

ORIGO PARTNERS PLC



REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2014

The image features a minimalist design with a large, irregular red shape on a white background. The red shape is roughly triangular, pointing downwards, and is partially overlaid by a grey shape that is also roughly triangular, pointing upwards. The text is centered within the red area.

PRIVATE EQUITY  
INVESTORS IN CHINA

**Directors**

Niklas Ponnert, Director  
Shonaid Jemmett-Page, Non Executive Chairman  
Lionel de Saint-Exupery, Non Executive Director

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**Country of incorporation of parent company**

Isle of Man

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**Legal form**

Public limited company

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**Company number**

005681V

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**Auditors**

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

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**Nominated adviser and broker**

Smith & Williamson Corporate Finance Ltd  
25 Moorgate  
London EC2R 6AY

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**Solicitors to the company**

Charles Russell LLP  
5 Fleet Place  
London, EC4M 7RD

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**Public relations advisers**

Aura Financial LLP  
33 St James's Square  
London, SW1Y 4JS

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# Highlights

*Net asset value declined by 60 per cent. to US\$54.3 million (30 June 2014: US\$90.0 million, 31 December 2013: US\$135.0 million)*

*Loss after tax of US\$61.9 million (2013: loss after tax of US\$57.9 million) reflecting unrealised and realised losses on investments*

*Total investments in existing investee companies during the year of US\$2.7 million (2013: US\$9.1 million)*

*Cash position of US\$5.2 million as at 31 December 2014 (31 December 2013: US\$35.3 million), following divestment and de-recognition of China Cleantech Partners, L.P. Fund and its related entities.*

## Chairman's Statement

2014 was a difficult year for Origo, with continuing uncertainty in both Mongolia and China combined with adverse market conditions for the resource sector as a whole affecting the valuation of the Company's portfolio. The Board believes that these conditions are likely to persist for some time and, during the year, we took a number of significant steps to restructure the business, further enhance governance processes and protect long-term shareholder value.

On 20 November 2014, Origo's shareholders approved changes to the Company's investing policy, management structure and management incentive arrangements as recommended by the Board.

Consequently, the Company's Investing Policy has now changed from that of a closed-ended, permanent capital vehicle to that of a realisation company with the mandate to return the net proceeds of realisations to shareholders. The Company will seek to divest the entire Portfolio over the next 4 years. However, investments will only be realised when the Independent Directors believe the terms are appropriate.

To assist the Board in carrying out the realisation programme efficiently, the Group externalised management, investment support, investment realisation services and administration. Origo Advisors Limited group (the "OAL Group") has, since 13 January 2015, been the Company's external manager.

The Company has entered into an Asset Realisation Support Agreement that governs its relationship with OAL Group. The Asset Realisation Support Agreement links a significant part of OAL's compensation to the achievement of the clearly defined cumulative realisation targets.

This package of measures will help to reduce further Origo's fixed cost base and create a clear timeline for the implementation of our realisation strategy and the subsequent distribution of net proceeds to shareholders. We are already seeing progress in this regard, with administrative costs down by US\$2.0 million compared to the prior year.

The Company announced on 18 November 2014 that it

had received a requisition from Secure Nominees Limited (the "Requisition"), requiring the convening of a general meeting to consider resolutions to approve a number of changes to Origo's board of directors and investing policy (the "Requisitioned Proposals").

Following thorough review, Origo's Independent Directors unanimously recommended that shareholders reject all of the Requisitioned Proposals on the basis they were not in the best interests of the Company or shareholders as a whole, could jeopardise the realisation strategy approved by shareholders in November 2014 and negatively impact shareholder value. The requisitioned general meeting was duly held on 16 January 2015, where all nine resolutions were voted down by shareholders with over 73% of votes cast against each.

The Company has petitioned the Isle of Man court in respect of the second complaint made by Brooks Macdonald Group plc ("Brooks Macdonald") regarding the correct interpretation of the definition of a "75% Resolution" in the Company's Articles. The Company is firmly of the view that there is no substance to this complaint and that the resolution passed on 8 March 2011 to amend the Company's Articles to reflect the creation of the convertible zero dividend preference shares was validly passed. The Company has taken legal advice which supports this position and expects the Court to endorse the Company's interpretation of the Company's Articles. The Board nonetheless remains committed to finding a solution to Brooks Macdonald's complaints that is acceptable to all parties, including Origo's ordinary shareholders.

In early 2015, the Board also reviewed its own composition to ensure that governance arrangements continued to be appropriate for the Company's circumstances. As a result of that review, and in light of the revised management structure, Wang Chao Yong, Chris Rynning, Christopher Jemmett and Tom Prestulen agreed to step down from the Board, thus reducing the number of directors from 7 to 3. I was appointed Chairman at the same time.

I would like to extend my thanks to the outgoing Directors for their commitment and contribution to the Company over many years.

Looking ahead, the Board is focussed on delivering the

revised Investing Policy by disposing of the Company's entire portfolio in an orderly fashion and on appropriate terms. We will also continue to monitor closely the performance of the portfolio and the investment manager, OAL Group, to protect the value of shareholders' investments. However, given the protracted downturn in many of the sectors where Origo's portfolio companies are active, we have to be realistic about the likely pace of divestments.

Shonaid Jemmett-Page  
Non Executive Chairman  
05 June 2015

## Investment Consultant's Report

The Chinese economy was impacted by a number of factors during the year, with a slowing housing market, overcapacity in certain sectors and concerns about unsustainable debt levels resulting in lower growth and the potential for deflation. In recent months the picture has improved somewhat with a succession of rate cuts by the People's Bank of China supporting nascent signs of a recovery in the housing market.

The Chinese Government remains committed to its longer-term strategy to rebalance the economy away from a heavy reliance on investment and exports to a more consumption-based growth model. Government support for environmentally friendly and low emission technologies also remains constant.

Economic conditions in Mongolia deteriorated further in 2014 in the wake of regulatory uncertainties, with falling foreign investment and lower commodities prices threatening to drag the economy into recession and significantly impacting the Government's fiscal position. After the end of the year, the Mongolian Government and Rio Tinto were finally able to reach agreement with regards to the development of the Oyu Tolgoi underground mine. We are hopeful that the resolution of the situation at Oyu Tolgoi will lead to a sustained improvement in the investment environment in Mongolia, though risks remain.

Throughout 2014 the resource sector continued to suffer from low commodities prices. As a result, many investors have lost faith in the industry and the prospects for junior mining and pre-production companies, such as those in which Origo has invested, have been significantly impacted.

### Portfolio update

Against this background, Origo's net asset value decreased from US\$135.0 million as at 31 December 2013 to US\$54.3 million as at 31 December 2014. Whilst the prevailing economic climate has led to reduced ascribed values across the majority of Origo's portfolio, the largest contributor to the decline in net asset value due to revaluation was the 50 per cent. reduction in the valuation of the Company's investment in Gobi Coal & Energy Ltd ("Gobi") during the first half of the year, from US\$26.8 million to US\$13.4 million. The reduction in the value of Gobi is largely due to the decline in coking coal prices and to reduced demand from China for Mongolian coal.

The Company recorded a further significant loss of US\$8.1 million following the proposed disposal of our 49 per cent. equity stake and loans extended to IRCA Holdings Ltd ("IRCA"). The value of Origo's equity stake in IRCA had previously been written down to zero following the well publicised issues in the South African mining sector in recent years. In view of continuing political unrest, and the additional funding required to get this particular business back into profitability, the Company decided to cap its exposure to the business and discussions are ongoing with interested parties to divest the position in full.

In June 2014, we were greatly encouraged by the results of a scoping study on the Mandal Moly molybdenum and tungsten project ("Mandal Project") wholly owned by Origo's portfolio company Moly World Ltd ("Moly World"). The study confirmed the potential for an initial small scale open pit operation and estimated that the Mandal Project is capable of returning an IRR of 46.8%, with a net present value of US\$87.6 million (at a 12% discount rate). At the end of the year, Origo's stake in Moly World was nonetheless valued at US\$8.7 million compared to US\$10.0 million as at 31 December 2013. This reduction reflects the challenging environment for junior mining companies seeking to raise the financing required to develop such projects.

Additionally, in August 2014 Origo announced that its portfolio company Celadon Mining Ltd ("Celadon") had increased its stake in the Chang Tan West thermal coal project in Inner Mongolia to 80 per cent., for an undisclosed, staged cash consideration. The consolidation of Celadon's holding in the Chang Tan West project, which did not involve any follow on investment by Origo, should substantially improve the potential returns for Celadon from the future development of the project. At the end of 2014, Celadon Mining was valued at US\$24.6 million compared to US\$25.7 million as at 31 December 2013, with the reduction primarily due to currency movements.

Kincora Copper Limited ("Kincora") continues to perform satisfactorily and in June 2014 Kincora entered into an exclusivity agreement with a large-scale copper producer granting it rights to carry out due diligence with respect to a potential transaction which could take the form of a joint venture, an earn-in, a strategic alliance, an equity investment or some other transaction. As at 31 December 2014, Origo's stake in Kincora was valued at US\$1.8 million compared to US\$1.6 million as at 31



December 2013.

Origo's Chinese portfolio companies operate in a significantly more favourable macro environment than the Company's mining interests. Despite this, the Company's three largest China based investments faced their own firm-specific challenges in the year under review.

Following Origo's original investment in 2011, China Rice Ltd ("China Rice") developed branded, responsibly produced and organic rice and rice products focussed on premium markets. Unlike its staple rice products, the bulk of China Rice's high-end branded segment was sold directly to state-owned enterprises and various branches of the government, which in turn distributed the products, typically at year end, to staff and employees as gifts and benefits. Following the nation-wide austerity and anti-corruption campaigns in China in 2014, such practices have been drastically curtailed. As a result, China Rice's net profits dropped by 46 per cent. during the year and consequently the value of Origo's investment in China Rice was written down by approximately US\$5.0 million to US\$12.0 million. China Rice is making progress in developing alternative sales channels and we are thus hopeful that China Rice's financial performance will improve in 2015.

The value of the Company's investment in Unipower Battery Ltd ("Unipower") increased slightly from US\$10.0 million as at 31 December in 2013 to US\$12.1 million as at 31 December 2014 as market conditions improved on the back of a rebound in Chinese demand for electrical vehicles, batteries and related components. The improvement in demand, which followed the introduction of favourable regulations for the sector, was offset by tightening credit conditions for small and medium sized enterprises which limited Unipower's ability to capture opportunities. We are cautiously optimistic that Unipower will be able to refinance during the course of 2015, which should allow the company to better address this market opportunity in the years 2016 and beyond.

Finally, Niutech Energy Ltd ("Niutech"), which sells recycling equipment that converts waste tyres and plastic into fuel oil, saw a number of its key projects delayed as oil-prices fell in the second half of the year. Niutech's joint-venture operation in Germany, TPL GmbH, in which Origo is directly invested, was heavily impacted, prompting that company to discontinue operations. As a result, Origo posted a realised loss of US\$3.9 million.

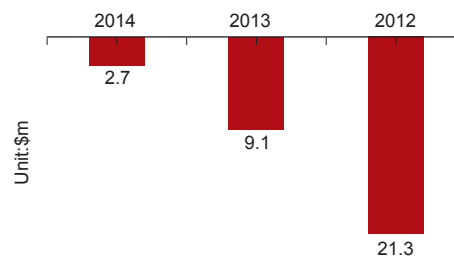
Provided that oil prices stabilise at around current levels, we expect a number of shortlisted projects to close in the next six to twelve months enabling Niutech to resume its growth trajectory in 2016. The investment is now carried at US\$11.9 million (2013: US\$12.1 million)

**Investments and divestments**

In 2014, the Group's total investments in existing investee companies decreased to US\$2.7 million compared to US\$9.1 million in 2013 reflecting our conservative approach in current markets and the adopting of the revised Investing Policy in November 2014. No investments were made in new portfolio companies.

In line with the new Investing Policy, at the end of the year Origo closed the China Cleantech Partners, L.P. Fund ("CCP" or the "Fund"), post the disposal of the Fund's interests in two affiliated RMB funds. As a result, Origo received US\$9.9 million in cash with an additional US\$1.6 million expected to be disbursed in 2015. The alternative to closing the Fund would have been to deploy the capital of the Fund in anticipation of future asset sales and distributions during the remaining seven year of its life. CCP and its subsidiaries, including minority partnership interests in related subsidiary RMB funds, were previously consolidated into the Origo Group accounts. As CCP was closed, the related interests were de-recognised. As a result, Origo realised a loss of US\$10.6 million on the redemption of minority LP interests and the disposal of the partnership interest in its associated RMB denominated sub-funds.

**Investment activities**

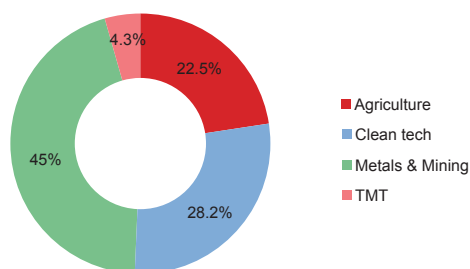


**Portfolio summary**

At 31 December 2014 the carrying value our portfolio, which comprises interests in 15 companies, decreased to US\$120.2 million from US\$153.8 million as at the end of 2013. The decrease principally reflects the

downward adjustment in the carrying value of certain of our investments. The composition of the portfolio has not significantly changed compared to the previous year. The metals and mining sector accounted for 45 per cent. in 2014 (2013: 52 per cent.). Elsewhere, the portion of our portfolio invested in agriculture was 23 per cent. (2013: 21 per cent.), while our exposure to cleantech rose to 28 per cent. (2013: 24 per cent.). The consumer, technology and media portion of our portfolio was at 4 per cent. in 2014 (2013: 3 per cent.).

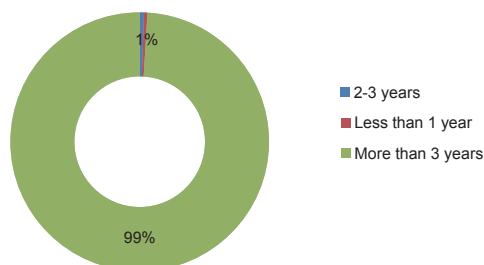
### Portfolio at fair value – by sector



Reflecting the Group's strategy of investing in privately held companies, 96 per cent. of the portfolio (in terms of fair value) as at 31 December 2014 was invested in unquoted portfolio companies.

The weighted average holding period for portfolio companies is 4.2 years compared to 3.4 years in 2013. 1 per cent. of the portfolio has been held for less than 3 years.

### Portfolio at fair value – by holding period



### Profit and Loss

Total administrative expenses, excluding the provision of performance incentives, bad debt and financial guarantee contracts, were US\$6.0 million in 2014, a reduction of US\$2.0 million from 2013.

The Group recorded a loss before tax of US\$62.2 million, compared to a loss before tax of US\$57.9 million in the previous year. The loss is primarily due to unrealised and realised losses of US\$44.6 million on investments.

### Balance Sheet

At the end of 2014, the Group had total cash and cash equivalents of US\$5.2 million (2013: US\$35.3 million). The decline was primarily as a result of restructuring of CCP and the disposal of the partnership interests in its associated RMB denominated sub-funds.

Net asset value decreased from US\$135.0 million in 2013 to US\$54.3 million in 2014, representing a net asset value per share of US\$0.16 as at 31 December 2014, a 40 per cent. decline from US\$0.39 per share in 2013. This result was primarily due to the revaluation of a number of the Group's investments as well as the restructuring of CCP and the disposal of the partnership interests in its associated RMB denominated sub-funds as illustrated below by the NAV bridge table:

	Net Asset Value (NAV) (US\$m)	NAV per share (cents)
<b>As at Dec 31 2013</b>	<b>135.0</b>	<b>38.7</b>
Investment movement		
Revaluation	-27.2	-7.8
Realised losses on disposal of investments	-14.5	-4.2
- Restructure of CCP and disposal of RMB funds	-10.6	-3.0
- Winding-up of TPL GmbH	-3.9	-1.1
Derivative financial asset	-0.10	-0.0
Income from loans	0.8	0.2
	<b>94.0</b>	<b>27.0</b>
Non-controlling interest	-21.6	-6.2
- Restructure of CCP and disposal of RMB funds	-22.1	-6.3
Performance incentive provision	-5.8	-1.7
Interest expenses on CZDP	-5.3	-1.5
Currency movement	-2.8	-0.8
Provision for bad debts	-0.8	-0.2
Share-based payments	-0.5	-0.2
Others	-2.9	-0.8
<b>As at Dec 31 2014</b>	<b>54.3</b>	<b>15.5</b>

### Outlook

The outlook for the sectors in which the portfolio companies are active remains unclear, although there have been a number of positive developments after the end of the year. We remain convinced that our Chinese investments are well positioned to benefit from long-term trends in the Chinese economy and society. In Mongolia, the conclusion of the deal to fund the underground mine at Oyu Tolgoi removes a significant negative factor, and could provide the basis for a longer-term re-rating of the

country's mining sector.

We continue to review opportunities for divestments in line with Origo's revised Investing Policy, however, we will only propose opportunities to the Independent Directors which we believe will deliver appropriate value to investors.

## Portfolio Overview\*



China Rice Ltd

celadonmining

Celadon Mining Ltd



Unipower Battery Ltd

Abbreviation	China Rice	Celadon	Unipower
Market	China	China	China
Industry Sector	Agriculture	Metals & Mining	Cleantech
Segment	Processing	Coal	Electrical Storage
Date of Investment	2010/12/17	2011/03/29	2010/9/3
Cost of Investment (US\$m)	28.00	13.07	13.71
Instrument	Preferred Stock & Loan	Common Stock	Preferred Stock & Loan
Equity Interest	32.1%	9.7%	16.5%
Fair Value (US\$m)	27.03	24.63	21.46
% of Net Assets	49.7%	45.3%	39.5%
Basis of Valuation	Multiples	Multiples	Multiples
Business Description	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 thermal and coking coal mining and development company. Through its Chinese subsidiaries, Celadon owns three coal mines and a substantial exploration area (39km <sup>2</sup> ) in the eastern sector of the Qitaihe coal-bearing basin in Heilongjiang Province, northeast China. Celadon also owns Chang Tan West which has total reserves and resources of approximately 1.05 billion tonnes in Inner Mongolia Province, northwest China.	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.



Gobi Coal &amp; Energy Ltd



Niutech Energy Ltd



Moly World Ltd

Abbreviation	Gobi	Niutech	Moly World
Market	Mongolia	China/ROW	Mongolia
Industry Sector	Metals & Mining	Cleantech	Metals & Mining
Segment	Coal	Recycling/Waste to energy	Molybdenum & Tungsten
Date of Investment	2009/11/24	2010/06/22	2011/06/02
Cost of Investment (US\$m)	14.96	6.35	10.00
Instrument	Common Stock	Preferred Stock	Common Stock
Equity Interest	14.0%	21.1%	20.0%
Fair Value (US\$m)	13.39	11.89	8.69
% of Net Assets	24.6%	21.9%	16.0%
Basis of Valuation	Multiples	Multiples	DCF
Business Description	Gobi is a privately held coking coal development company with significant high quality coal resources in south western Mongolia, positioned to supply growing demand from China.	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. The project has a JORC near surface compliant resource of 256,000 tons at 0.126% Mo.

\* Top 9 portfolio companies



Kincora Copper Ltd

Rising Technology  
Corporation Ltd

IRCA Holdings Ltd

Abbreviation	Kincora Copper Ltd	Rising	IRCA
Market	Mongolia	China	Africa/China/India
Industry Sector	Metals & Mining	TMT	Metals & Mining
Segment	Copper-gold & gold	Consumer software	Mining services
Date of Investment	2011/07/31	2007/01/11	2007/11/20
Cost of Investment (US\$m)	9.86	5.57	30.06
Instrument	Common Stock & Loan	Common Stock	Common Stock & Loan
Equity Interest	26.3%	1.6%	49.1%
Fair Value (US\$m)	3.91	3.17	1.35
% of Net Assets	7.2%	5.8%	2.5%
Basis of Valuation	Market price	Multiples	Discounted management buyout price
Business Description	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.	China's anti-virus software and content security vendor.	IRCA provides safety, health, environment, and quality and risk management ("SHERQ") solutions, focused particularly on the mining, transport and energy sectors.

## Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 December 2014.

### Results and dividends

The result of the Group for the period is set out on page 12 and shows a loss for the year of US\$61,891,000 (2013: loss of US\$57,915,000). 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 (2013: US\$nil). The retained loss of the year of US\$61,891,000 (2013: loss of US\$57,915,000) has been transferred to reserves.

changes to the Company's investing policy, management structure and management incentive arrangements as recommended by the Board.

Consequently, the Company's Investing Policy has now changed from that of a closed-ended, permanent capital vehicle to that of a realisation company with the mandate to return the net proceeds of realisations to shareholders. The Company will seek to divest the entire Portfolio over the next 4 years. However, investments will only be realised when the Independent Directors believe the terms are appropriate. The review of business and future developments is covered in the Chairman's Statement and Investment Consultant's Report.

### Principal activities, review of business and future developments

On 20 November 2014, Origo's shareholders approved

### Directors

At 31 December 2014

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

At 31 December 2013

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

\* Mr. Wang Chao Yong, Mr. Chris A Rynning and Mr. Christopher Jemmett resigned as Directors of the Company in February 2015.

\*\* 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.

\*\*\*\* 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 2.37% of CCF which is one of subsidiaries of the Group.

### Directors' responsibilities in respect of the financial statements

The Directors are responsible for the preparation of the financial statements. The Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping reliable accounting records which correctly explain the transactions of the company, and which enable the financial position of the company to be determined with reasonable accuracy. They are also responsible for safeguarding the assets of the company 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  
05 June 2015

## 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 2014 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 report notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) 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 Independent Auditors' Report and

Audited Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with IFRS issued by the IASB and adopted for use in the European Union.

*Ernst & Young LLC*

Ernst & Young LLC  
Chartered Accountants  
Isle of Man  
05 June 2015



**Origo Partners Plc****Consolidated statement of comprehensive income**

For the year ended 31 December 2014

		2014	2013
	Notes	US\$'000	US\$'000
<b>Investment loss:</b>	2		
Realised losses on disposal of investments		(14,513)	(7,976)
Unrealised losses on investments		(30,078)	(39,603)
Share of gains of jointly controlled entity		-	7
Income from loans		764	945
Dividends		4	80
		<b>(43,823)</b>	<b>(46,547)</b>
Fund consulting fee		98	35
Consulting services payable	3	(98)	(151)
Other income		52	32
Performance fee			
- Performance incentive	4	(5,790)	3,091
Other administrative expenses	5	(6,765)	(13,301)
Share-based payments	27	(545)	(443)
<b>Net loss before finance costs and taxation</b>		<b>(56,871)</b>	<b>(57,284)</b>
Foreign exchange losses		(43)	(476)
Finance income	9	18	431
Finance cost	9	(5,336)	(562)
<b>Loss before tax</b>		<b>(62,232)</b>	<b>(57,891)</b>
Income tax	10	341	(24)
<b>Loss after tax</b>		<b>(61,891)</b>	<b>(57,915)</b>
<b>Other comprehensive (loss)/income</b>			
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		(252)	129
<b>Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</b>		<b>(252)</b>	<b>129</b>
Tax on other comprehensive (loss)/income		-	-
<b>Other comprehensive (loss)/income net of tax</b>		<b>(252)</b>	<b>129</b>
<b>Total comprehensive loss after tax</b>		<b>(62,143)</b>	<b>(57,786)</b>
<b>Loss after tax</b>			
Attributable to:			
- Owners of the parent		(62,357)	(57,533)
- Non-controlling interests		466	(382)
		<b>(61,891)</b>	<b>(57,915)</b>
<b>Total comprehensive loss</b>			
Attributable to:			
- Owners of the parent		(62,617)	(57,404)
- Non-controlling interests		474	(382)
		<b>(62,143)</b>	<b>(57,786)</b>
Basic loss per share	11	<b>(17.89) cents</b>	<b>(16.51) cents</b>
Diluted loss per share	11	<b>(17.89) cents</b>	<b>(16.51) cents</b>

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

## Origo Partners Plc

## Consolidated statement of financial position

At 31 December 2014

Assets	Notes	2014 US\$'000	2013 US\$'000
<b>Non-current assets</b>			
Property, plant and equipment	12	96	175
Intangible assets		6	11
Investments at fair value through profit or loss	14	91,306	111,972
Loans	15	653	10,030
Derivative financial assets	16	11	109
		92,072	122,297
<b>Current assets</b>			
Inventories		-	2
Loans due within one year	15	28,246	31,726
Other current assets	17	-	8,205
Trade and other receivables	18	3,896	3,404
Cash and cash equivalents	19	5,185	35,300
		37,327	78,637
<b>Total assets</b>		<b>129,399</b>	<b>200,934</b>
<b>Current liabilities</b>			
Short-term borrowings	19	-	160
Trade and other payables	20	1,249	1,817
Performance incentive payable within one year	20	8	233
Financial guarantee contracts	21	-	825
		1,257	3,035
<b>Non-current liabilities</b>			
Provision	22	7,701	1,787
Convertible zero dividend preference shares	23	63,609	58,313
Deferred income tax liability	10	2,488	2,830
		73,798	62,930
<b>Net assets</b>		<b>54,344</b>	<b>134,969</b>
<b>Equity attributable to owners of the parent</b>			
Issued capital	24	55	55
Share premium		150,262	150,281
Share-based payment reserve		7,147	6,741
Retained earnings		(111,484)	(49,127)
Translation reserve		(1,500)	(1,248)
Equity component of convertible zero dividend preference shares	23	8,297	8,297
Other reserve	25	995	(2,193)
		53,772	112,806
Non-controlling interests		572	22,163
<b>Total equity</b>		<b>54,344</b>	<b>134,969</b>
<b>Total equity and liabilities</b>		<b>129,399</b>	<b>200,934</b>

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

Karl Niklas Ponnert  
Director  
05 June 2015



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 2014

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
	Notes	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 January 2013</b>		<b>55</b>	<b>150,379</b>	<b>6,109</b>	<b>9,241</b>	<b>7,462</b>	<b>(2,244)</b>	<b>(1,377)</b>	<b>169,625</b>	<b>1,875</b>	<b>171,500</b>
Loss for the year		-	-	-	(57,533)	-	-	-	(57,533)	(382)	(57,915)
Other comprehensive income		-	-	-	-	-	-	129	129	-	129
Total comprehensive (loss)/ income		-	-	-	(57,533)	-	-	129	(57,404)	(382)	(57,786)
Restructure CZDP	23	-	-	-	(835)	835	-	-	-	-	-
Own shares acquired		-	(98)	-	-	-	51	-	(47)	-	(47)
Share-based payment expense	27	-	-	632	-	-	-	-	632	-	632
Minority interests		-	-	-	-	-	-	-	-	20,670	20,670
<b>At 31 December 2013</b>		<b>55</b>	<b>150,281</b>	<b>6,741</b>	<b>(49,127)</b>	<b>8,297</b>	<b>(2,193)</b>	<b>(1,248)</b>	<b>112,806</b>	<b>22,163</b>	<b>134,969</b>
Loss for the year		-	-	-	(62,357)	-	-	-	(62,357)	466	(61,891)
Other comprehensive loss		-	-	-	-	-	-	(252)	(252)	-	(252)
Total comprehensive (loss)/ income		-	-	-	(62,357)	-	-	(252)	(62,609)	466	(62,143)
Capital redemption of CCP fund	-	-	-	-	-	-	3,162	-	3,162	(9,003)	(5,841)
Own shares acquired		-	(19)	-	-	-	26	-	7	-	7
Share-based payment expense	27	-	-	406	-	-	-	-	406	-	406
Disposal of subsidiaries		-	-	-	-	-	-	-	-	(13,054)	(13,054)
<b>At 31 December 2014</b>		<b>55</b>	<b>150,262</b>	<b>7,147</b>	<b>(111,484)</b>	<b>8,297</b>	<b>995</b>	<b>(1,500)</b>	<b>53,772</b>	<b>572</b>	<b>54,344</b>

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 shares 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 2014

	Notes	2014 US\$'000	2013 US\$'000
<b>Loss before tax</b>		<b>(62,232)</b>	<b>(57,891)</b>
Adjustments for:			
Depreciation and amortisation	5	44	50
Performance incentive	4	5,790	(3,091)
Share-based payments	27	545	443
Provision for bad debts	5	803	4,428
Provision for financial guarantee contracts	5	-	825
Realised losses on disposal/written off of investments	2	14,513	7,976
Unrealised losses on investments at FVTPL*	2	19,601	33,404
Unrealised losses on loans	2	10,379	5,381
Fair value losses on derivative financial assets	2	98	818
Share of gains of jointly controlled entity	2	-	(7)
Income from loans		(688)	(945)
Foreign exchange losses		43	476
Interest expenses of convertible zero dividend preference shares	9	5,296	434
Purchases of investments at FVTPL	8	(363)	(476)
Purchases of loans	15	(2,121)	(8,626)
Proceeds from disposals of investments at FVTPL	8	396	1,498
Proceeds from repayment of loans	15	732	-
Purchase of other current assets		-	(42)
<b>Operating loss before changes in working capital and provisions</b>		<b>(7,164)</b>	<b>(15,345)</b>
(Increase)/decrease in trade and other receivables		(569)	1,341
Decrease/(increase) in inventories		2	(2)
(Decrease)/increase in trade and other payables		(793)	265
Decrease in financial guarantee contracts	21	(825)	-
<b>Net cash outflow from operations</b>		<b>(9,349)</b>	<b>(13,741)</b>
Investing activities			
Disposal/(purchases) of property, plant and equipment		18	(101)
Disposal of subsidiaries, net of cash impact		(15,054)	6,064
Acquisition of subsidiaries, net of cash impact		-	21,359
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(15,036)</b>	<b>27,322</b>
Financing activities			
Repayment of shareholder loans		(500)	-
Redemption of convertible zero dividend preference shares		-	(3,000)
Subscription (CCF & MSE)**		-	324
Redemption (CCP LP, CCF & MSE)**		(5,726)	(698)
<b>Net cash outflow from financing activities</b>		<b>(6,226)</b>	<b>(3,374)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(30,611)</b>	<b>10,207</b>
Effect of exchange rate changes on cash and cash equivalents		496	29
Cash and cash equivalents at beginning of period		35,300	25,064
<b>Cash and cash equivalents at end of period</b>		<b>5,185</b>	<b>35,300</b>

\* FVTPL refers to fair value through profit or loss

\*\* CCP LP, CCF &amp; MSE refer to China Cleantech Partners, L.P., China Commodities Absolute Return Ltd and MSE Liquidity Fund

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

**Origo Partners Plc****Notes to the financial statements**

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**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 2014 were authorised for issue in accordance with a resolution of the Directors on 5 June 2015. 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 33-37 Athol Street, Douglas, Isle of Man IM1 1LB. 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 IFRS issued by the IASB 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 2014.
- (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 IFRS and International Financial Reporting Interpretations Committee’s interpretations (“IFRIC”) (collectively, “IFRSs”) issued by the IASB.
- (c) Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders’ equity.

**1.3 Significant accounting judgements, estimates and assumptions**

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

The following is a list of accounting policies which cover areas that the Directors consider 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 Binominal option pricing 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 the Binominal Tree 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 2014.

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)**

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**1 Accounting policies (continued)****1.4 Summary of significant accounting policies (continued)****(a) Basis of consolidation (continued)**

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having 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 non-controlling 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)**

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**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 based on the significance the investments are to the Group. This treatment is permitted by IAS 28 investment in Associate, which requires investments held by venture capital organisations to be excluded from its scope.

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 are 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 28 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)**

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**1 Accounting policies (continued)****1.4 Summary of significant accounting policies (continued)****(d) Foreign currencies****• Functional and presentation currency**

The consolidated financial statements are presented in United States dollar, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional 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 are 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, at initial recognition, into one of the following categories: investments at fair value through profit or loss, loans and receivables, derivative financial instruments and other financial assets, as appropriate, 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 the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. 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.

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 is determined by using valuation techniques in accordance with the Guidelines. Pursuant to the Guidelines, the Group believes the following techniques applied individually, or in combination, are the most suitable ones for the Group's current portfolios:

**Origo Partners Plc****Notes to the financial statements (continued)**

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**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 20% 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) Discounted cash flow ("DCF"): Fair value is estimated by deriving the present value of the investment using reasonable assumptions of expected future cash flows and the terminal value and date, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the investment. The discount rate is estimated with reference to the market risk-free rate, a risk adjusted premium and information specific to the investment or market sector.

**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)*****Fair value estimation (continued):***

- (IV) 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.

**• 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.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 18.

**• 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**

The Group's financial liabilities include trade and other payables, financial guarantee contracts and preference shares.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

**• Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

**Origo Partners Plc****Notes to the financial statements (continued)**

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**1 Accounting policies (continued)****1.4 Summary of significant accounting policies (continued)****(f) Financial liabilities (continued)****• Preference shares**

Convertible 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 a 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.

**• Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(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.

**Origo Partners Plc****Notes to the financial statements (continued)**

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**1 Accounting policies (continued)****1.4 Summary of significant accounting policies (continued)****(h) Share-based payments (continued)**

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 Binominal Tree model, further details of which are given in note 27.

**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).

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 binominal tree model, further details of which are given in Note 27. 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).

**Origo Partners Plc****Notes to the financial statements (continued)**

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**1 Accounting policies (continued)****1.4 Summary of significant accounting policies (continued)****(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.

*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.

**Origo Partners Plc****Notes to the financial statements (continued)**

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**1 Accounting policies (continued)****1.4 Summary of significant accounting policies (continued)****(i) Taxes (continued)**

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.

**(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.

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.

**(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.



**Origo Partners Plc****Notes to the financial statements (continued)**

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**1 Accounting policies (continued)****1.4 Summary of significant accounting policies (continued)****(l) Provisions and contingent liabilities (continued)**

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 IFRS that are effective or early adopted in 2014 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 2014:

**IFRS 10 Consolidated financial statements**

IFRS 10 defines the principle of control, establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. The amendments to IFRS 10 introduces an exemption to the principal that all subsidiaries should be consolidated, defines an Investment Entity and requires a parent that is an Investment Entity to measure its investments in particular subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments instead of consolidating those subsidiaries in its consolidated and separated financial statements. Currently, the Company does not qualify as an Investment Entity. The application of IFRS 10 and amendments has no material impact on the Group's financial position and performance.

**IFRS 11 Joint arrangements**

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary Contributions by Ventures. IFRS 11 uses some of the terms that were used IAS 31, but with different meanings. IFRS 11 addresses only two forms of joint arrangements (joint operations and joint ventures) where IAS 31 identified three forms of joint ventures (jointly controlled operations, jointly controlled assets and jointly controlled entities). IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture – as defined in IFRS 11 - must be accounted for using the equity method.

**IFRS 12 Disclosure of interests in other entities**

IFRS 12 sets out the requirement for disclosure relating to an entity's interests in subsidiaries, joint arrangements, associate and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries. The application of IFRS 12 affected presentation only and had no impact on the Group's financial position or performance.

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

## 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.

IFRS 9 Financial instruments-classification and measurement is effective from 1 January 2018 subject to EU endorsement.

IFRS 15 Revenue from contracts with customers is effective from 1 January 2017 subject to EU endorsement.

With the exception of IFRS 9 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 9 could have a material effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

## 2 Investment loss

	2014 US\$'000	2013 US\$'000
Realised losses on disposal of investments	(14,513)	(7,976)
- Investments at FVTPL	(1,233)	(3,002)
- Loans	(3,867)	(4,791)
- Subsidiary	(9,413)	(268)
- Associate	-	85
Unrealised losses on investments	(30,078)	(39,603)
- Investments at FVTPL	(19,601)	(33,404)
- Loans	(10,379)	(5,381)
- Derivative financial assets	(98)	(818)
Share of profits of jointly controlled entity	-	7
Income from loans	764	945
Dividends	4	80
<b>Total</b>	<b>(43,823)</b>	<b>(46,547)</b>

## 3 Consulting services receivable/(payable)

	2014 US\$'000	2013 US\$'000
Consulting services receivable	17	26
Consulting services payable	(115)	(177)
<b>Total</b>	<b>(98)</b>	<b>(151)</b>

## Origo Partners Plc

## Notes to the financial statements (continued)

## 4 Performance incentive

	2014 US\$'000	2013 US\$'000
Payable within one year	(8)	-
Provision for performance incentive payable over one year	(5,782)	3,091
<b>Total</b>	<b>(5,790)</b>	<b>3,091</b>

A balance sheet provision for future performance incentive for the year ended 31 December 2014 was US\$7,404,454 (2013: US\$1,622,083). The performance incentives are accrued and payable to Origo Adviser Ltd refer to Note 28 for details on Origo Advisers Ltd.

The amount of performance incentives has been calculated and accrued in accordance with the basis, (i) from the time the Hurdle has been reached, the next US\$1,700,000 of Gross Realisations shall be applied towards equal payments of performance incentives; and thereafter (ii) 20 per cent of each subsequent Gross Realisation shall be applied towards an equal further payment of performance incentive.

\* Hurdle: US\$90,000,000 of Gross Realisations

\*\* Gross Realisation: cumulative gross cash proceeds received by or on behalf of the Group which are derived from the realisation of assets in the Portfolio, after having made full provision for repayment of any third party debt (including any unpaid interest thereon) and any related hedge or other break costs and any prepayment fees and penalties thereon, but before any related transactional costs, fees and expenses and any taxes required to be paid by the relevant selling entity that arise directly as a result of completion of the relevant transaction to dispose of the relevant asset, provided that any amounts of deferred consideration or earn-out shall not be counted towards such realisations until actually received by the relevant selling member of the Group.

## 5 Other administrative expenses

	2014 US\$'000	2013 US\$'000
Employee expenses	(2,763)	(3,952)
Professional fees	(2,144)	(2,133)
Including:		
- Audit fees	(291)	(288)
Depreciation expenses	(44)	(50)
Provision for bad debts*	(803)	(4,428)
Provision for financial guarantee contracts	-	(825)
Others	(1,011)	(1,913)
<b>Total</b>	<b>(6,765)</b>	<b>(13,301)</b>

\* Provision has been recognised only on receivables where it is considered there is a greater than 50% risk of failure.

## Origo Partners Plc

## Notes to the financial statements (continued)

**6 Information regarding directors and employees**

	Year ended 31 December 2014	Year ended 31 December 2013
Average number of employees of the Group*	<b>Number</b>	<b>Number</b>
Management**	2	2
Investment and transaction team	4	8
Finance and accounting	5	7
Administration and HR	3	6
Trading sales	-	1
Geologists	-	1
	14	25
The aggregate payroll costs of these employees were as follows:	<b>US\$'000</b>	<b>US\$'000</b>
Wages and salaries	2,632	3,724
Share-based payments	545	443
Social security costs	131	228
	3,308	4,395

\* All employees of the Group have been transferred to and employed by Origo Advisors Ltd in January 2015, which is controlled by entities whose ultimate beneficiaries include Niklas Ponnert (Director of the Company), Chris A Rynning and Luke Leslie.

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

**7 Directors' remuneration**

	2014 US\$'000	2013 US\$'000
Directors' emoluments	1,005	1,094
Share-based payment expenses	218	146
	<b>1,223</b>	<b>1,240</b>

**Origo Partners Plc****Notes to the financial statements (continued)****7 Directors' remuneration (continued)**

Directors' remuneration for the year 2014 and the number of options held were as follows:

<b>Name</b>	<b>Salaries* US\$'000</b>	<b>Director Fee US\$'000</b>	<b>Share-based payment** US\$'000</b>	<b>Total US\$'000</b>	<b>2014 Number of options</b>
Mr. Wang Chao Yong***	75	-	(18)	57	4,000,000
Mr. Chris A Rynning***	330	-	118	448	3,500,000
Mr. Niklas Ponnert	300	-	118	418	5,300,000
Mr. Christopher Jemmett***	-	75	-	75	100,000
Mr. Lionel de Saint-Exupery	-	75	-	75	-
Mr. Tom Preststulen***	-	75	-	75	-
Ms. Shonaid Jemmett Page	-	75	-	75	-
	<b>705</b>	<b>300</b>	<b>218</b>	<b>1,223</b>	<b>12,900,000</b>

Directors' remuneration for the year 2013 and the number of options held were as follows:

<b>Name</b>	<b>Salaries* US\$'000</b>	<b>Director Fee US\$'000</b>	<b>Share-based payment** US\$'000</b>	<b>Total US\$'000</b>	<b>2013 Number of options</b>
Mr. Wang Chao Yong	150	-	(36)	114	4,000,000
Mr. Chris A Rynning	330	-	91	421	3,500,000
Mr. Niklas Ponnert	290	-	91	381	5,300,000
Mr. Christopher Jemmett	-	111	-	111	100,000
Mr. Lionel de Saint-Exupery	-	75	-	75	-
Mr. Tom Preststulen	-	75	-	75	-
Ms. Shonaid Jemmett Page	-	63	-	63	-
	<b>770</b>	<b>324</b>	<b>146</b>	<b>1,240</b>	<b>12,900,000</b>

\* Short term employee benefits

\*\* Share-based payment refers to expenses arising from the Company's share option scheme (note 27).

\*\*\* Mr. Wang Chao Yong, Mr. Chris A Rynning, Mr. Christopher Jemmett and Mr. Tom Preststulen resigned as Directors of the Company in February 2015. The remaining directors of the Company are Shonaid Jemmett-Page (Non-executive Chairman), Lionel de Saint-Exupery (Non-executive Director) and Niklas Ponnert (Director).

**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 Director. The Group's operating segments have been defined based on the types of investments which was equity investment, debt instrument and partnership interest in 2014 and 2013.

## Origo Partners Plc

## Notes to the financial statements (continued)

## 8 Operating segment information (continued)

For the year ended 31 December 2014

	Unlisted			Listed			Total \$'000
	Equity \$'000	Debt \$'000	Total \$'000	Equity \$'000	Debt \$'000	Total \$'000	
<b>Investment loss:</b>							
Realised losses on disposal of investments	(9,751)	(3,867)	(13,618)	(895)	-	(895)	(14,513)
Unrealised losses on investments	(19,657)	(10,169)	(29,826)	(42)	(210)	(252)	(30,078)
Share of gains of jointly controlled entity	-	-	-	-	-	-	-
Income from loans	-	568	568	-	196	196	764
Dividends	-	-	-	4	-	4	4
<b>Total</b>	<b>(29,408)</b>	<b>(13,468)</b>	<b>(42,876)</b>	<b>(933)</b>	<b>(14)</b>	<b>(947)</b>	<b>(43,823)</b>
<b>Net divestment/(investment)</b>							
Net proceeds of divestment	5,411	732	6,143	396	-	396	6,539
Investment	-	(2,121)	(2,121)	(565)	-	(565)	(2,686)
<b>Balance sheet</b>							
Investment portfolio	88,860	26,761	115,621	2,457	2,138	4,595	120,216

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

	Europe \$'000	China \$'000	Mongolia \$'000	Rest of Asia \$'000	North America \$'000	South Africa \$'000	Total \$'000
<b>Investment loss:</b>							
Realised losses on disposal of investments	(3,885)	(9,413)	(1,103)	(32)	(80)	-	(14,513)
Unrealised losses on investments	(2,137)	(4,647)	(14,957)	-	-	(8,337)	(30,078)
Share of gains of jointly controlled entity	-	-	-	-	-	-	-
Income from loans	-	568	196	-	-	-	764
Dividends	-	-	4	-	-	-	4
<b>Total</b>	<b>(6,022)</b>	<b>(13,492)</b>	<b>(15,860)</b>	<b>(32)</b>	<b>(80)</b>	<b>(8,337)</b>	<b>(43,823)</b>
<b>Net divestment/(investment)</b>							
Net proceeds of divestment	-	6,143	15	294	87	-	6,539
Investment	(981)	(1,140)	(565)	-	-	-	(2,686)
<b>Balance sheet</b>							
Investment portfolio	1,494	90,197	26,677	-	-	1,848	120,216

## Origo Partners Plc

## Notes to the financial statements (continued)

## 8 Operating segment information (continued)

For the year ended 31 December 2013

	Equity \$'000	Unlisted Debt \$'000	Total \$'000	Equity \$'000	Listed Debt \$'000	Total \$'000	Total \$'000
<b>Investment loss:</b>							
Realised losses on disposal of investments	(2,218)	(4,791)	(7,009)	(967)	-	(967)	(7,976)
Unrealised losses on investments	(30,020)	(5,463)	(35,483)	(3,979)	(141)	(4,120)	(39,603)
Share of gains of jointly controlled entity	7	-	7	-	-	-	7
Income from loans	-	734	734	-	211	211	945
Dividends	-	-	-	80	-	80	80
<b>Total</b>	<b>(32,231)</b>	<b>(9,520)</b>	<b>(41,751)</b>	<b>(4,866)</b>	<b>70</b>	<b>(4,796)</b>	<b>(46,547)</b>
<b>Net divestment/(investment)</b>							
Net proceeds of divestment	-	-	-	1,498	-	1,498	1,498
Investment	(232)	(8,626)	(8,858)	(244)	-	(244)	(9,102)
<b>Balance sheet</b>							
Investment portfolio	108,449	39,408	147,857	3,632	2,348	5,980	153,837

	Europe \$'000	China \$'000	Mongolia \$'000	Rest of Asia \$'000	North America \$'000	South Africa \$'000	Australia \$'000	Total \$'000
<b>Investment income/(losses):</b>								
Realised (losses)/gains on disposal of investments	-	85	(1,041)	-	(594)	-	(6,426)	(7,976)
Unrealised (losses)/gains on investments	(695)	(3,128)	(30,976)	327	(91)	(5,040)	-	(39,603)
Share of loss of jointly controlled entity	-	7	-	-	-	-	-	7
Income from loans	194	540	211	-	-	-	-	945
Dividends	-	63	17	-	-	-	-	80
<b>Total</b>	<b>(501)</b>	<b>(2,433)</b>	<b>(31,789)</b>	<b>327</b>	<b>(685)</b>	<b>(5,040)</b>	<b>(6,426)</b>	<b>(46,547)</b>
<b>Net divestment/(investment)</b>								
Net proceeds of divestment	-	-	818	-	680	-	-	1,498
Investment	(1,808)	-	(244)	-	-	(5,111)	(1,939)	(9,102)
<b>Balance sheet</b>								
Investment portfolio	6,535	94,434	42,889	327	167	9,485	-	153,837

## Origo Partners Plc

## Notes to the financial statements (continued)

## 9 Finance income and costs

	2014 US\$'000	2013 US\$'000
<b>Finance income</b>		
Bank interest	18	431
	<b>18</b>	<b>431</b>
<b>Finance costs</b>		
Bank charges	(40)	(128)
Interest expenses of convertible zero dividend preference shares	(5,296)	(434)
	<b>(5,336)</b>	<b>(562)</b>

## 10 Income tax

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.

	2014 US\$'000	2013 US\$'000
<b>Current taxes</b>		
Current year	(1)	(3)
<b>Deferred taxes</b>		
Deferred income taxes*	342	(21)
<b>Total income taxes in the statement of comprehensive income</b>	<b>341</b>	<b>(24)</b>

\* The deferred income tax relates to fair value gain of Celadon Mining Ltd, Niutech Energy Ltd, Unipower Battery Ltd and Shanghai Yi Rui Tech New Energy Technology 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:

	2014 US\$'000	2013 US\$'000
Loss before tax	(62,232)	(57,891)
Profit before tax multiplied by rate of corporate income tax in the Isle of Man of 0% (2013: 0%)		-
Effects of:		
Current tax on realised gains on investments	(1)	(3)
Deferred tax on unrealised gains on investments	342	(21)
<b>Total income taxes in the statement of comprehensive income</b>	<b>341</b>	<b>(24)</b>



## Origo Partners Plc

## Notes to the financial statements (continued)

## 10 Income tax (continued)

## Deferred income taxes

	2014 US\$'000	2013 US\$'000
<b>Opening deferred income tax liability</b>		
Income in accounts taxable in the future	2,830	2,809
	2,830	2,809
<b>Recognised through statement of comprehensive income</b>		
Income in accounts taxable in the future	(342)	21
	(342)	21
<b>Closing deferred income tax liability</b>		
Income in accounts taxable in the future	2,488	2,830
	2,488	2,830

## 11 Earnings per share

	2014 US\$'000	2013 US\$'000
<b>Numerator</b>		
Loss for the period attributable to owners of the parent as used in the calculation of basic loss per share	(62,357)	(57,533)
Loss for the period attributable to owners of the parent as used in the calculation of diluted loss per share	(62,357)	(57,533)

	2014 Number of shares	2013 Number of shares
<b>Denominator</b>		
Weighted average number of ordinary shares for basic LPS	348,612,786	348,560,156
Effect of dilution:		
Share options		-
Convertible preference shares		-
Weighted average number of ordinary shares adjusted for the effect of dilution	348,612,786	348,560,156
Basic LPS	(17.89) cents	(16.51) cents
Diluted LPS	(17.89) cents	(16.51) cents

## Origo Partners Plc

## 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
<b>Cost</b>					
At 1 January 2013	39	119	64	48	270
Additions	3	11	89	-	103
Disposal	-	(2)	-	-	(2)
At 31 December 2013	42	128	153	48	371
Additions	1	3	-	-	4
Disposal	(43)	(116)	-	-	(159)
At 31 December 2014	-	15	153	48	216
<b>Accumulated depreciation</b>					
At 1 January 2013	31	71	16	28	146
Charge for the year 2013	4	16	15	16	51
Disposal	-	(1)	-	-	(1)
At 31 December 2013	35	86	31	44	196
Charge for the year 2014	1	9	27	4	41
Disposal	(36)	(81)	-	-	(117)
At 31 December 2014	-	14	58	48	120
<b>Net book value</b>					
At 31 December 2013	7	42	122	4	175
At 31 December 2014	-	1	95	-	96

## 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 2014	Proportion of ownership interest at 31 December 2013
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%
Origo Asset Management Ltd	Cayman	100%	100%
China Venture Capital GP Ltd	Cayman	100%	100%
China Cleantech Partners, L.P. ***	Cayman	100%	62%
China Commodities Absolute Return Ltd	Isle of Man	95.3%	90.7%
ISAK International Holding Ltd**	British Virgin Islands	71.2%	71.2%
China Venture Capital AMC Ltd***	Cayman	-	70%
China CleanTech AMC Ltd****	Cayman	-	50%
China CleanTech GP Ltd****	Cayman	-	50%

## Origo Partners Plc

## Notes to the financial statements (continued)

**13 Investments in subsidiaries (continued)**

\* Owned by Origo Resource Partners Ltd

\*\* Owned by Ascend Ventures Ltd

\*\*\* China Cleantech Partners, L.P. Fund was closed for total consideration of US\$10.5 million, of which US\$9.9 million has been received in cash, and the remaining balance expected to be disbursed in 2015. The assets and liabilities of the disposed entities at the date of disposal were cash of US\$30.0 million, internal shareholder loan of US\$9.8 million and other payables of US\$0.8 million.

\*\*\*\* Struck off

**14 Investments at fair value through profit or loss**

As at 31 December 2014

Name*	Country of incorporation	Fair Value hierarchy level	Proportion of ownership interest	Cost US\$'000	Fair value US\$'000
TPL GmbH****	Germany	3	54.8%	18	-
IRCA Holdings Ltd.	British Virgin Islands	3	49.1%	9,505	-
Shanghai Yi Rui Tech New Energy Technology Ltd	China	3	49.0%	675	695
Resources Investment Capital Ltd.	British Virgin Islands	3	38.5%	287	-
Roshini International Bio Energy Corporation	British Virgin Islands	3	35.9%	17,050	-
China Rice Ltd	British Virgin Islands	3	32.1%	13,000	12,027
Kincora Copper Ltd***	Canada	1	26.3%	7,389	1,755
R.M.Williams Agricultural Holdings Pty Ltd	Australia	3	24.0%	20,214	-
Niutech Energy Ltd	British Virgin Islands	3	21.1%	6,350	11,891
Moly World Ltd	British Virgin Islands	3	20.0%	10,000	8,688
Unipower Battery Ltd	Cayman Islands	3	16.5%	4,301	12,053
Fans Media Co., Ltd	British Virgin Islands	3	14.3%	2,360	-
Gobi Coal & Energy Ltd***	British Virgin Islands	3	14.0%	14,960	13,394
Celadon Mining Ltd	British Virgin Islands	3	9.7%	13,069	24,634
Staur Aqua AS	Norway	3	9.2%	719	43
Ares Resources	Mongolia	3	5.0%	148	-
Bach Technology GmbH	Germany	3	2.5%	60	-
Rising Technology Corporation Ltd/ Beijing Rising Information Technology Ltd **	British Virgin Islands	3	2%/1.6%	5,565	3,174
Kooky Panda Ltd	Cayman Islands	3	1.2%	25	-
Six Waves Inc	British Virgin Islands	3	1.1%	240	804
Marula Mines Ltd	South Africa	3	0.9%	250	501
Fram Exploration AS	Norway	3	0.6%	1,202	956
Other quoted investments***		1		2,296	691
				<b>129,683</b>	<b>91,306</b>

## Origo Partners Plc

## Notes to the financial statements (continued)

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

As at 31 December 2013

Name*	Country of incorporation	Fair Value hierarchy level	Proportion of ownership interest	Cost US\$'000	Fair value US\$'000
TPL GmbH*****	Germany	3	54.8%	18	19
Trafigura Origo Joint Venture LLC *****	Mongolia	3	50.0%	400	-
IRCA Holdings Ltd	British Virgin Islands	3	49.1%	9,505	-
Shanghai Yi Rui Tech New Energy Technology Ltd	China	3	49.0%	675	697
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	34.0%	6,824	1,601
China Rice Ltd	British Virgin Islands	3	32.1%	13,000	17,259
R.M. Williams Agricultural Holdings Pty Ltd	Australia	3	24.0%	20,214	-
Niutech Energy Ltd	British Virgin Islands	3	21.1%	6,350	12,083
Moly World Ltd	British Virgin Islands	3	20.0%	10,000	10,000
Unipower Battery Ltd	Cayman Islands	3	16.5%	4,301	9,984
Fans Media Co., Ltd	British Virgin Islands	3	14.3%	2,360	-
Gobi Coal & Energy Ltd***	British Virgin Islands	3	14.0%	14,960	26,788
Celadon Mining Ltd	British Virgin Islands	3	9.7%	13,069	25,689
Staur Aqua AS	Norway	3	9.2%	719	245
Ares Resources	Mongolia	3	4.8%	148	-
Bach Technology GmbH	Germany	3	2.5%	60	-
Rising Technology Corporation Ltd/ Beijing Rising Information Technology Ltd**	British Virgin Islands	3	2%/ 1.6%	5,565	3,009
Kooky Panda Ltd	Cayman Islands	3	1.2%	25	-
Six Waves Inc	British Virgin Islands	3	1.1%	240	1,203
Marula Mines	South Africa	3	0.8%	250	700
Fram Exploration AS	Norway	3	0.7%	1,202	860
HaloSource, INC.	USA	1	0.3%	525	167
Rex International Holding	Singapore	3	0.1%	217	326
Other quoted investments***		1		3,260	1,055
<b>Total</b>				<b>131,224</b>	<b>111,972</b>

\* There are no significant restrictions that will have an impact on ability to transfer of these investments.

\*\* 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"), the fund managed by the Group.

\*\*\*\* 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)**

\*\*\*\*\* A company focusing on cleantech sectors, jointly formed and co-managed by the Group and Niutech Energy Solutions B.V.

As at 31 December 2014 the proportion of ownership interest held by CCF in investments is as follows:

Name*	Proportion of ownership interest	Cost US\$'000	Fair value US\$'000
Kincora Copper Ltd	2.3%	1,063	153
Gobi Coal & Energy Ltd	0.2%	252	226

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:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- 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
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

In accordance with IFRS 13: For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been transfers between Levels during the period of 2014.

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

	2014 US\$'000	2013 US\$'000
Opening balance	110,750	160,483
Acquisitions	-	456
Proceeds from disposals of investments	(294)	-
Realised losses on disposals of investments	(32)	-
Decrease upon the consolidation of CCP LP	-	(14,911)
Realised losses on write-off of investments	(306)	(2,035)
Net exchange difference	(1,692)	516
Movement in unrealised losses on investments		
- In profit or loss	(17,965)	(33,759)
Transfers out of Level 3*****	(1,601)	-
<b>Closing balance</b>	<b>88,860</b>	<b>110,750</b>

\*\*\*\*\* All shares in Kincora Copper Ltd were released from escrow in July 2014. The fair value of investment was based on quoted market price at 31 December 2014.

The fair value decrease on investments categorised within Level 3 of US\$19,994,687 (2013: US\$35,278,437), was recorded in the statement of profit or loss.

## Origo Partners Plc

## Notes to the financial statements (continued)

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

Description of significant unobservable inputs to valuation:

as at 31 December 2014

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range</b>
Investments in unquoted equity shares - metal & mining sector	DCF method	WACC Discount for lack of marketability	13.85% - 15% 20% - 30%
Investments in unquoted equity shares - metal & mining sector	Multiples method	Discount for lack of marketability	20% - 30%
Investments in unquoted equity shares - cleantech sector	Multiples method	Discount for lack of marketability	30%
Investments in unquoted equity shares - agriculture sector	Multiples method	Discount for lack of marketability	30%
Investments in unquoted equity shares - TMT sector	Multiples method	Discount for lack of marketability	30%

as at 31 December 2013

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range</b>
Investments in unquoted equity shares - metal & mining sector	DCF method	WACC Discount for lack of marketability	15% - 18% 20% - 30%
Investments in unquoted equity shares - cleantech sector	Multiples method	Discount for lack of marketability	30%
Investments in unquoted equity shares - agriculture sector	Multiples method	Discount for lack of marketability	30%
Investments in unquoted equity shares - TMT sector	Multiples method	Discount for lack of marketability	30%

**Risk management activities***Fair value risk*

The Group'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 does not hedge the market risk inherent in the portfolio but manage 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. The Group believes that the carrying amount is a reasonable approximation of fair value for their financial assets and liabilities.

## Origo Partners Plc

## Notes to the financial statements (continued)

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

## Risk management activities (continued)

## Cash flow interest rate risk

The Group currently views 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.

## Valuation techniques

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 closing price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. 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. Valuation methodologies mainly include the price of recent investments, multiples, discounted cash flows or earnings, 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 reporting period.

## 15 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 2014

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	764	-	764
R.M. Williams Agricultural Holdings Pty Ltd	3	8-20	3,090	-	-	-
Staur Aqua AS	3	0-15	3,848	267	228	495
Kincora Copper Ltd	3	8.7	2,469	2,138	-	2,138
Roshini International Bio Energy Corporation	3	-	424	-	-	-
<b>Sub-total</b>			<b>45,476</b>	<b>27,169</b>	<b>228</b>	<b>27,397</b>

## Origo Partners Plc

## Notes to the financial statements (continued)

## 15 Loans (continued)

<b>Borrower</b>	<b>Loan rates %</b>	<b>Loan principal US\$'000</b>	<b>Loans due within one year US\$'000</b>	<b>Loans due after one year US\$'000</b>	<b>Amortised cost US\$'000</b>
Loan agreements*					
IRCA Holdings Ltd	6-10	8,909	158	425	583
TPL GmbH	10	3,807	-	-	-
R.M. William Agricultural Holdings Pty Ltd	15.5+RBA cash rate	1,725	-	-	-
Shanghai Evtech New Energy Technology Ltd	-	510	510	-	510
China Silvertone Investment Co Ltd	-	478	-	-	-
Unipower Battery Ltd	12	409	409	-	409
View Step Corporation Ltd	-	25	-	-	-
<b>Sub-total</b>		<b>15,863</b>	<b>1,077</b>	<b>425</b>	<b>1,502</b>
<b>Total</b>		<b>61,339</b>	<b>28,246</b>	<b>653</b>	<b>28,899</b>

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

\*\* The valuation methodology has been changed from multiples method to the price of recent investment. The recent management buy-out transaction price is deemed to be the best indication of fair value.

As at 31 December 2013

<b>Borrower</b>	<b>Fair value hierarchy level</b>	<b>Loan rates %</b>	<b>Loan principal US\$'000</b>	<b>Loans due within one year US\$'000</b>	<b>Loans due after one year US\$'000</b>	<b>Fair value US\$'000</b>
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	5,374	-	5,374
R.M. Williams Agricultural Holdings Pty Ltd	3	8-20	3,090	-	-	-
Staur Aqua AS	3	0-15	3,848	740	1,786	2,526
Kincora Copper Ltd	3	8.7	2,469	-	2,348	2,348
Roshini International Bio Energy Corporation	3	-	424	-	-	-
<b>Sub-total</b>			<b>45,476</b>	<b>30,114</b>	<b>4,134</b>	<b>34,248</b>



## Origo Partners Plc

## Notes to the financial statements (continued)

## 15 Loans (continued)

As at 31 December 2013

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	8,909	1,102	3,009	4,111
R.M. Williams Agricultural Holdings Pty Ltd	15.5+RBA cash rate	1,725	-	-	-
TPL GmbH	10	2,827	-	2,887	2,887
Shanghai Evtech New Energy Technology Ltd	-	510	510	-	510
China Silvertone Investment Co Ltd	-	478	-	-	-
View Step Corporation Ltd	-	25	-	-	-
<b>Sub-total</b>		<b>14,474</b>	<b>1,612</b>	<b>5,896</b>	<b>7,508</b>
<b>Total</b>		<b>59,950</b>	<b>31,726</b>	<b>10,030</b>	<b>41,756</b>

Statement of changes in loans:

	2014 US\$'000	2013 US\$'000
Opening balance	41,756	43,462
Additions	2,121	8,626
Repayment	(732)	-
Write-offs	(3,867)	(4,791)
Revaluation	(10,379)	(5,381)
Decrease upon the consolidation of CCP LP	-	(160)
<b>Closing balance</b>	<b>28,899</b>	<b>41,756</b>

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

	2014 US\$'000	2013 US\$'000
Opening balance	34,248	39,501
Additions	-	-
Write-offs	-	(3,066)
Movement in unrealised losses on investments		
- In profit or loss	(6,851)	(2,027)
Decrease upon the consolidation of CCP LP	-	(160)
<b>Closing balance</b>	<b>27,397</b>	<b>34,248</b>

The fair value decrease on convertible credit agreements categorised within level 3 of US\$6,851,090 (2013: US\$5,093,569), was recorded in the statement of profit or loss.

## Origo Partners Plc

## Notes to the financial statements (continued)

## 16 Derivative financial assets

	Fair Value hierarchy level	2014 US\$'000	2013 US\$'000
Warrants	3	11	109
<b>Total</b>		<b>11</b>	<b>109</b>

In accordance with the fair value hierarchy described in note 14, derivative financial instruments are measured using level 3 for warrants.

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

	2014 US\$'000	2013 US\$'000
Opening balance	109	927
Expired	-	(249)
Movement in unrealised losses on investments		
- In profit or loss	(98)	(569)
<b>Closing balance</b>	<b>11</b>	<b>109</b>

The fair value decreases on derivative financial instruments categorised within level 3 of US\$97,701 (2013: US\$817,531), was recorded in the statement of profit or loss.

## 17 Other current assets

	Fair value hierarchy level	2014		2013	
		Cost US\$'000	Fair value US\$'000	Cost US\$'000	Fair value US\$'000
Other financial assets					
Short-term investment*	3	-	-	3,280	3,280
Structured deposits**	3	-	-	4,921	4,921
Others		-	-	4	4
<b>Total</b>		<b>-</b>	<b>-</b>	<b>8,205</b>	<b>8,205</b>

\* A 38 days short term investment of RMB20 million placed with Bank of Communications by Origo (Xinxiang) Renewable Energy Investment Center LP which is one of subsidiaries of the Group, with the interest rate at 5.1 per cent p.a, the maturity date is January 20, 2014.

\*\* A 66 days structured deposit of RMB30 million placed with China MinSheng Bank by Origo (Xinxiang) Renewable Energy Investment Center LP, with the interest rate linked to USD 3 Month Libor rate, the maturity date is February 7, 2014.

## 18 Trade and other receivables

	2014 US\$'000	2013 US\$'000
Trade debtors	4	4
Other debtors	1,382	1,023
Loan interest receivables	2,127	2,204
Prepayments	383	173
<b>Total</b>	<b>3,896</b>	<b>3,404</b>

## Origo Partners Plc

## Notes to the financial statements (continued)

## 18 Trade and other receivables (continued)

2014 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	-	-	-	-	-	4	4
Other debtors	645	10	-	104	312	2,895	3,966
Loan interest receivables	136	124	127	404	721	8,784	10,296
Other	273	-	7	37	7	59	383
Provision against loan interest receivables	(25)	(79)	(81)	(238)	(451)	(7,295)	(8,169)
Provision of bad debts	-	(10)	-	(27)	(5)	(2,542)	(2,584)
<b>Total</b>	<b>1,029</b>	<b>45</b>	<b>53</b>	<b>280</b>	<b>584</b>	<b>1,905</b>	<b>3,896</b>
<b>Percentage</b>	<b>27%</b>	<b>1%</b>	<b>1%</b>	<b>7%</b>	<b>15%</b>	<b>49%</b>	<b>100%</b>

2013 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	-	-	-	-	-	254	254
Other debtors	11	18	174	236	253	2,384	3,076
Loan interest receivables	221	98	101	386	645	7,423	8,874
Other	1	-	-	88	4	80	173
Provision against loan interest receivables	(51)	(54)	(55)	(159)	(309)	(6,042)	(6,670)
Provision of bad debts	-	-	(153)	(134)	(104)	(1,912)	(2,303)
<b>Total</b>	<b>182</b>	<b>62</b>	<b>67</b>	<b>417</b>	<b>489</b>	<b>2,187</b>	<b>3,404</b>
<b>Percentage</b>	<b>5%</b>	<b>2%</b>	<b>2%</b>	<b>12%</b>	<b>15%</b>	<b>64%</b>	<b>100%</b>

## 19 Cash and cash equivalents and Short-term borrowings

	2014 US\$'000	2013 US\$'000
Current account	5,185	35,300
<b>Total cash and cash equivalents</b>	<b>5,185</b>	<b>35,300</b>

	2014 US\$'000	2013 US\$'000
Short-term borrowings	-	160
<b>Total short-term borrowings</b>	<b>-</b>	<b>160</b>

## Origo Partners Plc

## Notes to the financial statements (continued)

**20 Trade and other payables**

	2014 US\$'000	2013 US\$'000
Trade payables	2	2
Other payables	1,247	1,815
Performance incentive payable within one year*	8	233
<b>Total</b>	<b>1,257</b>	<b>2,050</b>

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

**21 Financial guarantee contracts**

	Fair value hierarchy level	2014 US\$'000	2013 US\$'000
Financial guarantee contracts*	3	-	825
<b>Total</b>		<b>-</b>	<b>825</b>

\* In May 2011, the Group 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. The Group has settled GBP500,000 of guarantee to Mr. Malcolm Stephen Paul in 2014

**22 Provision**

	2014 US\$'000	2013 US\$'000
USR/contingent share awards *	297	165
Performance incentive provision**	7,404	1,622
<b>Total</b>	<b>7,701</b>	<b>1,787</b>

	2014 US\$'000	2013 US\$'000
Opening balance	1,787	5,080
Movement in USR/contingent share awards *	132	(202)
Movement in performance incentive provision**	5,782	(3,091)
<b>Total</b>	<b>7,701</b>	<b>1,787</b>

\* 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 27.

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

## Origo Partners Plc

## Notes to the financial statements (continued)

## 23 Liability component of convertible zero dividend preference shares

	Number of shares	Liability component US\$'000	Equity component US\$'000	Early redemption option derivative US\$'000
<b>Balance at 1 January 2013</b>	<b>60,000,000</b>	<b>60,877</b>	<b>7,462</b>	-
Interest expenses on convertible zero dividend preference shares	-	950	-	-
<b>Balance at 18 March 2013</b>	<b>60,000,000</b>	<b>61,827</b>	<b>7,462</b>	-
Restructure	(3,000,000)	(7,195)	835	(2)
Interest expenses on convertible zero dividend preference shares	-	3,681	-	-
Fair value movement of early redemption option derivative	-	-	-	2
<b>Balance at 31 December 2013</b>	<b>57,000,000</b>	<b>58,313</b>	<b>8,297</b>	-
Interest expenses on convertible zero dividend preference shares	-	5,296	-	-
Fair value movement of early redemption option derivative	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>57,000,000</b>	<b>63,609</b>	<b>8,297</b>	-

On 8 March 2011, the Company issued 60 million Convertible Zero Dividend Preference Shares (“Convertible Preference Shares” or “CZDP”) 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.

## Origo Partners Plc

## Notes to the financial statements (continued)

**23 Liability component of convertible zero dividend preference shares (continued)**

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.

In March 2013, the Company restructured the terms of its existing Convertible Preference Shares, the principal terms of restructure includes: i) extension of the maturity date of the Convertible Preference Shares by 18 months from 8 March 2016 to 8 September 2017 (the "Extended Period"); ii) amendment of the final capital value ("FCV") of the Convertible Preference Shares 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 Convertible Preference Shares 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 Convertible Preference Shares by 8 March 2016, the original maturity date; and iv) the Company to set aside, for the funding of Convertible Preference Shares tender offers, 50 per cent of the next US\$24 million of net proceeds (post transaction costs and management incentives) from investment realisations by the Company. The new effective interest rate of the liability component is 9.0%. In addition to the restructure, the Company has repurchased 3 million Convertible Preference Shares from holders at a price of US\$1.00 per Convertible Preference Shares. Finance cost of US\$4.2 million was credited to reverse the liability component after the payoff of US\$3 million of cash for repurchase.

**24 Issued capital**

Authorised	2014		2013	
	Number of shares	£'000	Number of shares	£'000
Ordinary shares of £ 0.0001 each	500,000,000	50	500,000,000	50

Issued and fully paid	2014		2013	
	Number of shares	US\$'000	Number of shares	US\$'000
At beginning of the year	356,706,814	55	356,986,814	55
Buyback shares	-	-	(280,000)	-
At end of the year	356,706,814	55	356,706,814	55

**25 Other reserve**

Included within the other reserve are 8,061,425 shares of the Company held by Employee Benefit Trust ("EBT").

**Origo Partners Plc****Notes to the financial statements (continued)****26 Financial instruments - Risk management**

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

- Fair value risk
- Cash flow interest rate risk
- Currency risk
- Credit risk
- Liquidity risk
- Concentration risk
- Sensitivity risk of financial assets based at level 3

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.

**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 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
2014	+10%	3,125	3,125
	-10%	(3,125)	(3,125)
2013	+10%	5,025	5,025
	-10%	(5,025)	(5,025)

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

## Origo Partners Plc

## Notes to the financial statements (continued)

## 26 Financial instruments - Risk management (continued)

## Currency risk (continued)

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

2014	GBP US\$'000	NOK US\$'000	RMB US\$'000	AUD US\$'000	HKD US\$'000	CAD US\$'000	Total US\$'000
Cash and bank balances	29	50	38	12	50	13	192
Investment at FVTPL	24,802	999	695	-	-	2,279	28,775
Loans	37	495	930	-	-	2,138	3,600
Trade and other receivables	-	-	317	-	-	83	400
Derivative assets	-	-	-	-	-	12	12
<b>Total Assets</b>	<b>24,868</b>	<b>1,544</b>	<b>1,980</b>	<b>12</b>	<b>50</b>	<b>4,525</b>	<b>32,979</b>
Trade and other payables	(171)	-	(101)	-	-	-	(272)
Provision	(297)	-	-	-	-	-	(297)
Deferred income tax liability	(1,157)	-	(2)	-	-	-	(1,159)
<b>Total Liabilities</b>	<b>(1,625)</b>	<b>-</b>	<b>(103)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,728)</b>

2013	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	429	64	5,045	19	51	116	-	5,724
Investment at FVTPL	25,984	1,431	697	-	-	2,362	19	30,493
Loans	254	2,526	622	-	-	2,348	1,587	7,337
Other current assets	-	-	8,204	-	-	-	-	8,204
Trade and other receivables	-	416	380	-	-	90	66	952
Derivative assets	-	-	-	-	-	109	-	109
<b>Total Assets</b>	<b>26,667</b>	<b>4,437</b>	<b>14,948</b>	<b>19</b>	<b>51</b>	<b>5,025</b>	<b>1,672</b>	<b>52,819</b>
Trade and other payables	(180)	-	(140)	-	-	-	-	(320)
Financial guarantee contracts	(825)	-	-	-	-	-	-	(825)
Provision	(165)	-	-	-	-	-	-	(165)
Deferred income tax liability	(1,262)	-	-	-	-	-	-	(1,262)
<b>Total Liabilities</b>	<b>(2,432)</b>	<b>-</b>	<b>(140)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,572)</b>

## 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\$28.9 million. Directors consider cash and receivables do not expose to significant credit risk, because the cash is held at reputable banks. The credit risk exposure is managed on an asset-specific basis by management.

	2014 not past due US\$'000	2014 up to 12 months past due US\$'000	2014 more than 12 months past due US\$'000	2014 Total US\$'000	2013 not past due US\$'000	2013 up to 12 months past due US\$'000	2013 more than 12 months past due US\$'000	2013 Total US\$'000
Convertible loan	2,366	-	25,031	27,397	4,134	1,200	28,914	34,248
Working capital loan	425	556	521	1,502	6,919	49	540	7,508
<b>Total</b>	<b>2,791</b>	<b>556</b>	<b>25,552</b>	<b>28,899</b>	<b>11,053</b>	<b>1,249</b>	<b>29,454</b>	<b>41,756</b>



## Origo Partners Plc

## Notes to the financial statements (continued)

## 26 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

	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
31 December 2014	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents	5,185	-	-	-	5,185
Trade receivables	-	-	-	4	4
Other receivables	1,225	1	-	156	1,382
Loan interest receivables	2,044	-	83	-	2,127
Derivative financial assets	11	-	-	-	11
Loans	26,107	-	2,139	653	28,899
Investments at fair value through profit or loss	535	1,756	-	89,015	91,306
<b>Total</b>	<b>35,107</b>	<b>1,757</b>	<b>2,222</b>	<b>89,828</b>	<b>128,914</b>

## Liabilities

	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
31 December 2014	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	2	-	-	-	2
Performance incentive payable	-	-	8	7,404	7,412
USR/Contingent share awards	297	-	-	-	297
Other payables	361	378	-	508	1,247
Liability component of convertible zero dividend preference shares	-	-	-	57,000	57,000
Contractual interest payable	-	-	-	16,843	16,843
<b>Total</b>	<b>660</b>	<b>378</b>	<b>8</b>	<b>81,755</b>	<b>82,801</b>

## Origo Partners Plc

## Notes to the financial statements (continued)

## 26 Financial instruments - Risk management (continued)

## Liquidity risk (continued)

## Assets

	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
31 December 2013	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents	35,300	-	-	-	35,300
Other current assets	3,284	4,921	-	-	8,205
Trade receivables	-	-	-	4	4
Other receivables	957	-	-	66	1,023
Loan interest receivables	1,905	-	90	209	2,204
Derivative financial assets	109	-	-	-	109
Loans	30,624	-	1,102	10,030	41,756
Investments at fair value through profit or loss	1,766	1,928	-	108,278	111,972
<b>Total</b>	<b>73,945</b>	<b>6,849</b>	<b>1,192</b>	<b>118,587</b>	<b>200,573</b>

## Liabilities

	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
31 December 2013	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	2	-	-	-	2
Short-term borrowing/Convertible loan	-	-	-	160	160
Performance incentive payable	-	-	233	1,622	1,855
USR/Contingent share awards	165	-	-	-	165
Other payables	315	989	-	511	1,815
Liability component of convertible zero dividend preference shares	-	-	-	57,000	57,000
Contractual interest payable	-	-	-	10,694	10,694
Financial guarantee contracts*	-	-	825	645	1,470
<b>Total</b>	<b>482</b>	<b>989</b>	<b>1,058</b>	<b>70,632</b>	<b>73,161</b>

\* Based on the maximum amount that can be called for under a payment guarantee agreement (note 21).

## Concentration risk

The main concentration risk for Origo is that the largest investments are concentrated in Mongolia for the amount of US\$ 22,082,098 (Gobi US\$13,393,992 and Moly US\$8,688,106), 18% out of the total portfolio value of US\$ 120,216,267.

## 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\$2,310,225 (2013: US\$3,934,845) or 1.99% (2013: 2.72%) of total financial assets based at level 3.

## Origo Partners Plc

## Notes to the financial statements (continued)

**27 Share option scheme**

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

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

	2014 US\$'000	2013 US\$'000
Equity-settled option	(406)	(632)
USR/contingent share awards	(139)	189
<b>Total</b>	<b>(545)</b>	<b>(443)</b>

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 2014 and 31 December 2013.

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
<b>Outstanding at 1 January</b>	<b>23,001,932</b>	<b>27.24p</b>	<b>23,501,932</b>	<b>27.32p</b>
Granted during the year	-	-	-	-
Forfeited during the year	(1,550,000)	(31.00p)	(500,000)	(31.00p)
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at 31 December</b>	<b>21,451,932</b>	<b>26.97p</b>	<b>23,001,932</b>	<b>27.24p</b>
<b>Exercisable at 31 December</b>	<b>11,451,932</b>	<b>23.45p</b>	<b>11,451,932</b>	<b>23.45p</b>

The weighted average remaining contractual life for the share options outstanding as at 31 December 2014 was 4.56 years (31 December 2013: 5.73 years).

The range of exercise prices for options outstanding at the end of the year was 20 pence to 59.85 pence (31 December 2013: 20 pence to 59.85 pence).

Outstanding options include 6,800,000, 3,500,000, 500,000 and 13,600,000 equity-settled options granted on 26 October 2006, 13 March 2008, 6 February 2009 and 2 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 from 2007 to 2014, except as described above.

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 2014 and 31 December 2013.

## Origo Partners Plc

## Notes to the financial statements (continued)

## 27 Share option scheme (continued)

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
<b>Outstanding at 1 January</b>	<b>5,688,067</b>	<b>12.85p</b>	<b>5,788,067</b>	<b>12.63p</b>
Granted during the year	2,423,358	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(50,000)*	-	(100,000)**	-
Expired during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>8,061,425</b>	<b>9.07p</b>	<b>5,688,067</b>	<b>12.85p</b>
<b>Exercisable at the end of the year</b>	<b>8,061,425</b>	<b>9.07p</b>	<b>5,688,067</b>	<b>12.85p</b>

\* The weighted average share price at the date of exercise of these options was 7.875 pence.

\*\* The weighted average share price at the date of exercise of these options was 6.926 pence.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2014 was 6.64 years (2013: 6.19 years).

The range of exercise prices for options outstanding at the end of the year was zero to 15.5 pence (2013: zero to 15.5 pence).

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.

On 30 December 2014, 2,423,358 of share awards were granted to certain key employees under the Company's JSOS, which will vest immediately at the date of grant. The contractual life of each share offers granted is 10 years.

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

	2014	2013
Underlying stock price (pence)	6.13	7.38
Exercise price (pence)	15.5	15.5
Expected life of option (years)	2	2
Expected volatility (%)	45.82	45.05
Expected dividend yield (%)	-	-
Risk-free interest rate (%)	1.18	1.20

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 2012 to 31 December 2014 using source data from Reuters.

**Origo Partners Plc****Notes to the financial statements (continued)****27 Share option scheme (continued)**

The carrying amount of the liability relating to the USR and the contingent share award as at 31 December 2014 is US\$296,574 and the expense recognized as share-based payments during the period is (US\$138,338).

**28 Related party transactions***Identification of related parties*

The Group has a related party relationship with its subsidiaries, jointly controlled entity, associates and key management personnel. The company receives and pays certain debtors and creditors on behalf of its subsidiaries and the amounts are recharged to the entities. The amount in current period was (\$8,745,164) and the balance at the end of the period was (\$15,668,262). Transactions between the Company and its subsidiaries have been eliminated on consolidation.

*Transactions with key management personnel*

The Group's key management personnel are the Executive and Non-executive Directors as identified in the director's report.

*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 2014 and 31 December 2013.

	2014 US\$'000	2013 US\$'000
<b>Loans to related parties</b>		
Subsidiaries:		
ISAK International Holding Ltd	870	870
China Cleantech Partners, L.P.	340	-
China Venture Capital GP Ltd	318	318
China Venture Capital AMC Ltd	-	322
China CleanTech GP Ltd	-	110
China CleanTech AMC Ltd	-	50
<b>Amounts due from/(to) related parties*</b>		
Key management personnel:		
Chris A Rynning***	-	(316)
Niklas Ponnert***	-	(322)
Wang Chao Yong***	(47)	(38)
Christopher Jemmett***	(47)	(29)
Lionel de Saint-Exupery***	(47)	(19)
Tom Preststulen***	-	(19)
Shonaid Jemmett Page***	(47)	(40)
Luke Leslie***	(12)	(22)
Other:		
Origo Advisers Ltd**	(7,117)	(1,853)

## Origo Partners Plc

## Notes to the financial statements (continued)

## 28 Related party transactions (continued)

	2014 US\$'000	2013 US\$'000
<b>Transactions</b>		
Key management personnel:		
Luke Leslie****	(17)	(22)
Shonaid Jemmett Page*****	-	(92)
Other:		
Origo Advisers Ltd**	(5,790)	(3,091)

\* The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

\*\* Origo Advisers Ltd is controlled by entities whose ultimate beneficiaries include Niklas Ponnert (Director of the Company), Chris A Rynning and Luke Leslie.

\*\*\* Chris A Rynning (former Director of the Company); Niklas Ponnert (Director of the Company); Wang Chao Yong, Christopher Jemmett and Tom Preststulen were former Non-executive Directors of the Company; Lionel de Saint-Exupery (Non-executive Director of the Company); Shonaid Jemmett Page (Non-executive Chairman of the Company); and Luke Leslie is a Director of CCF which is one of subsidiaries of the Group.

\*\*\*\* The amount is the management fee according to the advisory agreement between CCF and the Group.

\*\*\*\*\* The amount disclosed relates to the consultancy services provided by Shonaid Jemmett Page to the Company in respect of IRCA Holdings Ltd.

## 29 Capital management

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

The Group manages and makes appropriate adjustments to its capital structure on an ongoing basis in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders and/or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013.

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:

	2014 US\$'000	2013 US\$'000
Current liabilities	1,257	3,035
Less: Cash and bank balances	(5,185)	(35,300)
<b>Net debt</b>	<b>(3,928)</b>	<b>(32,265)</b>

## Origo Partners Plc

## Notes to the financial statements (continued)

## 29 Capital management (continued)

	2014 US\$'000	2013 US\$'000
Liability component of convertible zero dividend preference shares	63,609	58,313
Equity attributable to equity holders of the parent	53,772	112,806
<b>Capital</b>	<b>117,381</b>	<b>171,119</b>
<b>Capital and net debt</b>	<b>113,453</b>	<b>138,845</b>
<b>Gearing ratio</b>	<b>(3%)</b>	<b>(23%)</b>

## 30 Commitments and contingencies

- In August 2013, the Company entered into a payment guarantee agreement with ABSA Bank Ltd ("ABSA") to guarantee IRCA's repayment obligation under the facilities extended from ABSA, for an aggregate amount up to R6,769,000.
- 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 Corporation an investment which was written off as 31 December 2009. With the following update in the Claim form, Origo has been named as the second defendant and the date for service of the Claim Form is extended until 3 April 2015. The claim has been discontinued against Origo and filed at court on 8 April 2015.
- In February 2014, the Company made an announcement regarding a complaint raised by Brooks Macdonald with the Company in respect of the terms of Convertible Zero Dividend Preference Shares ("Convertible Preference Shares" or the "CZDP") (the "First Complaint"). Brooks Macdonald contends that the change of control provisions should have included an option exercisable by the holders of the CZDP to redeem the CZDP upon a change of control in respect of Origo (a "CZDP COC Redemption Option"). This is on the basis of what was mentioned in a short-form term sheet (the "CZDP Term Sheet") that was appended to the placing letter entered into between Liberum (on behalf of Origo) and Spearpoint for the subscription by Spearpoint of the CZDP (the CZDP Admission Document and Articles, as amended, having not yet been prepared when the placing letter was signed). The CZDP Term Sheet contained a provision that Brooks Macdonald suggest should be interpreted as indicating that Spearpoint would have a CZDP COC Redemption Option.

The CZDP Term Sheet contained only brief details of the CZDP and Spearpoint's subscription was subject (amongst other things) to detailed documentation being produced and approved (i.e. the CZDP Admission Document and the Articles, as amended). Spearpoint had the opportunity to review this detailed documentation prior to its acquisition of the CZDP and should have made its actual subscription for the CZDP based on the final information contained in the CZDP Admission Document and the Articles. No query regarding the non-inclusion in the terms of the CZDP of a CZDP COC Redemption Option was raised by Spearpoint at the time of issue of the CZDP in 2011 or subsequently (including at the time of the 2013 CZDP Amendment), until the communication by Brooks Macdonald of its complaint.

**Origo Partners Plc****Notes to the financial statements (continued)**

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**30 Commitments and contingencies (continued)**

Brooks Macdonald has indicated that it may commence legal proceedings if the terms of the CZDP are not amended to provide a CZDP COC Redemption Option. Such an amendment could only be made if shareholders approve the relevant changes to the Articles at a general meeting. Origo has consulted a limited number of its key shareholders to discuss the complaint and understands that shareholders would be unlikely to approve the amendments to the Articles proposed by Brooks Macdonald if they were put to shareholders. Origo has also sought legal advice in respect of Brooks Macdonald's complaint. On the basis of that legal advice, Origo considers that a legal claim against Origo, if initiated by Brooks Macdonald, would be unlikely to succeed.

To date, no legal proceedings have been commenced by Brooks MacDonald in relation to the First Complaint, although Brooks MacDonald has not withdrawn its threat to bring such legal proceedings.

In addition, Brooks MacDonald, through its lawyers in the Isle of Man (where the Company is incorporated), has raised a further complaint (the "Second Complaint"). Brooks MacDonald asserts that the resolution passed on 8 March 2011 ("March 2011 Resolution") to amend the Company's Articles to reflect the creation of the CZDP was not validly passed. This assertion rests on an argument that a "75% Resolution" (as defined in the Articles), which is required in order to amend the Company's Articles, requires a majority of holders of 75% of all issued and outstanding shares to have voted in favour of it rather than a majority of 75% of votes cast. Brooks MacDonald, therefore, contends that if the March 2011 Resolution was not validly passed it would have a legal claim for the return from the Company of the consideration paid for the purchase of the CZDP.

The Company is firmly of the view that there is no substance to the Second Complaint and that the March 2011 Resolution was validly passed. The Company has taken legal advice which supports this position.

The Second Complaint was not referred to in the BAMA Announcement nor has Brooks MacDonald commenced legal proceedings in respect of the complaint. However, Brooks MacDonald has refused the Company's direct request to withdraw the Second Complaint. In these circumstances, the Company proposes to act promptly to remove any possible doubt that its Articles operate on any basis other than that on which the Company and its shareholders have proceeded to date. Therefore, the Company has issued an application in the Isle of Man Court for a declaration that the Articles bear the meaning propounded by the Company. In November 2014, the Isle of Man Court ordered that Brooks Macdonald be appointed as a representative defendant in the Declaratory Proceedings on behalf of the holders of the Company's CZDP shares, with costs to be paid by the Company on an indemnity basis in any event as applied by Brooks Macdonald. The Company now hopes the Declaratory Proceedings will be progressed without further delay. The Company is seeking to have this application dealt with on an expedited basis in order to remove any uncertainty as to the operation of its Articles as quickly as possible.

At the requisitioned general meeting of the Company held on 16 January 2015, all of the resolutions to approve a number of changes to the board of directors of the Company and to the Company's investing policy proposed by Brooks Macdonald were voted down by the Company's shareholders by way of poll.

The Company remains committed to attempting to work with Brooks Macdonald and other shareholders to achieve a mutually acceptable resolution to both the First Complaint and the Second Complaint.

There were no other material contracted commitments or contingent assets or liabilities at 31 December 2014 (31 December 2013: none) that have not been disclosed in the consolidated financial statements.



**Origo Partners Plc****Notes to the financial statements (continued)**

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**31 Events after the reporting period**

- In January 2015, the Company announced that all of employees, including Chris Rynning (the Company's former Chief Executive Officer) and Niklas Ponnert (the Company's former Chief Financial Officer) but not including Wang Chao Yong (the Company's former Chairman), have been transferred and employed by the Origo Advisors Ltd ("OAL") Group. With the employee transfer completed the Asset Realisation Support Agreement with OAL and the Agreement Relating to Assets with OAL became effective on 13 January 2015 and as such, the Company is now externally managed by OAL. The Company's previous Investment Support Agreement dated 10 November 2009 between the Company and OAL has been terminated with simultaneous effect.
- At the requisitioned general meeting of the Company held on 16 January 2015, all of the resolutions to approve a number of changes to the board of directors of the Company and to the Company's investing policy proposed by Brooks Macdonald were voted down by the Company's shareholders by way of poll.
- In January, February and March 2015, the Company disbursed further working capital loans of EUR315,000 to TPL GmbH.
- In February 2015, Origo announced that Wang Chao Yong, Chris Rynning, Christopher Jemmett and Tom Prestulen agreed to step down as Directors of the Company with immediate effect. Origo also announced the issue of a total of 2,040,000 new ordinary shares at an effective issue price of 5.875 pence per ordinary share to the Non-executive Directors and former Non-executive Directors.

## **Origo Partners PLC**

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