

a) Quoted prices in active markets for identical assets or liabilities (Level 1);
b) Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
c) Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

During the year, HaloSource Inc has been transferred from Level 3 to Level 1 due to the expiration of the lock-up period.

Statement of changes in Investments at fair value through profit or loss based on level 3:

	2011 US$'000	2010 US$'000
Opening balance	127,963	86,929
Acquisitions	63,050	18,073
Proceeds from disposals of investments	(14,387)	(17,164)
Increase upon the consolidation of CCF and MSE	2,773	-
Realised gains on disposals of investments	-	4,288
Realised losses on write-off of investments	-	(1,435)
Net exchange difference	(266)	2,710
Movement in unrealised gains on investments		
- In profit or loss	38,402	34,562
Transfers out of Level 3	(7,293)	-
Closing balance	**210,242**	**127,963**

14 Investment in an associate

The following entity meets the definition of an associate and has been accounted for in the consolidated financial statements on an equity basis:

As at 31 December 2011

Name	Country of incorporation	Proportion of voting rights held
Dragon Ports Ltd	British Virgin Islands	33.96% (Owned by Ascend Ventures Ltd)

14 Investment in an associate (continued)

Amounts relating to the associate for 2011 are as follows:

	2011 US$'000
Total assets	1,101
Total liabilities	706
Revenues	302
Loss	(204)

As at 31 December 2010

Name	Country of incorporation	Proportion of voting rights held
Dragon Ports Ltd	British Virgin Islands	44.7% (Owned by Ascend Ventures Ltd)

Amounts relating to the associate for 2010 are as follows:

	2010 US$'000
Total assets	1,411
Total liabilities	772
Revenues	760
Loss	(38)

15 Investment in joint ventures

The Group has the following significant interests in joint ventures, and has been accounted for in the Group's consolidated financial statements as of the 31 December 2011 on an equity basis:

Name	Country of incorporation	Proportion of voting rights held
China CleanTech GP Ltd	Cayman	50% (Owned by Origo Partners Plc)
China CleanTech AMC Ltd	Cayman	50% (Owned by Origo Partners Plc)

Amounts relating to the joint ventures for 2011 are as follows:

	2011(GP) US$'000	2011(AMC) US$'000
Current assets	10	167
Non-current assets	312	5
Total assets	**322**	**172**
Current liabilities	15	107
Non-current liabilities	220	100
Total liabilities	**235**	**207**
Income	-	-
Expenses	(14)	(54)
Other comprehensive income	-	-
Total loss	**(14)**	**(54)**

There are no outstanding commitments and contingent liabilities related to the joint ventures.

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Notes to the financial statements (continued)

16 Loans

The Group has entered into convertible credit agreements and has the right to convert the outstanding principal balance of relevant loans into borrower's shares according to certain conversion conditions, and loan agreements with certain investee companies as set forth in the table below.

As at 31 December 2011

Borrower	Loan rates %	Loan principal US$'000	Loans due within one year US$'000	Loans due after one year US$'000	Fair value US$'000
Convertible credit agreements*					
China Rice Ltd	4	10,000	-	10,000	10,000
Unipower Battery Ltd	6	9,000	9,000	-	9,000
IRCA Holdings Ltd	8-18	11,645	5,391	1,549	6,940
Staur Aqua AS	15	3,848	2,950	-	2,950
R.M. Williams Agricultural Holdings Pty Ltd	20	3,090	2,930	-	2,930
Dragon Ports Ltd	-	173	154	-	154
Roshini International Bio Energy Corporation	-	424	-	-	-
Sub-total		**38,180**	**20,425**	**11,549**	**31,974**

Borrower	Loan rates %	Loan principal US$'000	Loans due within one year US$'000	Loans due after one year US$'000	Amortised cost US$'000
Loan agreements*					
IRCA Holdings Ltd	6-10	2,408	-	986	986
Shanghai Evtech New Energy Technology Ltd	-	352	352		352
China CleanTech GP Ltd	-	110	-	110	110
China CleanTech AMC Ltd	-	50	-	50	50
View Step Corporation Ltd	-	25	-	25	25
China Silvertone Investment Co Ltd	-	478	-	-	-
Sub-total		**3,423**	**352**	**1,171**	**1,523**
Total		**41,603**	**20,777**	**12,720**	**33,497**

* Loans in relation to convertible credit agreements are measured at fair value. Loans in relation to loan agreements are measured at amortised cost using the effective interest rate method less any identified impairment losses. There are no breaches under the terms and conditions of loan agreements.

Origo Partners Plc

Notes to the financial statements (continued)

16 Loans (continued)

As at 31 December 2010

Borrower	Loan principal US$'000	Loans due within one year US$'000	Loans due after one year US$'000	Fair value US$'000
Convertible credit agreements*				
Roshini International Bio-Energy Corporation	239	-	239	239
Dragon Ports Ltd	173	173	-	173
R.M. Williams Agricultural Holdings Pty Ltd	3,090	-	2,943	2,943
Staur Aqua AS **	3,400	-	3,703	3,703
IRCA Holdings Ltd **	11,645	1,145	10,500	11,645
Resources Investment Capital Ltd	600	-	600	600
Sub-total	**19,147**	**1,318**	**17,985**	**19,303**

Borrower	Loan principal US$'000	Loans due within one year US$'000	Loans due after one year US$'000	Amortised cost US$'000
Loan agreements*				
IRCA Holdings Ltd	2,158	-	2,136	2,136
View Step Corporation Ltd	25	-	25	25
China Silvertone Investment Co Ltd	478	478	-	478
WINRICH International Industrial Ltd (China Rice)	13,000	-	13,000	13,000
Sub-total	**15,661**	**478**	**15,161**	**15,639**
Total	**34,808**	**1,796**	**33,146**	**34,942**

* Loans in relation to convertible credit agreements are measured at fair value. Loans in relation to loan agreements are measured at amortised cost using the effective interest rate method less any identified impairment losses.

** The convertible loan of US$7.1 million (cost: US$7.1 million) in IRCA Holdings Ltd, the convertible loan of US$3.7 million (cost: US$3.4 million) in Staur Aqua AS, and the convertible loan of US$132,948 (cost: US$132,948) in Roshini International Bio-Energy Corporation are held by ORP. Except these three loans, all other loans belong to the Company.

Statement of changes in loans:

	2011 US$'000	2010 US$'000
Opening balance	34,942	18,644
Addition	21,685	17,114
Repayment	(1,650)	(335)
Write-off	(8,110)	(243)
Conversion of loans into investments	(13,240)	-
Exchange difference	(130)	(238)
Closing balance	**33,497**	**34,942**

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Notes to the financial statements (continued)

17 Derivative financial assets

	2011 US$'000	2010 US$'000
Warrants	2,523	-
Derivative component of convertible zero dividend preference shares (see note 23)	261	-
Derivative from convertible options	4,206	-
Total	**6,990**	**-**

11,514,673 units of warrants with exercise price of AUD0.70 per share were issued to the Group by R.M. Williams Agricultural Holdings Pty Ltd on 19 May 2009. Each warrant is exercisable for one ordinary share of R.M. Williams Agricultural Holdings Pty Ltd at any time from issue date to 24 December 2013. The fair value of the warrants at 31 December 2011 was US$2.5 million.

The fair value of the warrants and derivative component of convertible zero dividend preference shares were determined by the management based on the Binomial Model. The fair value of the convertible loans was estimated using the MONIS PDE model. Movements in the fair value of derivatives are included in the statement of comprehensive income. In accordance with the fair value hierarchy described in note 13, derivative financial instruments are measured using level 2 inputs.

18 Trade and other receivables

	2011 US$'000	2010 US$'000
Trade debtors	519	669
Other debtors	2,582	1,541
Loan interest receivables	2,934	4,310
Prepayments	301	308
Total	**6,336**	**6,828**

2011 Aging for the Group

Aging for the Group	**0-30 days US$'000**	**31-60 days US$'000**	**61-90 days US$'000**	**91-180 days US$'000**	**181-365 days US$'000**	**Over 365 days US$'000**	**Total US$'000**
Trade debtors	2	-	144	1	-	372	519
Other debtors	393	100	212	214	770	3,297	4,986
Loan interest receivables	134	60	172	288	662	1,618	2,934
Other	243	-	-	-	9	49	301
Provision against loan interest receivables	-	-	-	-	-	(2,404)	(2,404)
Total	**772**	**160**	**528**	**503**	**1,441**	**2,932**	**6,336**
Percentage	**12%**	**3%**	**8%**	**8%**	**23%**	**46%**	**100%**

These items are past due but not impaired.

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Notes to the financial statements (continued)

18 Trade and other receivables (continued)

2010 Aging for the Group

Aging for the Group	0-30 days US$'000	31-60 days US$'000	61-90 days US$'000	91-180 days US$'000	181-365 days US$'000	Over 365 days US$'000	Total US$'000
Trade debtors	351	-	-	-	-	318	669
Other debtors	460	28	140	557	172	184	1,541
Loan interest receivables	190	149	192	633	903	2,243	4,310
Other	89	16	95	39	-	69	308
Total	**1,090**	**193**	**427**	**1,229**	**1,075**	**2,814**	**6,828**
Percentage	**16%**	**3%**	**6%**	**18%**	**16%**	**41%**	**100%**

19 Cash and cash equivalents and Short-term borrowings

	2011 US$'000	2010 US$'000
Current account	43,355	30,411
Fixed deposit*	3,500	3,000
Term deposit**	10,000	-
Total Cash and cash equivalents	**56,855**	**33,411**

	2011 US$'000	2010 US$'000
Short-term borrowings**	8,544	-
Total short -term borrowings	**8,544**	**-**

* Further details are included in note 26 to the financial statement.

** On 18 October 2011, the Company entered into a loan agreement with RBS International, pursuant to which RBS International will provide the Company with an aggregate loan up to US$8.5 million with a charge over the Company's US$10 million term deposit, at 2 per cent p.a over LIBOR of interest rate, the loan is repayable on 30 March 2012. The Company has withdrawn US$8.5 million in the period.

20 Available-for-sale investments

	Level	2011 US$'000	2010 US$'000
Available-for-sale investments*	3	29	49
Total		**29**	**49**

* Available-for-sale investments comprise a 0.14 per cent shareholding in IsCool Entertainment SA (formerly WeKa Entertainment SA) belonging to Ascend Ventures Ltd whose fair value is assessed at the listed price adjusted for lock-up period liquidity discount.

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Notes to the financial statements (continued)

20 Available-for-sale investments (continued)

Statement of changes in other financial assets based on level 3:

	2011 US$'000	2010 US$'000
Opening balance	49	49
Realised loss on investments	(20)	-
Closing balance	**29**	**49**

21 Trade and other payables

	2011 US$'000	2010 US$'000
Trade payables	193	200
Other payables	839	3,302
Performance incentive payable within one year*	-	462
Total	**1,032**	**3,964**

* Refer to note 3 for total performance incentive expenses.

22 Provision

	2011 US$'000	2010 US$'000
USR*	1,495	1,562
Performance incentive provision	13,357	-
Total	**14,852**	**1,562**

	2011 US$'000	2010 US$'000
Opening balance	1,562	-
Movement in USR*	(67)	1,562
Movement in performance incentive provision	13,357	-
Total	**14,852**	**1,562**

* The provision relates to the fair value of USR granted to certain directors, executives and key employees under the Company's joint share ownership scheme. Further details about the USR are included in note 27 to the financial statements. There are no amounts used in 2011 nor has the unused amounts been reversed.

** Refer to note 3 for total performance incentive expenses

Origo Partners Plc

Notes to the financial statements (continued)

23 Liability component of convertible zero dividend preference shares

	Number of shares	Liability component US$'000	Equity component US$'000	Early redemption option derivative US$'000
Balance at 1 January 2011	-	-	-	-
Issue of convertible zero dividend preference shares	60,000,000	55,892	7,651	(3,543)
Expenses of the issue	-	(2,561)	(189)	-
Balance at 9 March 2011	**60,000,000**	**53,331**	**7,462**	**(3,543)**
Interest expenses on convertible zero dividend preference shares	-	3,264	-	-
Fair value movement of early redemption option derivative	-	-	-	3,282
Balance at 31 December 2011	**60,000,000**	**56,595**	**7,462**	**(261)**

On 8 March 2011, the Company issued 60 million convertible zero dividend preference shares (“Convertible Preference Shares”) at a price of US$1.00 per share. The Convertible Preference Shares have a maturity period of five years from the issue date and can be converted into 1 ordinary share of the Company at the conversion price of US$0.95 per share at the holder’s option at any time between more than 40 dealing days after 8 March 2011 up to 5 dealing days prior to the maturity date and, if it has not been converted, it will be redeemed on maturity at the redemption price of US$1.28 per share (representing a gross redemption yield of 5 per cent per annum at issue).

The Convertible Preference Shares contain a redemption feature which allows for early redemption at the option of issuer. The issuer has the option to redeem all or some of the Convertible Preference Shares subject to the restrictions on redemption described below:

(a) at any time after the second anniversary of 8 March 2011, for a cash sum of US$1.28 per Convertible Preference Share redeemed;

(b) at any time after the second anniversary of 8 March 2011, if in any period of 30 consecutive dealing days the closing middle market price of the ordinary shares of the Company exceeds US$1.235 per ordinary share of the Company on 20 or more of those days, for a cash sum equal to the Accreted Principal Amount in respect of the Convertible Preference Shares being redeemed;

(c) at any time, if less than 15 per cent of the Convertible Preference Shares remain outstanding, for a cash sum equal to the Accreted Principal Amount in respect of the Convertible Preference Shares being redeemed.

The Convertible Preference Shares contain three components, a liability component, an equity component and the early redemption option derivative. The effective interest rate of the liability component is 6.5 per cent. The early redemption option derivative is presented as derivative financial assets in the consolidated statement of financial position and is measured at fair value subsequent to initial recognition with changes in fair value recognized in profit and loss.

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Notes to the financial statements (continued)

24 Issued capital

Authorised	2011 Number of shares	£'000	2010 Number of shares	£'000
Ordinary shares of £ 0.0001 each	500,000,000	50	500,000,000	50

Issued and fully paid	Number of shares	US$'000	Number of shares	US$'000
At beginning of the year	**302,410,168**	**47**	**220,019,881**	**35**
Issued in March 2010 on exercise of ORP warrants*	-	-	190,287	-
Issued on 17 June 2010 on placing for cash**	-	-	82,200,000	12
Issued on 23 December 2011 on placing for cash***	57,758,333	9	-	-
At end of the year	**360,168,501**	**56**	**302,410,168**	**47**

* 190,287 ordinary shares were allotted to ORP warrant holders in March 2010. 67,960 warrants were exercised before 15 January 2010 at the exercise price of 120 pence each. In accordance with the amendment to the Company's Re-Admission Document, approved at the Extraordinary General Meeting held on 11 December 2009, these ordinary shares were acquired by the Company for a consideration of 2.8 shares of the Company for each ORP share.

** 82,200,000 ordinary shares were issued to both existing and new shareholders of the Company on 17 June 2010 by way of placing at a price of 25 pence per share.

*** 57,758,333 ordinary shares were issued to both existing and new shareholders of the Company on 23 December 2011 by way of placing at a price of 36 pence per share.

25 Other reserve

Included within the other reserve are 6,017,099 shares of the Company held by Employee Benefit Trust ("EBT").

26 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
- Liquidity risk

Origo Partners Plc

Notes to the financial statements (continued)

26 Financial instruments - Risk management (continued)

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 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 continuously monitoring each asset's performance and charging the change of each asset's fair value to the statement of comprehensive income as necessary. Directors believe that the carrying amount is a reasonable approximation of fair value for their financial assets and liabilities.

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 mainly by shareholders' funds with investment needs being met ahead of planned investments.

Currency risk

Some of the Group's assets, liabilities, income and expenses are effectively denominated in currencies other than US Dollars (the Group's presentation currency). Fluctuations in the exchanges rates between these currencies and US Dollars will have an effect on the reported value of those items.

The Directors have considered the possibility of further aggressive fluctuations in exchange rates, however, due to the level of assets and liabilities denominated in currencies other than US Dollars, as below, they do not believe the potential foreign exchange fluctuations would have a material effect on the Group's financial statements.

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

	Increase/ (decrease) in USD rate	Effect on profit before tax US$'000	Effect on NAV US$'000
2011	+10%	5,760	5,760
	-10%	(5,760)	(5,760)
2010	+10%	4,363	4,363
	-10%	(4,363)	(4,363)

The assumed movement for currency rate sensitivity analysis is based on the currently observable market environment.

Origo Partners Plc

Notes to the financial statements (continued)

26 Financial instruments - Risk management (continued)

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 (continued):

Currency risk (continued)

The Group's assets and liabilities that are effectively denominated in currencies other than US Dollars are:

2011	GBP US$'000	NOK US$'000	RMB US$'000	AUD US$'000	HKD US$'000	Total US$'000
Cash and bank balances	1,112	68	72	6	50	1,308
Investment at FVTPL	12,349	2,392	-	29,550	-	44,291
Loans	3,949	4,019	752	-	-	8,720
Trade and other receivables	2,960	-	446	-	-	3,406
Total Assets	**20,370**	**6,479**	**1,270**	**29,556**	**50**	**57,725**
Trade and other payables	(123)	-	-	-	-	(123)
Total Liabilities	**(123)**	**-**	**-**	**-**	**-**	**(123)**

2010	GBP US$'000	NOK US$'000	RMB US$'000	AUD US$'000	HKD US$'000	Total US$'000
Cash and bank balances	2,201	-	103	-	39	2,343
Investment at FVTPL	-	2,455	-	28,548	-	31,003
Loans	3,967	3,703	381	-	-	8,051
Trade and other receivables	2,077	-	794	-	-	2,871
Total Assets	**8,245**	**6,158**	**1,278**	**28,548**	**39**	**44,268**
Trade and other payables	(642)	-	-	-	-	(642)
Total Liabilities	**(642)**	**-**	**-**	**-**	**-**	**(642)**

Credit risk

The Group is 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 loans and loans which amounted to US$34.9 million. Directors consider cash and receivables do not expose to significant credit risk, because the cash is held at reputable banks. The credit risk exposure is managed on an asset-specific basis by management.

	2011 not past due US$'000	2011 up to 12 months past due US$'000	2011 more than 12 months past due US$'000	2011 Total US$'000	2010 not past due US$'000	2010 up to 12 months past due US$'000	2010 more than 12 months past due US$'000	2010 Total US$'000
Convertible loan	24,879	-	7,096	31,975	17,985	-	1,319	19,304
Working capital loan	1,067	352	103	1,522	15,011	509	118	15,638
Total	**25,946**	**352**	**7,199**	**33,497**	**32,996**	**509**	**1,437**	**34,942**

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Notes to the financial statements (continued)

26 Financial instruments - Risk management (continued)

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 (continued):

Liquidity risk

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date or, if earlier, the expected date on which the financial assets will be realised and the financial liabilities will be settled. The amounts in the table are the contractual undiscounted cash flows.

Assets

31 December 2011	Less than 1 month US$'000	1-3 months US$'000	3-12 months US$'000	over 12 months US$'000	Total US$'000
Cash and cash equivalents	43,291	10,064	3,500	-	56,855
Trade receivables	-	144	372	3	519
Other receivables	173	-	601	1,808	2,582
Loan interest receivables	4	-	2,801	129	2,934
Loans	1,189	2,899	16,689	12,720	33,497
Investments at fair value through profit or loss	8,954	-	-	210,242	219,196
Total	**53,611**	**13,107**	**23,963**	**224,902**	**315,583**

Liabilities

31 December 2011	Less than 1 month US$'000	1-3 months US$'000	3-12 months US$'000	over 12 months US$'000	Total US$'000
Short-term borrowings	-	8,544	-	-	8,544
Trade payables	1	192	-	-	193
Performance incentive payable	-	-	-	13,357	13,357
USR	-	-	-	1,495	1,495
Deferred Tax	-	-	-	1,546	1,546
Other payables	176	-	631	32	839
Liability component of convertible zero dividend preference shares	-	-	-	56,595	56,595
Total	**177**	**8,736**	**631**	**73,025**	**82,569**

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Notes to the financial statements (continued)

26 Financial instruments - Risk management (continued)

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 (continued):

Liquidity risk (continued)

Assets

31 December 2010	Less than 1 month US$'000	1-3 months US$'000	3-12 months US$'000	over 12 months US$'000	Total US$'000
Cash and cash equivalents	30,411	-	3,000	-	33,411
Trade receivables	-	197	77	395	669
Other receivables	77	9	462	993	1,541
Loan interest receivables	-	-	-	4,310	4,310
Loans	1,796	-	-	33,146	34,942
Investments at fair value through profit or loss	-	-	-	127,963	127,963
Total	**32,284**	**206**	**3,539**	**166,807**	**202,836**

Liabilities

31 December 2010	Less than 1 month US$'000	1-3 months US$'000	3-12 months US$'000	over 12 months US$'000	Total US$'000
Trade payables	123	-	77	-	200
Performance incentive payable	-	-	462	-	462
USR	-	-	-	1,562	1,562
Deferred Tax	-	-	-	1,270	1,270
Other payables	17	575	2,710	-	3,302
Total	**140**	**575**	**3,249**	**2,832**	**6,796**

27 Share option scheme

The Group has a number of share schemes that allow employees to acquire shares in the Company, as detailed in note 1.4 (h).

The total cost recognised in the statement of comprehensive income is shown below:

	2011 US$'000	2010 US$'000
Equity-settled option	38	(937)
USR	(67)	1,562
Total	**(29)**	**625**

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Notes to the financial statements (continued)

27 Share option scheme (continued)

The following table illustrates the number (“No.”) and weighted average exercise prices (“WAEP”) of, and movements in, share options during the years ended 31 December 2011 and 31 December 2010.

	2011 No.	2011 WAEP	2010 No.	2010 WAEP
Outstanding at 1 January	11,451,932	23.45p	11,451,932	23.45p
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	**11,451,932**	**23.45p**	**11,451,932**	**23.45p**
Exercisable at 31 December	**11,451,932**	**23.45p**	**10,901,930**	**23.45p**

Outstanding options include 6,800,000, 3,500,000 and 500,000 equity-settled options granted on 6 October 2006, 13 March 2008, and 6 February 2009 respectively to certain directors and employees of the Company and 651,932 equity-settled options granted on 21 December 2006 to Seymour Pierce Ltd, the Company’s former nominated adviser. The Group did not enter into any share-based transaction with parties other than employees during the years ended 31 December 2011, 2010, 2009, 2008 and 2007, except as described above.

On 16 October 2009, 4,847,099 of USR were granted to certain directors, executives and key employees under the Company’s joint share ownership scheme ("JSOS"). 50 per cent of USR will vest 12 months from the date of grant and 50 per cent of USR will vest 24 months from the date of grant. The exercise price of the USR granted is 15.50 pence compounded at 3.5 per cent per annum over the year from the grant date to the exercise date of USR. The fair value of the USRs is estimated at the end of each reporting period using the Black-Scholes option pricing model. The contractual life of each USR granted is 10 years.

The following table lists the inputs to the model used to calculate the fair value of USRs for the year.

	2011	2010
Weighted average share price (pence)	35	41.0
Exercise price (pence)	15.5	15.5
Expected life of option (years)	2	2
Expected volatility (%)	46.19	36.76
Expected dividend growth rate (%)	-	-
Risk-free interest rate (%)	2.25	4.5

The volatility assumption, measured at the standard deviation of expected share price returns, was based on a statistical analysis of the Company’s daily share prices from 1 January 2009 to 30 December 2011 using source data from Bloomberg.

The carrying amount of the liability relating to the USR as at 31 December 2011 is US$1,494,935 and the expense recognised as share-based payments during the year is (US$67,226).

Origo Partners Plc

Notes to the financial statements (continued)

28 Related party transactions

Identification of related parties

The Group has a related party relationship with its subsidiaries, joint ventures, 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's report. Other than as disclosed above, in the Directors' report and in note 5, there were no other significant transactions with key management personnel in the year.

Trading transactions

The following table provides the total amount of significant transactions and outstanding balances which have been entered into with related parties during the years ended 31 December 2011 and 31 December 2010.

	2011 US$'000	2010 US$'000
Amounts due from/(to) related parties*		
ChinaEquity International Holding Company Ltd**	-	(2,545)
Origo Advisers Ltd***	(13,204)	(459)
GLG Partners LP****	144	77
Chris Andre Rynning *****	5	301
Sales to related parties		
GLG Partners LP****	748	2,063
Performance incentive		
Origo Advisers Ltd***	13,357	462
Purchases from related parties		
Li Yi Fei******	383	470
GLG Partners LP****	21,649	-
Transactions with personnel		
Luke Leslie*******	45	-

* The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. In the opinion of the Directors, the Company will demand the amounts within 12 months from the reporting date. Accordingly, the amounts are shown as current.

** Mr. Wang Chao Yong is the Executive Chairman of Origo Partners Plc and Chairman of ChinaEquity International Holding Company Ltd.

*** Origo Advisers Ltd is controlled by entities whose ultimate beneficiaries include two Directors of the Company (Mr. Rynning and Mr. Ponnert).

Origo Partners Plc

Notes to the financial statements (continued)

28 Related party transactions (continued)

Trading transactions (continued)

**** Funds managed by GLG Partners LP controlled 9.4 per cent of the outstanding share capital of the Company as at 31 December 2011.

The Company provides research and analysis services to GLG Partners LP with respect to GLG's business prospects in China during the period from 1 June 2011 to 31 Oct 2011. The service fee is US$143,750 payable as at 31 December 2011. The amount of sales relates to research services provided under a consultancy agreement for a period of three years since 2008. The research fee is US$747,731 payable as at 31 December 2011.

The amount of purchase transaction is the consideration of $21.6 million paid for the acquisition of 16.2 per cent equity stake in Celadon Mining Ltd.

***** Chris Andre Rynning is a director of the Company.

****** Ms. Li Yi Fei is the spouse of Mr. Wang Chao Yong, the Executive Chairman of the Company. Ms. Li Yi Fei provided research and analysis services to the Company in relation to the consultancy agreement with GLG.

******* Luke Leslie is a director of CCF which is one of subsidiaries of the Group. The amount is the performance incentive according to the advisory agreement between CCF and the Group.

29 Capital management

The primary objectives of the Group's capital management are 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 shareholders' 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 years ended 31 December 2011 and 31 December 2010.

Origo Partners Plc

Notes to the financial statements (continued)

29 Capital management (continued)

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

	2011 US$'000	2010 US$'000
Current liabilities	11,122	5,234
Less: Cash and bank balances	(56,855)	(33,411)
Net debt	**(45,733)**	**(28,177)**
Convertible zero dividend preference shares	56,595	-
Equity attributable to equity holders of the parent	251,234	196,885
Capital	**307,829**	**196,885**
Capital and net debt	**262,096**	**168,708**
Gearing ratio	**(17%)**	**(17%)**

30 Commitments and contingencies

- In April 2010, the Company entered into an irrevocable Standby Letter of Credit ("L/C") with Standard Chartered Bank (Hong Kong) Ltd for an aggregate amount up to US$3 million, which was increased to US$3.5 million in June 2011, to secure the credit facilities granted by ABSA Bank Ltd to IRCA Holdings Ltd. The L/C will expire on 30 June 2012.

- In May 2011, the Company entered into a guarantee agreement maturing in April 2013 with IRCA Holdings Ltd and Mr. Malcolm Stephen Paul to guarantee the repayment of loans of up to US$500,000 extended by Mr. Malcolm Stephen Paul to IRCA Holdings Ltd.

There were no other contracted commitments or contingent assets or liabilities at 31 December 2011 (31 December 2010: none) that have not been disclosed in the consolidated financial statements.

31 Events after the reporting period

- In January 2012, the Company disbursed a further US$5 million to China Rice Ltd under a convertible credit facility.

- In February 2012, the Company announced the grant of 13,600,000 options and 1,170,000 shares to the benefit of certain directors and employees. The options granted primarily have a strike price of 31 pence and will vest in one instalment on the fourth anniversary of the date of the grant. The shares awarded will initially be held by the Company's Employee Benefit Trust and will then vest in one tranche on the first anniversary of the grant.

- In February and March 2012, the Company acquired ordinary shares in two Hong Kong listed Chinese companies, 5,000,000 ordinary shares in Hilong Holding Ltd ("Hilong"), a Chinese integrated oilfield equipment and service provider, representing 0.3 per cent of the issued share capital of Hilong, for a consideration of US$1.1 million; 5,300,000 ordinary shares in SPT Energy Group Inc. ("SPT Energy"), a Chinese integrated high-end onshore drilling services providers, representing 0.4 per cent of the issued share capital of SPT Energy, for a consideration of US$1 million.

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