ORIGO PARTNERS PLC

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

Origo Partners PLC

PRIVATE EQUITY
INVESTORS IN CHINA

Directors

Wang Chao Yong, Executive Chairman
Chris Rynning, Chief Executive Officer
Niklas Ponnert, Chief Financial Officer
Shonaid Jemmett-Page, Non Executive Director and Vice Chairman
Christopher Jemmett, Non Executive Director
Lionel de Saint-Exupery, Non Executive Director
Tom Preststulen, 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
33 St James's Square
London, SW1Y 4JS

Joint Broker

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Ropemaker Place, Level 12
25 Ropemaker Street
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Joint Broker

Investec Bank plc
2 Gresham Street
London, EC2V 7QP

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Highlights

Chinese cleantech investments delivered strong performance, benefitting from increased demand and a supportive economic and political environment

Declines in commodity prices and political uncertainty in Mongolia significantly impacted the value of commodities investments despite generally good operational progress at portfolio companies

Appointment of three new Independent Non-Executive Directors, resulting in significantly improved corporate governance

Improved environmental and risk management processes developed to reflect Origo's growing focus on these issues

Net asset value: declined by 29 per cent to US$171.5 million (2011: US$240.6 million) reflecting the 32 per cent decline in the value of our commodities investments

Assets under management fell by 20 per cent to US$287.1 million (2011: US$358.1 million)

Loss after tax of US$69.0 million (2011: profit after tax of US$2.2 million) reflecting unrealised losses on investments

Total investments of US$21.3 million (2011: US$83.6 million)

Cash position of US$25.1 million as at 31st December 2012 (2011: US$56.9 million)

Chairman's Statement

Despite a year of continuing global economic uncertainty, which significantly impacted the value of our commodities investments, Origo has made encouraging progress in key areas. Our portfolio of Chinese cleantech investments has performed well and we continue to develop our team and internal structures to meet global best practice and ensure we are able to capture the China based investment opportunities we identify.

Anaemic growth in the US and the recessionary environment in Europe has impacted emerging markets and resulted in capital markets remaining closed during 2012. As a result, we have not completed any major divestments or achieved targeted liquidity events during the year. Whilst this is extremely frustrating, we remain focused on achieving realisations at valuations which are in shareholders' interests.

Political background in China

Political change in China during the year caused additional uncertainty, however, the ascent of the newly appointed President Xi Jinping and Premier Li Keqiang has significantly offset these concerns.

The new leadership has wasted no time in launching comprehensive reform measures to tackle corruption, address major public health and environmental issues, reduce bureaucracy and liberalise the Chinese currency. As a result of growing public anger and the change of political leadership, we sense that for the first time there is real momentum behind a drive to tackle the most pressing environmental and public health issues facing the country.

Already the world's largest investor in renewable energy, China has a raft of game changing objectives in place as part of its 12th Five Year Plan - including a headline target to reduce carbon emissions by 40 per cent on 2005 levels by 2020. Laid out by the state council two years ago, the plan has been reiterated and expanded by the incoming Chinese leadership. New plans already announced include billions of dollars of investment in fresh water infrastructure projects, the tightening of emissions standards on new vehicles in Beijing and the introduction of a new corporate tax on pollution.

China will therefore continue to make significant investments in cleantech infrastructure, including air purification technologies, water technologies, electric vehicles and sustainable supplies of food. We expect new, more aggressive policies on environmental protection and compliance to be announced this year and beyond.

Developing Origo's key strengths

Since our first cleantech investment five years ago, we have built a strong position in the sector, with investments in strategically important areas such as water purification and desalination, recycling and waste to energy, battery technologies and organic farming. Our investment teams are now at the forefront of China's push for a cleaner and more sustainable future, having developed strong relationships with government institutions such as the central National Development and Reform Committee, the Ministry of Environment and various provincial authorities, universities and clean technology investors all over the country. These relationships will be vital to maintaining our strong position in the Chinese cleantech sector.

This depth of involvement is reflected in another of Origo's key strengths – we are one of a few international private equity firms with a strong presence in second and third tier cities in China. Our teams have meaningful experience of managing businesses outside of the more developed cities like Beijing and Shanghai. We have good relationships with the provincial governments in Qinghai and Henan, and manage portfolio companies in large, but lesser known cities such as Baotou, Qitaihe, Changchun, Caofeidian, Jinan and Xinxiang, all locations representing unknown challenges to international portfolio managers.

Our unique positioning combined with blue chip shareholder base, commitment to training and exposure to growth sectors give us a significant advantage in recruiting and retaining skilled staff. During 2012 we successfully recruited talented Chinese managers to work at Origo and our portfolio companies, as well as strengthening our private equity and transaction team by hiring several experienced Chinese professionals in Beijing. At the same time we have taken steps to reward loyal staff and provide incentives to new hires with Origo equity and retention schemes.

This unrivalled mixture of skills has enabled us to continue to deliver on our strategy to work closely with investee companies and to link China with the mature markets of the US and Europe. In particular, during the year we:

assisted portfolio companies with international expansion; promoted the adoption of US and European technology in China; and supported the deployment of leading Chinese intellectual property internationally.

Improved governance and management

During 2012 we further developed our commitment to making our own business processes more sustainable through the development of new Environmental, Social and Corporate Governance (ESG) standards across the business. The appointment of Shonaid Jemmett-Page to Origo's Board during the year allowed us to access new expertise and best practice in this area. In her former role as Chief Operating Officer of CDC Group plc, the UK Government's development finance institution, Mrs Jemmett-Page oversaw the implementation and development of ESG standards across their extensive emerging markets private equity portfolio.

As the head of Origo's Audit Committee, Mrs Jemmett-Page is also setting new best practice reporting standards for Origo and our portfolio companies, and we are continuously looking to improve and educate our staff in areas such as anti-corruption, anti-discrimination and sustainable practices. We have also developed a strong internal legal counsel role in the Group during the year, assisting both Origo and portfolio companies with compliance and other issues.

The Board was also strengthened through the addition of Lionel de Saint-Exupery and Tom Preststulen as Non-Executive Directors in May and August respectively. Lionel and Tom bring a wide range of experience to the Board covering Asian private equity, capital markets transactions and natural resources which is proving valuable both in the context of executing on our long-term growth strategy and capturing value in the short term.

Financial position and outlook

Despite the over-riding impact of the decline in the value of commodities investments, our portfolio of energy, cleantech and resource linked assets are well positioned to benefit from the long-term trends evident in China's economic expansion.

We ended the year with cash of US$25.1 million and no near-term maturities, following the extension of the maturity of our convertible zero dividend preference shares by 18 months. Confidence in Origo's position and prospects supported our decision to undertake a share buyback programme to try and address the continuing gap between the price of our shares and the underlying value of our assets. We stand ready to consider such programmes again in the future.

I would like to thank the management and all of the team at Origo for their hard work during the year and the creation of significant positive momentum in the business despite the uncertain economic environment.

I believe we are continuing to break new ground through our rare ability to bring together a growing pool of talented Chinese executives with the significant private equity expertise of the Board and our senior management. This combination will enable us to create significant shareholder value in the future.

Chao WS

Wang Chao Yong
Executive Chairman
20 June 2013

Chief Executive's Statement

Despite the decline in Net Asset Value recorded in 2012, I am optimistic about the prospects for Origo and am satisfied with the strong underlying performance of our cleantech, energy and resources investments.

This decline of some 29 per cent in NAV was to a considerable extent attributable to a fall in the value of our commodities investments, reflecting commodity price declines and political uncertainty in the year. Indeed, almost half of the total decrease in the value of our portfolio can be attributed to the 38 per cent reduction in the carrying value of our stake in Gobi Coal & Energy over the prior year. Whilst this is disappointing, it does compare favourably to the performance of similar listed resource stocks, reflecting the efforts of our team and the managers of our portfolio companies, the fundamental positioning of the portfolio and the high quality assets we have invested in.

Despite this, our Chinese cleantech investments performed well in 2012, benefitting from the continued strong performance of China's economy which, although weaker than in previous years, still saw GDP growth of 7.8 per cent.

China continues to develop rapidly, with the emergence of a new middle-class and a more consumer and service driven economy. The service sector has withstood the slowdown in growth much better than the industrial sector; however services only account currently for about 45 per cent of Chinese GDP and only 36 per cent of employment. Comparable levels in more developed economies are well above 70 per cent, indicating the long-term growth potential in China's service sector. The structural shift to services and continued urbanization will provide a more resilient economy while boosting growth in key sectors for Origo such as cleantech, food and energy.

Against this complex background our main focus during the year was on supporting our portfolio companies, and identifying value accretive realisation opportunities. We have never spent more time with our portfolio companies, helping them hire better personnel, structuring their business, improving their accounting processes and developing their sales activities. By working alongside our portfolio companies we are able to both add value and gain a unique insight into the companies' challenges and opportunities. We therefore have a high level of confidence in the fair value of the portfolio over and beyond that which can be gained from a more passive approach. Whilst market conditions prevented us from making any significant realisations during the year, this naturally remains a key focus for us.

Cleantech investments

Our well diversified cleantech portfolio performed strongly, delivering a 21 per cent increase in value during 2012. Well publicised issues in China have created an environment conducive to cleantech and sustainable investments alike. In practice, this means that our cleantech portfolio has seen strong sales growth and increased interest from international investors. I expect the cleantech portfolio to continue to perform well, and we are experiencing an unprecedented deal flow of attractive cleantech investment opportunities.

Origo's cleantech investments are not dependent on existing or continuing government subsidies going forward. We only consider investments in cleantech solutions and infrastructure that we believe can profitably deliver energy efficiencies and cost reductions without subsidies. This remains a fundamental point of differentiation across our portfolio of investments.

For example, we are working very closely with our portfolio company Unipower Battery Ltd ("Unipower") to progress their sales and general business in China. Unipower, a leading player in the Chinese battery materials and related solutions, has taken an early lead in developing battery applications for new markets such as telecommunications, mining and renewable energy storage. As a result, Unipower has achieved a strong upturn in sales revenue in 2012 and we have therefore recognised an almost 40 per cent increase in Unipower's carrying value.

Our Chinese waste to energy business Niutech Energy Ltd ("Niutech") has also made major progress in the year with the successful construction of a 10,000 MT per annum pyrolysis facility in the city of Dresden in Germany. While Niutech has already successfully sold and commissioned a number of facilities in Asia, the German operation extends the company's business model into plant operation and provides an excellent entry point into the European market. Reflecting the operational progress achieved since the time of our investment, we have increased the carrying value of our 21.1 per cent stake by 93 per cent to US$12.2 million (2011: US$6.4 million).

In order to capture further investments in this space we continue to raise funds for our China Cleantech Fund. Whilst marketing of this fund has been impacted by the uncertainties affecting capital markets, we are making good progress and are hopeful of proceeding to first closing during the course of 2013. Whilst, our track record in cleantech is still emerging, I am confident that we are developing a leading position in the sector in China.

Commodity investments

Origo has continued to broaden its exposure to sustainable and responsible investments in 2012, in particular in the area of soft commodities. China's continued food scares and strain on water resources highlight the need to establish sustainable sources of food and appropriate certification regimes.

We have consolidated our position in the most important staple food sector in China through our holding in China Rice Ltd ("China Rice"). China Rice, which process and distributes high quality rice, has performed well since the time of our investment, benefitting from changing consumer behaviour. As a result we have recognised a 43 per cent uplift in the carrying value of our equity holding compared to full year 2011.

In the area of organic food, R.M. Williams Agricultural Holdings Pty Ltd ("RMWAH"), already the largest organic chicken producer in Australia, has now started to export its products into Hong Kong as the entry point to the vast Chinese market. Despite this encouraging development, we have recognised a further reduction in the value of our stake in RMWAH reflecting uncertainties in respect of the company's financial position.

We have a number of investments in good quality assets in Mongolia which are well placed to supply China's growing demand for industrial commodities. Having been present in Mongolia since 2009, we started to reduce our exposure there in 2012 as political uncertainty in the country escalated. We have therefore both substantially reduced our staff in Mongolia, reallocated resources and reduced the carrying value of a number of investments. This conservative approach to the valuation of our mining commodities investments is reflected in a 29 per cent reduction in their NAV.

Following a campaign by international investors, including Origo, the Mongolian Government has now signalled that it will withdraw or amend legislation to remove some of the most damaging restrictions on foreign investment. Whilst the final position remains unclear, we are cautiously optimistic that these events will lead to the creation of stable long-lasting relationship between foreign invested companies, the Government and people of Mongolia.

Although prices for many commodities have fallen in 2012, our faith in the long-term demand for key commodities such as coking coal and copper remains intact, and hence also the view that our assets in Mongolia are of strategic value. The upcoming Mongolian Presidential election in June 2013 is an important milestone and a key determinant of our future investment decisions in the country. We are actively looking to realise our positions in Mongolia if meaningful opportunities arise.

Risk management

In an environment of heightened media and investor focus on China-specific risks and economic weakness, capital markets have remained closed and inaccessible for smaller private Chinese businesses. The market's negative assessment of the risks of doing business with Chinese companies provides Origo with a significant opportunity.

Our strong focus on corporate governance at a Group and portfolio level as well as our close management of portfolio companies has served us well, and we believe positions us amongst the "best in class" for managing risk in China. At the core of our approach is sector expertise as well as very significant China-specific risk management practices which we have built up over many years of operating in the country.

We do not subscribe to a generalist approach as a direct investor, nor do we think diversification alone is the best way to manage risk in what we do. We strongly believe that we must work alongside the executives of our portfolio companies, adding management expertise as well as controlling financial exposure on a day to day basis.

Environmental, social and governance (ESG) Policy

It is clear to us that ESG issues can have a material impact on our financial performance and on the lives of the communities in which we and our portfolio companies operate. We have therefore developed an ESG policy which reflects the diverse activities of our investee companies and is in line with a range of international codes and standards, including the United Nations Principles for Responsible Investment. Whilst I believe we have always followed a responsible approach to investing, our ESG policy codifies processes we have used in the past and commits us to complying with relevant national and international rules governing areas such as: the protection of human rights; occupational health and safety standards; labour relations; environmental protection; and ethical business practices. Whilst we are cognizant of the standards of the People's Republic of China, where a majority of our activities take place, we are also committed to moving towards best practice in all of the territories where we operate.

Origo is committed to formally assessing ESG risks and opportunities prior to making new investments, while also managing such risks at existing portfolio companies on an ongoing basis. Senior managers will be responsible for managing ESG risks and for establishing and regularly reviewing ESG policies and practices at each portfolio company. This process will be led by Origo's Head of Sustainability who will report directly to the CEO and the Board. Where possible, and relevant, we will disclose ESG matters for public review.

Origo is committed to continuously improving our ESG policy and we will engage on this matter with our shareholders, Limited Partners and other stakeholders to ensure that our initiatives in these areas are consistent with best practice.

In addition, the Company has recently adopted a new Diversity Charter to ensure that we promote pluralism and diversity through our recruitment and career development processes. We believe that the diversity of our workforce is already a key strength for Origo. However, there are a number of significant potential benefits from advancing this process, such as: further improving business performance; contributing to a fairer society; and improving the way in which we and our portfolio companies are viewed by stakeholders in China and overseas.

Portfolio review

Unipower Battery

Unipower is based in Xinxiang City in Henan Province, a third tier Chinese City, and serves the public infrastructure and transportation sector in China, alongside new opportunities in renewable storage infrastructure. Unipower, in which Origo is a 16.5 per cent shareholder, achieved a significant upturn in sales revenue in 2012 as a result of firmly establishing itself among the leading domestic suppliers of polymer lithium-ion batteries to China's municipal transportation segment.

Origo successfully placed a new CEO, Plant General Manager and Vice President of Sales with Unipower in 2012, while also maintaining our role as a provider of accounting supervision. We maintain two board positions with the company, and have several Origo employees in Xinxiang City on a semi weekly basis working alongside Unipower's management. I am also pleased to say that Unipower's sales and marketing team has moved into Origo's offices in Beijing, allowing us to cooperate and exchange ideas on a level that very few private equity investors can do in China.

In 2012, Unipower and Origo worked closely with the Chinese Government to develop what we believe will become a standard battery swapping model for operating bus and taxi fleets in the country. In 2012, Origo's partner in Henan Province, the Xinxiang Municipal Government, launched a battery swapping operation supporting some 200 taxis in the city of Xinxiang. As standards are set and government policies are supportive, we expect Unipower to significantly benefit from the development of the municipal transportation sector in China.

Niutech

Our plastics and tyre recycling business Niutech made major progress in the year with the successful construction of a 10,000 MT per annum pyrolysis facility in Germany. Reflecting the operational progress achieved since the time of our investment, we have increased the carrying value of our 21.1 per cent stake by 93 per cent to US$12.2 million (2011: US$6.4 million).

Having gained experience in waste to energy investments through our investment in Niutech, Origo has valuable expertise in a sub sector of particular interest in China.

We believe waste to energy will become an increasing source of energy in the future, both from the perspective of the enormous amounts of waste generated but also in the context of China's over dependence on coal.

China Rice

China Rice continues to grow and remains well positioned to take advantage of factors including a fragmented market ready for consolidation, repeated food scandals and growing consumer brand awareness. China Rice has recently secured significant new bank financing facilities which should help continue to boost growth. As a result of China Rice's good performance in 2012 we have increased the carrying value of our 32.1 per cent stake by 43 per cent to US$18.6 million (2011: US$13.0 million)

Kincora Copper Ltd ("Kincora")

Copper remains a key component in electrical wiring, water pipes lithium batteries and desalination equipment and as such is complementary to our cleantech assets. Although copper prices have fallen from their peaks, they remain at attractive levels given both ongoing supply constraints and continued demand in China. Kincora, in which we hold a 32.6 per cent stake, continued to deliver excellent drilling results which confirm the potential for a deep high grade copper deposit at its Bronze Fox project in Mongolia during the year.

Despite the difficult market environment in 2012 Kincora, with our support, successfully raised a total of CAD4.7 million to deliver on its drilling and business plan in 2013. That Kincora was able to raise funds at such a difficult point in the market is testament both to the management team and the potential of the asset. We continue to be deeply involved in the management of Kincora through Origo's technical and geological teams.

Celadon Mining Ltd ("Celadon")

Celadon made significant operational and strategic progress in 2012. The company's assets in the Chinese province of Heilongjiang are in good standing and we continue to believe the return from those assets will be very positive. As one of the largest institutional shareholders of Celadon, with a 9.7 per cent equity position, we also note the company made significant progress in developing its advanced Chang Tan West coal to liquid project in Inner Mongolia, where Celadon have a 23 per cent equity interest. The total resource at the project increased to 1.05 billion tonnes, and was also granted a further back-up resource which could contain an estimated, but yet to be verified, resource of an additional 1.8 billion tonnes. Celadon also received initial Government approvals for the establishment of a coal to olefins project, which we believe is a major breakthrough for the company.

Gobi Coal & Energy Ltd ("Gobi")

We continue to believe in the high quality nature of Gobi's three open cast coal development projects, which contain approximately 95 million and 322 million tonnes of JORC compliant reserves and resources respectively. However, as a result of political uncertainty in Mongolia, lower coking coal prices and the resulting uncertainty around the timing of a potential IPO we significantly reduced the carrying value of Gobi at the half year and we have made a further adjustment at year end. As a result we currently value our 14 per cent stake in Gobi at US$53.6 million compared to US$87.1 million at the end of 2011.

RMWAH

Over the last year, we have spent considerable time working with RMWAH to address the underperformance of the business. As a result of initiatives led by Origo, RMWAH has made progress in revamping its board and management, optimizing its asset base and raising part of the capital required to deliver on a profitable business strategy.

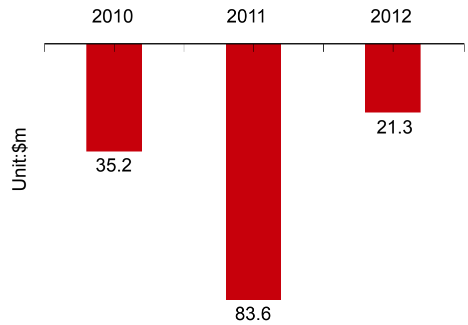
Unfortunately, while the business is showing promising signs of delivering a turn-around at an operational level, significant uncertainty prevails as to the timing and success of a required refinancing. Reflecting this position, the Directors have taken the prudent decision to change the valuation approach applied to the holding from a sum-of-parts methodology, to Origo's entitlement to the estimated net tangible assets of the company, resulting in a write-down of the investment to US$4.5 million. Discussions are ongoing with a number of interested parties, however the outcome of such discussions remain highly uncertain, and the failure of arriving at a satisfactory solution in a timely manner could result in a further loss in value in the near-term.

Investments

In 2012, the Group's total investments amounted to

US$21.3 million compared to US$83.6 million in 2011 reflecting our conservative approach in current markets. Investments comprised US$15.3 million in existing portfolio companies, US$2.8 million in funds and investment vehicles advised and co-managed by the Group and US$3.2 million in new portfolio companies.

Investment activities



The following investments are the primary investments made in 2012:

In July, we participated in a private placement offering in Kincora subscribing for up to CAD2.5 million of a three year convertible note (the "Convertible Note"). The Convertible Note is due and payable three years from the date of issuance, and has a 8.7 per cent per annum interest rate, calculated and paid annually by the issuance of Kincora common shares; these being priced at the time of issuance in accordance with the policies of the TSX Venture Exchange.

In September, US$2.5 million was advanced to China Cleantech Partners, L.P. ("CCP") which completed our initial commitment to the fund.

In November, we participated in another private placement by Kincora subscribing for up to CAD2.0 million of common shares and common share warrants exercisable at a price of CAD0.19 per warrant for up to three years.

Divestments

In October, we embarked on a three month share buyback programme to repurchase shares valued at US$1.5 million. As at 31 December 2012, we concluded the buyback programme having repurchased ordinary shares valued at approximately US$700,000. Purchased shares have been cancelled and do not carry voting or dividend distribution rights.

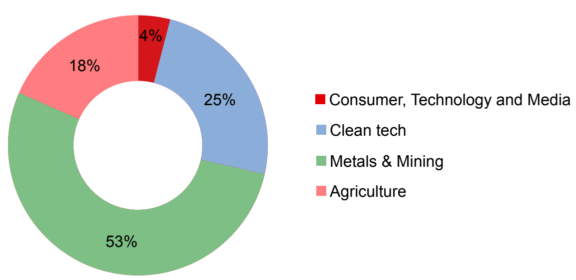
During November and December, we sold our interests in two Hong Kong listed Chinese companies, Hilong Holding Ltd (an integrated oilfield equipment and service provider and SPT Energy Group Inc. (an integrated high-end onshore drilling services provider). Realised profits from the sale of the two companies amounted to US$1.8 million representing a 1.9x cash on cash return relative to the cost of the investment and an IRR of 104 per cent.

Portfolio summary

At the end of 2012 the carrying value our portfolio, which comprises 24 companies, decreased to US$209 million from US$260 million as at the end of 2011. The decrease principally reflects the downward adjustment in the carrying value of certain of our largest mining and commodity related investee companies.

As a result of our cautious approach to realisations and investments, coupled with the revaluation of a number of holdings, the composition of our portfolio has not significantly changed compared to the previous year. The metals and mining sector accounted for 53 per cent in 2012 compared to 57 per cent in 2011, predominately due to the downward revaluations made to a number of our assets. Elsewhere, the portion of our portfolio invested in agriculture decreased to 18 per cent from 24 per cent, while our exposure to cleantech rose from 15 per cent to 25 per cent. The consumer, technology and media portion of our portfolio was at 4 per cent in 2012 which is unchanged from 2011.

Portfolio at fair value – by sector

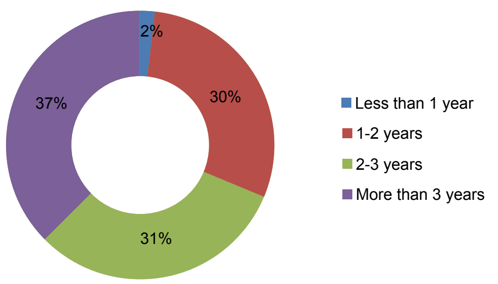


Reflecting the Group's strategy of investing in privately held companies, 94 per cent of the portfolio (in terms of fair value) at the end of the year was invested in unquoted portfolio companies.

The Company's direct holdings in listed companies included stakes in HaloSource Inc. (LSE: HAL), Kincora Copper Limited (TSXV: KCC) and Voyager Resources Ltd (ASX: VOR). The Group also has indirect interests in quoted stocks through its investments in two funds managed by the Group - the Mongolian Stock Exchange Liquidity ("MSE") Fund and China Commodities Absolute Return Ltd ("CCF").

The weighted average holding period for portfolio companies is 2.5 years, unchanged from 2011. 63 per cent of the Portfolio (primarily comprising of our natural resources investments) has been held for less than 3 years.

Portfolio at fair value – by holding period



Assets under management

The Group defines its assets under management 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 equalled US$287.1 million.

Total assets of the Group equalled US$242.1 million compared to US$323.1 million in the previous year. Aggregate commitments to funds managed by the Group amounted to US$45 million (2011: US$35 million).

Our MSE Fund consistently reported positive monthly returns, reporting a positive return of 15.9 per cent since inception and outperforming its peers in 2012. The MSE Fund has participated in two private placements that are being listed on the Mongolian Stock Exchange at highly compelling valuation entry points which may see a re-rating once listed. The Fund's performance was positively impacted by the stability of the Mongolian Tugrik, a US$1.5 billion sovereign bond that was completed in November 2012 by the Mongolian government, and full implementation of London Stock Exchange Millennium IT software trading system which is now finally in place.

China Cleantech Partners, L.P. ("CCP"), our US$200 million private equity fund, is progressing towards first closing which is expected during 2013.

Our long/short mining fund, China Commodities Absolute Return Ltd ("CCF"), continued to source and capitalise on opportunities through taking long and short positions mainly in publicly traded equities. Currently, CCF is predominantly invested in companies with Mongolia based assets (c.60 per cent of portfolio).

Profit and Loss

Total administrative expenses, excluding the provision of performance incentives, reached US$9.5 million compared to US$6.1 million in 2011, which is due primarily to the one-off bad debt provision for US$1.5 million of other receivables from IRCA Holdings Ltd.

The Group recorded a loss before tax of US$67.8 million, compared to a profit before tax of US$2.9 million in the previous year. The decrease is primarily due to unrealised losses of US$64.9 million on investments compared to unrealised gains of US$27.4 million on investments in 2011.

Balance Sheet

At the end of 2012, the Group had total cash and cash equivalents of US$25.1 million (2011: US$56.9 million). Investments and repayment of short-term borrowings during the year was the primary reason for the decrease in our cash position.

Net asset value decreased from US$240.6 million in 2011 to US$171.5 million in 2012 representing a net asset value per share of US$ 0.49 a 29 per cent decrease from US$ 0.68 per share in 2011.

Outlook

We have three key priorities in the year ahead. First, we will carefully manage our cash position whilst assisting our portfolio companies with operational and financing issues where required. Maintaining close relationships with the founders and entrepreneurs behind our portfolio companies is a key element of our strategy and central to our ability to deliver value for Origo shareholders.

Second, we will look for the right time to exit investments in a way which creates maximum value for shareholders. However, whilst delivering exits is important, we believe that the long-term interests of shareholders will be best served by not selling assets at the wrong point in the economic cycle.

Third, we will utilise our financial strength to capture investment opportunities which we believe have the potential to create value, with the cleantech sector an area of particular focus. Our cleantech fund, China Cleantech Partners, has already received significant commitments and we have never had a stronger pipeline of new investment opportunities in the sector and we expect this trend to accelerate throughout 2013 and 2014.

Finally, we have identified Myanmar as a potentially interesting jurisdiction for future investments given its location close to China and the currently low investment costs. We have yet to make any significant investment in Myanmar, however, we will continue to assess the potential to develop our presence in the country through low cost approaches, such as the recent joint venture agreement we signed with Serge Pun & Associates.

Chris Andre Rynning
Chief Executive Officer
20 June 2013

Portfolio Overview*

	Gobi Coal & Energy Ltd	China Rice Ltd	Celadon Mining Ltd
Abbreviation	Gobi	China Rice	Celadon
Market	Mongolia	China	China
Industry Sector	Metals & Mining	Agriculture	Metals & Mining
Segment	Coal	Processing	Coal
Date of Investment	2009-11-24	2010-12-17	2011-3-29
Cost of Investment (US$m)	14.96	28.00	13.07
Instrument	Common Stock	Preferred Stock & Loan	Common Stock
Equity Interest	14.0%	32.1%	9.7%
Fair Value (US$m)	53.58	33.88	24.71
% of Net Assets	31.2%	19.8%	14.4%
Basis of Valuation	DCF	Multiples	DCF
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.	China Rice, and its subsidiaries 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.	Celadon is a China-focused coal mining and development company. Through its Chinese subsidiaries, Celadon owns three coal mines and a substantial exploration area (39km^2) in the eastern sector of the Qitaihe coal-bearing basin in Heilongjiang Province, northeast China and also owns Chang Tan West which has total reserves and resources of approximately 600 million tonnes in Inner Mongolia Province, northwest China.

	Unipower Battery Ltd	Niutech Energy Ltd	Moly World Ltd
Abbreviation	Unipower	Niutech	Moly World
Market	China	China/ROW	Mongolia
Industry Sector	Cleantech	Cleantech	Metals & Mining
Segment	Electrical Storage	Recycling/Waste to energy	Molybdenum & Tungsten
Date of Investment	2010-9-3	2010-6-22	2011-6-2
Cost of Investment (US$m)	13.30	6.35	10.00
Instrument	Preferred Stock & Loan	Preferred Stock	Common Stock
Equity Interest	16.5%	21.1%	20.0%
Fair Value (US$m)	17.97	12.25	10.00
% of Net Assets	10.5%	7.1%	5.8%
Basis of Valuation	Multiples	Multiples	DCF
Business Description	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.	Niutech is a provider and operator of waste plastic and scrap-tire 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.	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.

* Top 9 portfolio companies

	IRCA Holdings Ltd	Kincora Copper Ltd	R.M. Williams Agricultural Holdings Pty Ltd
Abbreviation	IRCA	Kincora Copper Ltd	RMWAH
Market	Africa/China/India	Mongolia	Australia
Industry Sector	Metals & Mining	Metals & Mining	Agriculture
Segment	Mining services	Copper-gold & gold	Soft-commodities
Date of Investment	2007-11-20	2011-7-31	2008-9-2
Cost of Investment (US$m)	24.95	9.29	23.09
Instrument	Common Stock & Loan	Common Stock	Common Stock & Loan
Equity Interest	49.1%	32.6%	17.0%
Fair Value (US$m)	9.41	8.00	4.49
% of Net Assets	5.5%	4.7%	2.6%
Basis of Valuation	Multiples	Adjusted market price	Net tangible asset
Business Description	IRCA provides safety, health, environment, and quality and risk management ("SHERQ") solutions, focused particularly on the mining, transport and energy sectors.	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.	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.

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 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 $20 million to any single investee company at the time of investment. For early-stage opportunities, initial commitments may be less than $1 million. While Origo does not have any set of gearing policy 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.

ESG and Sustainability Statement

Origo takes a responsible approach to business and we believe we can achieve our financial goals while making a positive contribution to the communities in which we and our portfolio companies operate through a commitment to social and environmental responsibility. Our increasing activity in the renewable and cleantech sectors reflects this position. 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.

We recognize the importance of retaining our reputation as a responsible investor, both with potential investee companies and government authorities in order to ensure continued access to investment opportunities and create long-term shareholder value. 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.

To this end, in 2012 we developed an Environment, Social and Governance policy to apply across our business. It reflects the diverse activities of our investee companies and is in line with international codes and standards, including the United Nations Principles for Responsible Investment. This policy codifies processes we have used in the past governing areas such as: the protection of human rights; occupational health and safety standards; labour relations; environmental protection; and ethical business practice. We will engage with our shareholders, Limited Partners and other stakeholders to ensure that our initiatives in these areas are consistent with best practice.

Origo is also looking continuously to improve and educates employees about responsible business practice in areas including anti-corruption, anti-discrimination and sustainability. We have adopted a new Diversity Charter which demonstrates a commitment to cultural, ethnic and social diversity within our organization. The charter ensures that we raise awareness of non-discrimination and diversity issues amongst our employees and promote pluralism and diversity through our recruitment and career development processes.

Furthermore, we have strengthened our Board expertise in this area through the appointment of Shonaid Jemmett-Page in 2012. In her former role as Chief Operating Officer of CDC Group plc, the UK Government's development finance institution, Mrs Jemmett-Page oversaw the implementation and development of ESG standards across CDC's extensive emerging markets private equity portfolio.

Together, these activities underline our commitment to implementing sustainable and responsible business practices across our business.

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 December 2012.

Results and dividends

The result of the Group for the period is set out on page 18 and shows a loss for the year of US$69,033,000 (2011: profit of US$2,155,000). The limited trading history of the Group neither justifies nor allows the payment of a dividend. The Directors are therefore not able to recommend the payment of a dividend (2011: US$nil). The retained loss of the year of US$69,033,000 (2011: profit of US$2,155,000) 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 2012

	Options	Ordinary shares	Shares in subsidiaries
Mr. Wang Chao Yong	4,000,000	3,987,575*	-
Mr. Chris Rynning	3,500,000	14,570,040**	12,500,001**
Mr. Niklas Ponnert	5,300,000	2,691,009***	1***
Mr. Christopher Jemmett	100,000	300,000****	9,996,500****

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	-

* 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.

** 12,970,416 Shares are held through Amalie International Holdings Ltd and 1,599,624 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% 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 2.5% of CCF are held through Amalie International Holdings Ltd, which have been redeemed in April 2013.

*** 400,000 Shares are held in Niklas Ponnert's name, 691,385 Shares are held through Paracelsus Holdings Ltd, and 1,599,624 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% of CCF which is one of subsidiaries of the Group is held in Niklas Ponnert's name.

**** 250,000 Shares are beneficially owned by Mr. Jemmett's wife, Jessie Kathleen Jemmett.
9,996,500 Redemption shares without voting right accounted for 2% 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
20 June 2013

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 2012 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 30. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards issued by the Accounting Standards Board and adopted for use in the European Union.

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 2012 and of the group's loss for the year then ended; and

- have been properly prepared in accordance with International Financial Reporting Standards issued by the Accounting Standards Board and adopted for use in the European Union.

Ernst & Young LLC
Chartered Accountants
Isle of Man
20 June 2013

Origo Partners Plc

Consolidated statement of comprehensive income
For the year ended 31 December 2012

	Notes	2012 US$'000	2011 US$'000
Investment (loss)/income:	2		
Realised losses on disposal of investments		(294)	(932)
Unrealised (losses)/gains on investments		(64,919)	27,430
Share of loss of an associate		-	(92)
Share of loss of jointly controlled entity		(13)	(34)
Income/(loss) from loans		2,227	(943)
Dividends		58	-
		(62,941)	**25,429**
Fund Consulting fee		72	-
Consulting services (payable)/receivable	3	(417)	244
Other income		67	25
Performance fee			
- Performance fee receivable from external funds		-	120
- Performance incentive	4	8,311	(13,357)
Share-based payments	26	559	29
Other administrative expenses	5	(9,527)	(6,098)
Net (loss)/profit before finance costs and taxation		**(63,876)**	**6,392**
Foreign exchange gains/(losses)		1	(182)
Finance income and costs	9	(3,895)	(3,280)
(Loss)/profit before tax		**(67,770)**	**2,930**
Income tax	10	(1,263)	(775)
(Loss)/profit after tax		**(69,033)**	**2,155**
Other comprehensive income			
Exchange differences on translating foreign operations		50	42
Other comprehensive income for the period		50	42
Tax on other comprehensive income		-	-
Other comprehensive income net of tax		50	42
Total comprehensive (loss)/income after tax		(68,983)	2,197
(Loss)/profit after tax			
Attributable to:			
- Owners of the parent		(68,249)	2,502
- Non-controlling interests		(784)	(347)
		(69,033)	**2,155**
Total comprehensive (loss)/income			
Attributable to:			
- Owners of the parent		(68,199)	2,544
- Non-controlling interests		(784)	(347)
		(68,983)	**2,197**
Basic (loss)/earnings per share	11	**(19.54) cents**	**0.72 cents**
Diluted (loss)/earnings per share	11	**(19.54) cents**	**0.70 cents**

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

Origo Partners Plc

Consolidated statement of financial position
At 31 December 2012

Assets	Notes	2012 US$'000	2011 US$'000
Non-current assets			
Property, plant and equipment	12	124	157
Intangible assets		11	12
Investments at fair value through profit or loss	14	164,587	219,196
Loans	16	7,199	12,720
Available-for-sale investments		-	29
Investment in jointly controlled entities	15	53	66
Derivative financial assets	17	927	6,990
		172,901	**239,170**
Current assets			
Inventories		-	1
Trade and other receivables	18	7,823	6,336
Loans due within one year	16	36,263	20,777
Cash and cash equivalents	19	25,064	56,855
		69,150	83,969
Total assets		**242,051**	**323,139**
Current liabilities			
Short-term borrowings	19	-	8,544
Trade and other payables	20	1,552	1,032
Performance incentive payable within one year	20	233	-
		1,785	9,576
Non-current liabilities			
Liability component of convertible zero dividend preference shares	22	60,877	56,595
Provision	21	5,080	14,852
Deferred income tax liability	10	2,809	1,546
		68,766	72,993
Net assets		**171,500**	**240,570**
Equity attributable to owners of the parent			
Issued capital	23	55	56
Share premium		150,379	151,023
Share-based payment reserve		6,109	5,528
Retained earnings		9,241	77,490
Translation reserve		(1,377)	(1,427)
Equity component of convertible zero dividend preference shares	22	7,462	7,462
Other reserve	24	(2,244)	(1,950)
		169,625	238,182
Non-controlling interests		1,875	2,388
Total equity		**171,500**	**240,570**
Total equity and liabilities		**242,051**	**323,139**

The consolidated 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
20 June 2013

Chris Andre Rynning
Chief Executive Officer
20 June 2013

Karl Niklas Ponnert
Chief Financial Officer
20 June 2013

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 2012

	Attributable to equity holders of the parent									
	Issued capital	**Share premium**	**Share-based payment reserve**	**Retained earnings**	**Equity component of CZDP**	**Other reserve**	**Translation reserve**	**Total**	**Non-controlling interests**	**Total equity**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
At 1 January 2011	**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 issue	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 shares acquired	-	-	-	-	-	(600)	-	(600)	-	(600)
Unrealised 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**
Loss for the year	-	-	-	(68,249)	-	-	-	(68,249)	(784)	(69,033)
Other comprehensive income	-	-	-	-	-	-	50	50	-	50
Total comprehensive loss	-	-	-	(68,249)	-	-	50	(68,199)	(784)	(68,983)
Own shares acquired	(1)	(644)	-	-	-	(418)	-	(1,063)	-	(1,063)
Unrealised losses reversed	-	-	-	-	-	124	-	124	-	124
Share-based payment expense	-	-	581	-	-	-	-	581	-	581
Minority interests	-	-	-	-	-	-	-	-	271	271
At 31 December 2012	**55**	**150,379**	**6,109**	**9,241**	**7,462**	**(2,244)**	**(1,377)**	**169,625**	**1,875**	**171,500**

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 2012

	Notes	2012 US$'000	2011 US$'000
(Loss)/profit before tax		**(67,770)**	**2,930**
Adjustments for:			
Depreciation and amortisation	5	50	38
Performance incentive	4	(8,311)	13,357
Share-based payments	26	(559)	(29)
Provision for bad debts	5	1,491	-
Realised losses on disposal of investments	2	294	932
Unrealised losses/(gains) on investments at FVTPL*	2	58,946	(32,223)
Unrealised (gains)/losses on loans	2	(90)	8,240
Fair value losses/(gains) on derivative financial assets	2	6,063	(3,447)
Share of loss of an associate	2	-	92
Share of loss of jointly controlled entity	2	13	34
(Income)/loss from loans	2	(2,227)	943
Foreign exchange (gains)/losses		(1)	181
Interest expenses of convertible zero dividend preference shares	22	4,282	3,264
Purchases of investments at FVTPL		(11,249)	(61,405)
Purchases of loans		(10,055)	(22,185)
Proceeds from disposals of investments at FVTPL		6,661	14,066
Proceeds from repayment of loans		-	1,650
Proceeds from disposals of other investments		11	-
Operating loss before changes in working capital and provisions		**(22,451)**	**(73,562)**
Increase in trade and other receivables		(568)	(771)
Increase /(decrease) in trade and other payables		753	(368)
Decrease in inventories		1	51
Net cash outflow from operations		**(22,265)**	**(74,650)**
Investing activities			
Purchases of property, plant and equipment	12	(17)	(153)
Acquisition of subsidiary		-	(7,000)
Net cash acquired with subsidiary		-	8,705
Net cash (outflow)/inflow from investing activities		**(17)**	**1,552**
Financing activities			
Repayment of short-term borrowings	19	(8,544)	-
Short-term borrowings		-	8,500
Issue of convertible zero dividend preference shares		-	60,000
Transaction costs of issue of convertible zero dividend preference shares		-	(2,750)
Buyback ordinary shares		(706)	-
Transaction costs of buyback shares		(1)	-
Issue of ordinary shares		-	32,583
Transaction costs of issue of ordinary shares		-	(813)
Net cash (outflow)/inflow from financing activities		**(9,251)**	**97,520**
Net (decrease)/increase in cash and cash equivalents		**(31,533)**	**24,422**
Effect of exchange rate changes on cash and cash equivalents		(258)	(978)
Cash and cash equivalents at beginning of period		56,855	33,411
Cash and cash equivalents at end of period		**25,064**	**56,855**

* 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 2012 were authorised for issue in accordance with a resolution of the directors on 20 June 2013. 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 8.

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 adopted for use in the European Union and also to comply with relevant Isle of Man law.

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

(a) The financial information set out below, is based on the financial statements of the Company and its subsidiaries and associates for the year ended 31 December 2012.

(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.

The Company has changed the Statement of Comprehensive Income and the Statement of Cash Flow effective from 1 January 2012, to present the investment income or loss derived from the investment activities as “revenue”, and the investing activities as “operating activities” for the purpose of IAS 1, to better reflect the activities of the Company as a private equity company. The changes have no impact on the profit or loss for the period and net cash position at the end of period.

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 require 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:

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.3 Significant accounting judgements, estimates and assumptions (continued)

(a) 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 Valuation 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.

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

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

The Group has issued equity-settled share-based payments to certain directors and employees, and to its advisors for services provided in respect 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.

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

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2012.

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)

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 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 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, this will cease to apply when control is achieved.

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 in profit or loss. 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)

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% and 50% of the voting rights except where the entity has been classified as held for trading and measured at fair value through profit or loss according to 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) Jointly controlled entities

Interests in jointly controlled entities which are held for operating activity are accounted for in accordance with IAS 31 using the equity method of accounting. Interest in jointly controlled entities 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 IAS39, 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 in the statement comprehensive income as other comprehensive income.

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, upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with the risk management and investment strategies of the Group.

Recognition / Derecognition:

Regular acquisitions and disposals of investments are recognised on the trade 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. 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 Guideline. 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% to 30% (in steps of 5%) 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.

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)

• 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 statement of 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.

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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(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 6).

Origo Partners Plc

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 6).

(i) 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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(i) 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 or directly in equity except when a tax exemption has been granted.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(j) 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.

(k) Investment Income (Loss)

Investment income (loss) derived from the investment activities is equivalent to "revenue" for the purposes of IAS1. Investment income (loss) is analysed into the following components:

- Realised gains (losses) 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 carrying value at the start of the accounting period.

- Unrealised gains (losses) on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period.

- Share of profit (loss) of the associate and joint controlled entity are the Group's share of the net profit (loss) of the associate and joint controlled entity accounted for using the equity method as per its ownership interest in the associate and joint controlled entity.

- Income (Loss) from loans is recognised on a time proportion basis as it accrues by reference to the principal outstanding and the effective interest rate applicable.

- Dividends earned on equity investments are recognised when the shareholders' rights to receive payment have been established.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(l) 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.

(m) New and revised international financial reporting standards that are effective or early adopted in 2012 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 2012:

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 the entity’s continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after 1 July 2011. The Group does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(n) 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.

	Effective for period beginning on or after
IFRS 7 Amendment to offsetting financial assets and liabilities	1 January 2013
IFRS 10 Consolidated financial statements	1 January 2014
IFRS 11 Joint arrangements	1 January 2014
IFRS 12 Disclosure of interest in other entities	1 January 2014
IFRS 13 Fair value measurement	1 January 2013
IAS 19 Amendment to employee benefits	1 January 2013
IAS 27 Amendment to separate financial statements	1 January 2014
IAS 28 Amendment to Investments in associates and joint ventures	1 January 2014
IAS 32 Amendment to offsetting financial assets and financial liabilities	1 January 2014

With the exception of IFRS 10, 11, 12, 13 and IAS 27 and 28 the Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application and have decided not to adopt early.

The initial application of IFRS 10, 11, 12, 13 and IAS 27 and 28 could have a material effect on the financial statements of the Group. The key impact will be on the consolidation of portfolio investments and funds managed by Origo in the Group financial statements. The development of these standards and industry interpretation is being closely monitored including the recent issue of an Investment Entity which exempts qualifying entities from consolidation under IFRS 10.

Origo Partners Plc

Notes to the financial statements (continued)

2 Investment (loss)/income

	2012 US$'000	2011 US$'000
Realised losses on disposal of investments	(294)	(932)
- Investments at FVTPL	28	(919)
- Loans	(180)	-
- Available-for-sale investments	(142)	(3)
- Other investments	-	(10)
Unrealised (losses)/gains on investments	(64,919)	27,430
- Investments at FVTPL	(58,946)	32,223
- Loans	90	(8,240)
- Derivative financial assets	(6,063)	3,447
Share of loss of an associate	-	(92)
Share of loss of jointly controlled entity	(13)	(34)
Income/(loss) from loans	2,227	(943)
Dividends	58	-
Total	**(62,941)**	**25,429**

3 Consulting services (payable)/receivable

	2012 US$'000	2011 US$'000
Consulting Services receivable	311	1,291
Consulting Services payable	(728)	(1,047)
Total	**(417)**	**244**

4 Performance incentive

	2012 US$'000	2011 US$'000
Payable within one year	(333)	-
Provision for performance incentive payable over one year	8,644	(13,357)
Total	**8,311**	**(13,357)**

For the year ended 31 December 2012, performance incentive accruals of US$4,713K were approved by the board of directors of the Company (other than Chris Rynning and Niklas Ponnert) at the board meeting held on 20 June 2013.

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 the higher of a) 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; and b) 10 per cent of the accumulated gain (realised and unrealised) over the 10% hurdle on applicable companies in the Company's portfolio of Investments.

Origo Partners Plc

Notes to the financial statements (continued)

5 Other administrative expenses

	2012 US$'000	2011 US$'000
Employee expenses	(4,418)	(3,136)
Professional fees	(1,405)	(1,190)
Including:		
- Audit fees	(261)	(221)
Depreciation expenses	(50)	(38)
Provision for bad debts*	(1,491)	-
Others	(2,163)	(1,734)
Total	**(9,527)**	**(6,098)**

* Provision for bad debts of US$1.49 million of other receivables from IRCA Holdings Ltd. Provision has been recognised only on receivables where it is considered there is a greater than 50% risk of failure.

6 Information regarding directors and employees

	Year ended 31 December 2012	Year ended 31 December 2011
Average number of employees of the Group	**Number**	**Number**
Management*	2	2
Investment and transaction team	23	22
Finance and accounting	12	11
Administration and HR	9	9
Design and IT	2	2
Trading sales	1	1
Geologists	3	5
	52	52
The aggregate payroll costs of these employees were as follows:	**US$'000**	**US$'000**
Wages and salaries	4,196	2,998
Share-based payments	(559)	(29)
Social security costs	222	138
	3,859	3,107

* 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)

7 Directors' remuneration

	2012 US$'000	2011 US$'000
Directors' emoluments	1,444	939
Share-based payment expenses	(712)	(54)
	732	885

Directors' remuneration for the year 2012 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	2012 Number of options
Mr. Wang Chao Yong	150	-	(356)	(206)	4,000,000
Mr. Chris A Rynning	610	-	(178)	432	3,500,000
Mr. Niklas Ponnert	465	-	(178)	287	5,300,000
Mr. Christopher Jemmett	-	114	-	114	100,000
Mr. Lionel de Saint Exupery	-	41	-	41	-
Mr. Tom Preststulen	-	39	-	39	-
Ms. Shonaid Jemmett Page	-	25	-	25	-
	1,225	219	(712)	732	12,900,000

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

* 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.

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Notes to the financial statements (continued)

8 Operating segment information

Operating segments are components of the entity whose results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance. The chief operating decision-maker for the Group is considered to be the Chief Executive Officer. The Group's operating segments have been defined based on the types of investments which was equity investment, debt instrument and partnership interest in 2012 and 2011.

For the year ended 31 December 2012

	Unlisted				Listed				
	Equity **$'000**	Debt **$'000**	Partnership **$'000**	Total **$'000**	Equity **$'000**	Debt **$'000**	Partnership **$'000**	Total **$'000**	Total **$'000**
Investment loss:									
Realised (losses)/gains on disposal of investments	(209)	(180)	-	(389)	95	-	-	95	(294)
Unrealised (losses)/gains on investments*	(49,568)	(3,914)	-	(53,482)	(11,196)	20	-	(11,176)	(64,658)
Share of loss of jointly controlled entity	(13)	-	-	(13)	-	-	-	-	(13)
Income from loans	-	2,130	-	2,130	-	97	-	97	2,227
Dividends	58	-	-	58	-	-	-	-	58
Total	(49,732)	(1,964)	-	(51,696)	(11,101)	117	-	(10,984)	(62,680)
Net divestment/(investment)									
Net proceeds of divestment	-	-	-	-	6,672	-	-	6,672	6,672
Investment	(992)	(7,586)	(2,500)	(11,078)	(7,757)	(2,469)	-	(10,226)	(21,304)
Balance sheet									
Investment portfolio*	140,233	41,196	15,000	196,429	10,111	2,489	-	12,600	209,029

The Group's geographical areas based on the location of investment assets (non-current assets), are defined primarily as China, Mongolia and Australia, as presented in the following table.

For the year ended 31 December 2012

	Europe **$'000**	China **$'000**	Mongolia **$'000**	Rest of Asia **$'000**	North America **$'000**	South Africa **$'000**	Australia **$'000**	Total **$'000**
Investment income/(losses):								
Realised (losses)/gains on disposal of investments	(327)	1,579	(1,546)	-	-	-	-	(294)
Unrealised (losses)/gains on investments*	(789)	11,209	(43,505)	-	(1,154)	98	(30,517)	(64,658)
Share of loss of jointly controlled entity	-	(13)	-	-	-	-	-	(13)
Income from loans	204	895	97	-	-	-	1,031	2,227
Dividends	-	53	5	-	-	-	-	58
Total	(912)	13,723	(44,949)	-	(1,154)	98	(29,486)	(62,680)
Net divestment/(investment)								
Net proceeds of divestment	11	3,905	2,756	-	-	-	-	6,672
Investment	(1,037)	(10,785)	(8,092)	-	-	(1,390)	-	(21,304)
Balance sheet								
Investment portfolio*	5,423	112,686	75,484	-	1,535	9,414	4,487	209,029

Origo Partners Plc

Notes to the financial statements (continued)

8 Operating segment information

For the year ended 31 December 2011

	Unlisted				Listed				
	Equity $'000	Debt $'000	Partnership $'000	Total $'000	Equity $'000	Debt $'000	Partnership $'000	Total $'000	Total $'000
Investment loss:									
Realised losses on disposal of investments	(10)	-	-	(10)	(922)	-	-	(922)	(932)
Unrealised (losses)/gains on investments*	35,767	(4,033)	-	31,734	(1,021)	-	-	(1,021)	30,713
Share of loss of an associate	(92)	-	-	(92)	-	-	-	-	(92)
Share of loss of jointly controlled entity	(34)	-	-	(34)	-	-	-	-	(34)
Income from loans	-	(943)	-	(943)	-	-	-	-	(943)
Dividends	-	-	-	-	-	-	-	-	-
Total	35,631	(4,976)	-	30,655	(1,943)	-	-	(1,943)	28,712
Net divestment/(investment)									
Net proceeds of divestment	10,278	1,650	-	11,928	3,788	-	-	3,788	15,716
Investment	(27,326)	(22,185)	(12,500)	(62,011)	(21,579)	-	-	(21,579)	(83,590)
Balance sheet									
Investment portfolio*	188,877	37,704	12,500	239,081	20,437	-	-	20,437	259,518

For the year ended 31 December 2011

	Europe $'000	China $'000	Mongolia $'000	Rest of Asia $'000	North America $'000	South Africa $'000	Australia $'000	Total $'000
Investment income/(losses):								
Realised losses on disposal of investments	(3)	(10)	(919)	-	-	-	-	(932)
Unrealised (losses)/gains on investments*	(1,246)	11,374	37,708	(424)	(4,604)	(15,608)	3,513	30,713
Share of loss of an associate	-	(92)	-	-	-	-	-	(92)
Share of loss of jointly controlled entity	-	(34)	-	-	-	-	-	(34)
Income from loans	140	537	13	-	-	(2,404)	771	(943)
Dividends	-	-	-	-	-	-	-	-
Total	(1,109)	11,775	36,802	(424)	(4,604)	(18,012)	4,284	28,712
Net divestment/(investment)								
Net proceeds of divestment	-	450	15,266	-	-	-	-	15,716
Investment	(448)	(56,251)	(26,456)	(185)	-	(250)	-	(83,590)
Balance sheet								
Investment portfolio*	5,388	93,044	115,466	-	2,689	7,927	35,004	259,518

* Derivative financial assets included except for derivative component of CZDP.

Origo Partners Plc

Notes to the financial statements (continued)

9 Finance income and costs

	2012 US$'000	2011 US$'000
Finance income		
Bank interest	529	129
	529	129
Finance costs		
Bank charges	(142)	(145)
Interest expenses of convertible zero dividend preference shares	(4,282)	(3,264)
	(4,424)	(3,409)

10 Income 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 0% on the Isle of Man. The company is resident for tax purposes in the Isle of Man and subject to corporate income tax at the standard rate of 0% and as such no provision for tax in the Isle of Man has been made.

	2012 US$'000	2011 US$'000
Current taxes		
Current year	-	499
Deferred taxes		
Deferred income taxes*	1,263	276
Total income taxes in the statement of comprehensive income	**1,263**	**775**

* The deferred income tax relates to fair value gain of Celadon Mining Ltd, Niutech Energy Ltd, Unipower Battery Ltd and China Rice Ltd, estimated in accordance with the relevant tax laws and regulations in the PRC based on a tax rate of 10%.

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

	2012 US$'000	2011 US$'000
(Loss)/profit before tax	(67,770)	2,930
Profit before tax multiplied by rate of corporate income tax in the Isle of Man of 0% (2011: 0%)	-	-
Effects of:		
Current tax on realised gains on investments	-	499
Deferred tax on unrealised gains on investments	1,263	276
Total income taxes in the statement of comprehensive income	**1,263**	**775**

Origo Partners Plc

Notes to the financial statements (continued)

10 Income tax (continued)

Deferred income taxes

	2012 US$'000	2011 US$'000
Opening deferred income tax liability		
Income in accounts taxable in the future	1,546	1,270
	1,546	1,270
Recognised through statement of comprehensive income		
Income in accounts taxable in the future	1,263	276
	1,263	276
Closing deferred income tax liability		
Income in accounts taxable in the future	2,809	1,546
	2,809	1,546

11 Earnings per share

Numerator	2012 US$'000	2011 US$'000
(Loss)/profit for the period attributable to owners of the parent as used in the calculation of basic loss/earnings per share	(69,033)	2,155
(Loss)/profit for the period attributable to owners of the parent as used in the calculation of diluted loss/earnings per share	(69,033)	2,155

Denominator	2012 Number of shares	2011 Number of shares
Weighted average number of ordinary shares for basic (LPS)/EPS	353,368,474	298,793,644
Effect of dilution:		
Share options	-	6,886,274
Weighted average number of ordinary shares adjusted for the effect of dilution	353,368,474	305,679,918
Basic (LPS)/EPS	(19.54) cents	0.72 cents
Diluted (LPS)/EPS	(19.54) cents	0.70 cents

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Notes to the financial statements (continued)

12 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 2011	34	68	-	-	102
Additions	5	36	64	48	153
Disposal	-	(2)	-	-	(2)
At 31 December 2011	39	102	64	48	253
Additions	-	17	-	-	17
Disposal	-	-	-	-	-
At 31 December 2012	39	119	64	48	270
Accumulated depreciation					
At 1 January 2011	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
Charge for the year 2012	5	17	12	16	50
Disposal	-	-	-	-	-
At 31 December 2012	31	71	16	28	146
Net book value					
At 31 December 2011	13	48	60	36	157
At 31 December 2012	8	48	48	20	124

13 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 2012	Proportion of ownership interest at 31 December 2011
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	80.27%	69.62%
MSE Liquidity Fund	Bermuda	81.50%	83.95%
China Venture Capital AMC Ltd	Cayman	70%	-
China Venture Capital GP Ltd	Cayman	100%	-

* Owned by Origo Resource Partners Ltd

**Owned by Ascend Ventures Ltd

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Notes to the financial statements (continued)

14 Investments at fair value through profit or loss

As at 31 December 2012

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%	15,000	15,000
Trafigura Origo Joint Venture LLC *****	Mongolia	3	50.0%	400	400
IRCA Holdings Ltd	British Virgin Islands	3	49.1%	9,505	-
Shanghai Yi Rui Tech New Energy Tecnology Ltd	China	3	49.0%	675	676
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	32.6%	6,824	4,804
China Rice Ltd	British Virgin Islands	3	32.1%	13,000	18,631
Niutech Energy Ltd	British Virgin Islands	3	21.1%	6,350	12,246
Moly World Ltd	British Virgin Islands	3	20.0%	10,000	10,000
R.M. Williams Agricultural Holdings Pty Ltd	Australia	3	17.0%	20,000	1,421
Unipower Battery Ltd	Cayman Islands	3	16.5%	4,301	8,971
Fans Media Co., Ltd	British Virgin Islands	3	14.3%	2,360	2,143
Gobi Coal & Energy Ltd***	British Virgin Islands	3	14.0%	14,960	53,576
Celadon Mining Ltd	British Virgin Islands	3	9.7%	13,069	24,710
Staur Aqua AS	Norway	3	9.2%	719	265
Ares Resources	Mongolia	3	3.1%	148	156
Bach Technology GmbH	Germany	3	2.5%	60	-
HaloSource, INC.	USA	1	2.0%	3,121	1,535
Rising Technology Corporation Ltd/ Beijing Rising Information Technology Ltd**	British Virgin Islands	3	2.0%/1.6%	5,565	3,919
Voyager Resource Ltd***	Australia	1	1.5%	2,037	303
Kooky Panda Ltd	Cayman Islands	3	1.2%	25	-
Fram Exploration AS	Norway	3	1.1%	1,495	1,361
Six Waves Inc	British Virgin Islands	3	1.1%	240	1,099
Qinghai Fund	China	3	1.0%	318	318
Other quoted investments***		1		4,648	2,766
Total				**152,157**	**164,587**

Origo Partners Plc

Notes to the financial statements (continued)

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

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/	USA	1	2.0%	3,121	1,535
Beijing Rising Information Technology Ltd**	British Virgin Islands	3	2.0%/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**

* 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.

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

*** Investments held partially by China Commodities Absolute Return Ltd ("CCF") and/or MSE Liquidity Fund ("MSE Fund"), the funds managed by the Group. The Group ceased to recognise CCF as an investment at FVTPL on 1 May 2011 when its ownership in CCF increased to 60% and instead recognised its separate assets and liabilities.

**** 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.

Origo Partners Plc

Notes to the financial statements (continued)

14 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	3.5%	1,063	512
Gobi Coal & Energy Ltd	0.2%	252	902

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).

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

	2012 US$'000	2011 US$'000
Opening balance	210,242	127,963
Acquisitions	5,891	63,050
Proceeds from disposals of investments	(22)	(14,387)
Increase upon the consolidation of CCF and MSE	-	2,773
Realised losses on write-off of investments	(209)	-
Net exchange difference	1,745	(266)
Movement in unrealised gains on investments		
- In profit or loss	(57,664)	38,402
Transfers out of Level 3	-	(7,293)
Closing balance	**159,983**	**210,242**

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Notes to the financial statements (continued)

15 Investment in jointly controlled entities

The Group has the following significant interests in jointly controlled entities, and has been accounted for in the Group's consolidated financial statements as of the 31 December 2012 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 jointly controlled entity for 2012 are as follows:

	2012(GP) US$'000	2012(AMC) US$'000
Current assets	6	201
Non-current assets	312	7
Total assets	**318**	**208**
Current liabilities	16	81
Non-current liabilities	220	100
Total liabilities	**236**	**181**
Income	-	151
Expenses	(4)	(172)
Other comprehensive income	-	-
Total loss	**(4)**	**(21)**

Amounts relating to the jointly controlled entities 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 jointly controlled entities.

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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 2012

Borrower	**Fair value hierarchy level**	**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	3	4	15,000	15,000	-	15,000
Unipower Battery Ltd	3	6	9,000	9,000	-	9,000
IRCA Holdings Ltd	3	1.5-8	11,645	7,019	-	7,019
R.M. Williams Agricultural Holdings Pty Ltd	3	8-20	3,090	3,066	-	3,066
Staur Aqua AS	3	0-15	3,848	1,343	1,398	2,741
Kincora Copper Ltd	3	8.7	2,469	-	2,515	2,515
China Cleantech GP	3	1+1Y LIBOR	110	110	-	110
China Cleantech AMC	3	1+1Y LIBOR	50	50	-	50
Dragon Ports Ltd	3	-	174	-	-	-
Roshini International Bio Energy Corporation	3	-	424	-	-	-
Sub-total			**45,810**	**35,588**	**3,913**	**39,501**

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	3,798	165	2,231	2,396
TPLGmbH	10	1,037	-	1,055	1,055
Shanghai Evtech New Energy Technology Ltd	-	510	510	-	510
China Silvertone Investment Co Ltd	-	478	-	-	-
View Step Corporation Ltd	-	25	-	-	-
Sub-total		**5,848**	**675**	**3,286**	**3,961**
Total		**51,658**	**36,263**	**7,199**	**43,462**

Origo Partners Plc

Notes to the financial statements (continued)

16 Loans (continued)

As at 31 December 2011

Borrower	Fair value hierarchy level	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*	3					
China Rice Ltd	3	4	10,000	-	10,000	10,000
Unipower Battery Ltd	3	6	9,000	9,000	-	9,000
IRCA Holdings Ltd	3	8-18	11,645	5,391	1,549	6,940
Staur Aqua AS	3	15	3,848	2,950	-	2,950
R.M. Williams Agricultural Holdings Pty Ltd	3	20	3,090	2,930	-	2,930
Dragon Ports Ltd	3	-	173	154	-	154
Roshini International Bio Energy Corporation	3	-	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, the fair value of the associated optional rights and obligations are recorded under derivatives note 17. 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.

Statement of changes in loans:

	2012 US$'000	2011 US$'000
Opening balance	33,497	34,942
Addition	10,055	21,685
Repayment	-	(1,650)
Write-off	(180)	(8,110)
Conversion of loans into investments	-	(13,240)
Revaluation	90	(130)
Closing balance	**43,462**	**33,497**

Origo Partners Plc

Notes to the financial statements (continued)

16 Loans (continued)

Statement of changes in convertible credit agreements based on level 3:

	2012 US$'000	2011 US$'000
Opening balance	31,974	19,303
Additions	7,629	20,755
Repayment	-	(1,200)
Write-offs	(155)	(6,217)
Conversion of loans into investments	-	(522)
Movement in unrealised (losses)/gains on investments		
- In profit or loss	53	(145)
Transfers out of Level 3	-	-
Closing balance	**39,501**	**31,974**

17 Derivative financial assets

	Fair Value hierarchy level	2012 US$'000	2011 US$'000
Warrants	3	704	2,523
Derivative component of convertible zero			
dividend preference shares (see note 22)	2	-	261
Derivative from convertible options	3	223	4,206
Total		**927**	**6,990**

In accordance with the fair value hierarchy described in note 14 and 16, derivative financial instruments are measured using level 2 inputs for component of convertible zero dividend preference shares and level 3 for warrants and convertible options.

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

	2012 US$'000	2011 US$'000
Opening balance	6,730	-
Additions	678	6,730
Expired	(209)	-
Movement in unrealised loss on investments		
- In profit or loss	(6,272)	-
Transfers out of Level 3	-	-
Closing balance	**927**	**6,730**

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Notes to the financial statements (continued)

18 Trade and other receivables

	2012 US$'000	2011 US$'000
Trade debtors	262	519
Other debtors	2,014	2,582
Loan interest receivables	5,282	2,934
Prepayments	265	301
Total	**7,823**	**6,336**

2012 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	-	-	-	5	5	252	262
Other debtors	491	22	121	70	266	2,553	3,523
Loan interest receivables	232	140	137	939	949	5,293	7,690
Other	215	-	-	-	-	50	265
Provision against loan interest receivables	-	-	-	(4)	-	(2,404)	(2,408)
Provision of bad debts	(27)	(21)	(21)	(59)	(152)	(1,229)	(1,509)
Total	**911**	**141**	**237**	**951**	**1,068**	**4,515**	**7,823**
Percentage	**12%**	**2%**	**3%**	**12%**	**14%**	**57%**	**100%**

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%**

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Notes to the financial statements (continued)

19 Cash and cash equivalents and Short-term borrowings

	2012 US$'000	2011 US$'000
Current account	14,718	43,355
Fixed deposit*	10,346	3,500
Term deposit	-	10,000
Total Cash and cash equivalents	**25,064**	**56,855**

* Further details are included in note 25 to the consolidated financial statement.

20 Trade and other payables

	2012 US$'000	2011 US$'000
Trade payables	2	193
Other payables	1,550	839
Performance incentive payable within one year*	233	-
Total	**1,785**	**1,032**

* Refer to note 4 for total performance incentive expenses.

21 Provision

	2012 US$'000	2011 US$'000
USR/contingent share awards *	367	1,495
Performance incentive provision**	4,713	13,357
Total	**5,080**	**14,852**

	2012 US$'000	2011 US$'000
Opening balance	14,852	1,562
Movement in USR/contingent share awards *	(1,128)	(67)
Movement in performance incentive provision	(8,644)	13,357
Total	**5,080**	**14,852**

* The provision relates to the fair value of USR and contingent share awards granted to certain directors, executives and key employees under the Company's joint share ownership scheme. Further details about the USR and contingent share awards are included in note 26 to the consolidated financial statements.

** Refer to note 4 for total performance incentive expenses.

Origo Partners Plc

Notes to the financial statements (continued)

22 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 1 January 2012	**60,000,000**	**56,595**	**7,462**	**(261)**
Interest expenses on convertible zero dividend preference shares	-	4,282	-	-
Fair value movement of early redemption option derivative	-	-	-	261
Balance at 31 December 2012	**60,000,000**	**60,877**	**7,462**	**-**

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 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% 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%. 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 recognised in profit and loss.

Origo Partners Plc

Notes to the financial statements (continued)

23 Issued capital

Authorised	**2012 Number of shares**	**£'000**	**2011 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	**360,168,501**	**56**	**302,410,168**	**47**
Issued on 23 December 2011 on placing for cash*	-	-	57,758,333	9
Buyback shares**	(3,181,687)	(1)	-	-
At end of the year	**356,986,814**	**55**	**360,168,501**	**56**

* 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.

** 3,461,687 ordinary shares were repurchased by the company in 2012, of which 3,181,687 ordinary shares have been cancelled in the reporting period and will not carry voting and dividend distribution rights.

24 Other reserve

Included within the other reserve are 8,211,425 shares of the Company held by Employee Benefit Trust (“EBT”).

25 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
- Concentration risk
- Sensitivity risk of financial assets based at level 3

Origo Partners Plc

Notes to the financial statements (continued)

25 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
2012	+10%	4,526	4,526
	-10%	(4,526)	(4,526)
2011	+10%	6,906	6,906
	-10%	(6,906)	(6,906)

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

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Notes to the financial statements (continued)

25 Financial instruments - Risk management (continued)

Currency risk (continued)

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

2012	GBP US$'000	NOK US$'000	RMB US$'000	AUD US$'000	HKD US$'000	CAD US$'000	EUR US$'000	Total US$'000
Cash and bank balances	135	72	308	534	4	232	-	1,285
Investment at FVTPL	24,710	1,361	676	1,724	-	4,804	-	33,275
Loans	3,504	-	165	-	-	2,515	1,055	7,239
Trade and other receivables	3,147	416	226	-	-	-	-	3,789
Total Assets	**31,496**	**1,849**	**1,375**	**2,258**	**4**	**7,551**	**1,055**	**45,588**
Trade and other payables	(160)	-	(171)	-	-	-	-	(331)
Total Liabilities	**(160)**	**-**	**(171)**	**-**	**-**	**-**	**-**	**(331)**

2011	GBP US$'000	NOK US$'000	RMB US$'000	AUD US$'000	HKD US$'000	CAD US$'000	EUR US$'000	Total US$'000
Cash and bank balances	1,112	68	72	6	50	-	-	1308
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	-	-	11,454	-	14,860
Total Assets	**20,370**	**6,479**	**1,270**	**29,556**	**50**	**11,454**	**-**	**69,179**
Trade and other payables	(123)	-	-	-	-	**-**	**-**	(123)
Total Liabilities	**(123)**	**-**	**-**	**-**	**-**	**-**	**-**	**(123)**

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$43.5 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.

	2012 not past due US$'000	2012 up to 12 months past due US$'000	2012 more than 12 months past due US$'000	2012 Total US$'000	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
Convertible loan	18,545	14,015	6,941	39,501	24,879	-	7,096	31,975
Working capital loan	3,389	117	455	3,961	1,067	352	103	1,522
Total	**21,934**	**14,132**	**7,396**	**43,462**	**25,946**	**352**	**7,199**	**33,497**

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Notes to the financial statements (continued)

25 Financial instruments - Risk management (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 2012	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	14,718	-	10,346	-	25,064
Trade receivables	-	-	250	12	262
Other receivables	1,026	42	-	946	2,014
Loan interest receivables	1,437	-	3,414	431	5,282
Loans	22,934	-	13,329	7,199	43,462
Investments at fair value through profit or loss	4,603	-	-	159,984	164,587
Total	**44,718**	**42**	**27,339**	**168,572**	**240,671**

Liabilities

31 December 2012	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	2	-	-	-	2
Performance incentive payable	-	-	233	4,713	4,946
USR	-	-	-	367	367
Deferred tax	-	-	-	2,809	2,809
Other payables	295	739	-	516	1,550
Liability component of convertible zero dividend preference shares	-	-	-	60,000	60,000
Contractual interest payable	-	-	-	5,563	5,563
Total	**297**	**739**	**233**	**73,968**	**75,237**

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Notes to the financial statements (continued)

25 Financial instruments - Risk management (continued)

Liquidity risk (continued)

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	-	-	-	60,000	60,000
Contractual interest payable	-	-	-	2,441	2,441
Total	**177**	**8,736**	**631**	**78,871**	**88,415**

Concentration risk

The main concentration risk for Origo is that the largest investments are concentrated in Mongolia for the amount of US$63,575,968 (Gobi US$53,575,968, Moly US$10,000,000, etc), 39% out of the total portfolio value of US$164,586,556.

Sensitivity risk of financial assets based at Level 3

Level 3 inputs are sensitive to assumptions made when ascertaining fair value of financial assets. A reasonable alternative assumption would be to apply a standard marketability discount of 25% for all assets rather than the specific approach adopted. This would have a positive impact on the portfolio of US$6,093,199 (2011: (US$475,493)) or 3.04% (2011: (0.19%)) of total financial assets based at Level 3.

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Notes to the financial statements (continued)

26 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:

	2012 US$'000	2011 US$'000
Equity-settled option	581	38
USR/contingent share awards	(1,140)	(67)
Total	**(559)**	**(29)**

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 2012 and 31 December 2011.

	2012 No.	2012 WAEP	2011 No.	2011 WAEP
Outstanding at 1 January	**11,451,932**	**23.45p**	**11,451,932**	**23.45p**
Granted during the year	13,600,000	31.22p	-	-
Forfeited during the year	(1,550,000)	(32.94p)	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	**23,501,932**	**27.32p**	**11,451,932**	**23.45p**
Exercisable at 31 December	**11,451,932**	**23.45p**	**11,451,932**	**23.45p**

Outstanding options include 6,800,000, 3,500,000, 500,000 and 13,600,000 equity-settled options granted on 06 October 2006, 13 March 2008, 06 February 2009 and 02 February 2012 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 Company did not enter into any share-based transactions with parties other than employees during the years ended 31 December 2012, 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% of USR vested 12 months from the date of grant and 50% of USR vested 24 months from the date of grant. The exercise price of the USR granted is 15.50 pence compounded at 3.5% 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 Binomial Tree option pricing model. The contractual life of each USR granted is 10 years.

On 20 July 2012, 1,120,000 of contingent share awards were granted to certain directors, executives and key employees under the Company's JSOS, which will vest 197 days from the date of grant. The contractual life of each contingent share awards granted is 10 years.

Origo Partners Plc

Notes to the financial statements (continued)

26 Share option scheme (continued)

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in USRs and contingent share awards during the years ended 31 December 2012 and 31 December 2011.

	2012 No.	2012 WAEP	2011 No.	2011 WAEP
Outstanding at 1 January	**4,847,099**	**15.50p**	**4,847,099**	**15.50p**
Granted during the period/year	1,120,000	-	-	-
Forfeited during the period/year	(50,000)	-	-	-
Exercised during the period/year	(129,032)	15.50p	-	-
Expired during the period/year	-	-	-	-
Outstanding at the end of the period/year	**5,788,067**	**12.63p**	**4,847,099**	**15.50p**
Exercisable at the end of the period/year	**4,718,067**	**15.50p**	**4,847,099**	**15.50p**

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

	2012	2011
Weighted average share price (pence)	13.38	35
Exercise price (pence)	15.5	15.5
Expected life of option (years)	2	2
Expected volatility (%)	34.81	46.19
Expected dividend growth rate (%)	-	-
Risk-free interest rate (%)	1.31	2.25

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 2010 to 31 December 2012 using source data from Bloomberg.

The carrying amount of the liability relating to the USR and contingent share awards as at 31 December 2012 is US$367,288 and the expense recognised as share-based payments during the year is (US$1,139,168).

Origo Partners Plc

Notes to the financial statements (continued)

27 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 2012 and 31 December 2011.

	2012 US$'000	2011 US$'000
Amounts due from/(to) related parties*		
Origo Advisers Ltd**	(4,793)	(13,204)
GLG Partners LP***	-	144
Chris Andre Rynning ****	50	5
Sales to related parties		
GLG Partners LP***	-	748
Performance incentive		
Origo Advisers Ltd**	8,311	(13,357)
Purchases from related parties		
Li Yi Fei*****	-	383
GLG Partners LP***	-	21,649
Transactions with personnel		
Luke Leslie******	55	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.

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

27 Related party transactions (continued)

Trading transactions (continued)

*** Funds managed by GLG Partners LP controlled 4.23% of the outstanding share capital of the Company as at 31 December 2012.

**** 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.

28 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 2012 and 31 December 2011.

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:

	2012 US$'000	**2011 US$'000**
Current liabilities	1,785	9,576
Less: Cash and bank balances	(25,064)	(56,855)
Net debt	**(23,279)**	**(47,279)**
Liability component of convertible zero dividend preference shares	60,877	56,595
Equity attributable to equity holders of the parent	169,625	238,182
Capital	**230,502**	**294,777**
Capital and net debt	**207,223**	**247,498**
Gearing ratio	**(11%)**	**(19%)**

Origo Partners Plc

Notes to the financial statements (continued)

29 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 31 December 2013.

- In May 2011, the Company entered into a guarantee agreement maturing in April 2014 with IRCA Holdings Ltd and Mr. Malcolm Stephen Paul to guarantee the repayment of loans of up to GBP500,000 extended by Mr. Malcolm Stephen Paul to IRCA Holdings Ltd.

There were no other contracted commitments or contingent assets or liabilities at 31 December 2012 (31 December 2011: none) that have not been disclosed in the consolidated financial statements.

30 Events after the reporting period

- A Claim Form which named Origo as the third defendant was issued in the High Court on 6 February 2013. The claim relates to the Company’s holding in Roshini International Bio Energy Coporation an investment which was written off as of 31 December 2009. The Directors, having taken advice from its solicitors, Charles Russell LLP, consider that, at present, the risk of an adverse judgment against Origo is remote and estimates the total liabilities being £ nil.

- In February 2013, the Company announced the formation of a new joint venture company ("the Joint Venture") with Serge Pun & Associates (Myanmar) Ltd ("SPA"), one of Myanmar's leading conglomerates, to identify investment opportunities across the natural resources and other sectors in Myanmar. The Joint Venture, SPA Origo Myanmar Holding Co Pte Ltd, will be jointly owned on a 50/50 basis by Origo and SPA.

- In March 2013, the Company restructured the terms of its existing Convertible Zero Dividend Preference Shares (“C-ZDPs”), the principal terms of restructure includes: i) extension of the maturity date of the C-ZDPs by 18 months from 8 March 2016 to 8 September 2017 (the “Extended Period”); ii) amendment of the final capital value (“FCV”) of the C-ZDPs to US$1.41 each, with the accrued rate of return for the Extended Period equivalent to 10 per cent. of the accrued value of the C-ZDPs at the start of the Extended Period; iii) a commitment by the Company to repurchase, by means of tender offers to holders, at least 12 million C-ZDPs by 8 March 2016, the original maturity date; and iv) the Company to set aside, for the funding of C-ZDPs tender offers, 50 per cent. of the next $24 million of net proceeds (post transaction costs and management incentives) from investment realisations by the Company. And, in addition to the restructure, the Company has repurchased 3 million C-ZPDs from holders at a price of US$1.00 per C-ZDP.

- In April 2013, the Company received 14,022,788 ordinary shares in R.M. Williams Agricultural Holdings Pty Ltd (“RMWAH”) for the sum of AUD200,000 in consideration of the claim settlement with the former Managing Director of RMWAH, David Pearse.

- In April and May 2013, the Company extended a short term loan of AUD1.65 million to RMWAH.

- From January to 20 June 2013, the Company made available to IRCA Holdings Ltd further working capital loans of US$1.3 million.

- From January to 20 June 2013, the Company disbursed further working capital loans of EUR525,000 to TPL GmbH.

- In June 2013, the Company agreed with ABSA Bank Ltd to draw down the full amount of US$3.5 million Standby Letter of Credit (“L/C”) in favour of IRCA Holdings Ltd on 1 July 2013.

Origo Partners PLC

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