ORIGO PARTNERS PLC

INTERIM FINANCIAL REPORT

For the six months ended 30 June 2016

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Origo Partners Plc

Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2016

	Notes	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Investment income:	3		
Realised gains/(losses) on disposal of investments		26	(978)
Unrealised gains on investments		497	3,819
Income from loans		356	368
		879	**3,209**
Fund Consulting fee	4	(966)	(1,044)
Other income		18	65
Performance incentive	5	(71)	(542)
Share-based payments	21	(29)	(54)
Other administrative expenses	6	(951)	(2,526)
Net loss before finance costs and taxation		**(1,120)**	**(892)**
Foreign exchange gains/(losses)		92	(103)
Finance income	9	9	-
Finance costs	9	(3,086)	(2,840)
Loss before tax		**(4,105)**	**(3,835)**
Income tax	10	(44)	(305)
Loss after tax		**(4,149)**	**(4,140)**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		16	94
Tax on other comprehensive losses		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**16**	**94**
Total comprehensive loss after tax		**(4,133)**	**(4,046)**
Loss after tax			
Attributable to:			
- Owners of the parent		(4,144)	(4,128)
- Non-controlling interests		(5)	(12)
		(4,149)	**(4,140)**
Total comprehensive loss			
Attributable to:			
- Owners of the parent		(4,128)	(4,034)
- Non-controlling interests		(5)	(12)
		(4,133)	**(4,046)**
Basic loss per share	11	(1.18) cents	(1.18) cents
Diluted loss per share	11	(1.18) cents	(1.18) cents

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

Origo Partners Plc

Interim Consolidated Statement of Financial Position
As at 30 June 2016

Assets	Notes	(Unaudited) 30 June 2016 US$'000	(Audited) 31 December 2015 US$'000
Non-current assets			
Property, plant and equipment		50	64
Intangible assets		3	4
Investments at fair value through profit or loss	13	77,959	77,571
Loans	14	266	350
		78,278	**77,989**
Current assets			
Trade and other receivables	15	4,461	4,101
Loans due within one year	14	26,300	26,093
Cash and cash equivalents		640	1,272
		31,401	31,466
Total assets		**109,679**	**109,455**
Current liabilities			
Trade and other payables	16	3,835	2,701
Performance incentive payable within one year	16	8	8
Financial guarantee contracts	17	435	435
		4,278	**3,144**
Non-current liabilities			
Convertible zero dividend preference shares	18	72,468	69,385
Provision	19	4,309	4,262
Deferred income tax liability		2,125	2,082
		78,902	**75,729**
Net assets		**26,499**	**30,582**
Equity attributable to owners of the parent			
Issued capital	20	56	56
Share premium		150,414	150,414
Share-based payment reserve		7,626	7,573
Retained earnings		(139,968)	(135,824)
Translation reserve		(1,479)	(1,495)
Equity component of convertible zero dividend preference shares	18	8,297	8,297
Other reserve		1,056	1,056
		26,002	30,377
Non-controlling interests		497	505
Total equity		**26,499**	**30,582**
Total equity and liabilities		**109,679**	**109,455**

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

Origo Partners Plc

Interim Consolidated Statement of Changes in Equity
For the six months ended 30 June 2016

	Attributable to equity holders of the parent									
	Issued capital US$'000	**Share premium US$'000**	**Share-based payment reserve US$'000**	**Retained earnings US$'000**	**Equity component of CZDPs* US$'000**	**Other reserve US$'000**	**Translation reserve US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
At 1 January 2016	56	150,414	7,573	(135,824)	8,297	1,056	(1,495)	30,077	505	30,582
Loss for the period	-	-	-	(4,144)	-	-	-	(4,144)	(5)	(4,149)
Other comprehensive income	-	-	-	-	-	-	16	16	-	16
Total comprehensive income/ (loss)	-	-	-	(4,144)	-	-	16	(4,128)	(5)	(4,133)
Share-based payment expense	-	-	53	-	-	-	-	53	-	53
Minority interests	-	-	-	-	-	-	-	-	(3)	(3)
At 30 June 2016	56	150,414	7,626	(139,968)	8,297	1,056	(1,479)	26,002	497	26,499

	Attributable to equity holders of the parent									
	Issued capital US$'000	**Share premium US$'000**	**Share-based payment reserve US$'000**	**Retained earnings US$'000**	**Equity component of CZDPs* US$'000**	**Other reserve US$'000**	**Translation reserve US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
At 1 January 2015	55	150,262	7,147	(111,484)	8,297	995	(1,500)	53,772	572	54,344
Loss for the period	-	-	-	(4,128)	-	-	-	(4,128)	(12)	(4,140)
Other comprehensive income	-	-	-	-	-	-	94	94	-	94
Total comprehensive income/ (loss)	-	-	-	(4,128)	-	-	94	(4,034)	(12)	(4,046)
Capital redemption of CCP fund	1	184	-	-	-	-	-	185	-	185
Share-based payment expense	-	(32)	-	-	-	61	-	29	-	29
Minority interests	-	-	178	-	-	-	-	178	-	178
At 30 June 2015	56	150,414	7,325	(115,612)	8,297	1,056	(1,406)	50,130	560	50,690

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 CZDPs	Convertible zero dividend preference shares.
Other reserve	Equity created to recognise own shares acquired.
Translation reserve	Equity created to recognise foreign currency translation differences.

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

Origo Partners Plc

Interim Consolidated Statement of Cash Flows
For the six months ended 30 June 2016

	Notes	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Loss before tax		**(4,105)**	**(3,835)**
Adjustments for:			
Depreciation and amortisation	6	14	20
Performance incentive	5	71	542
Share-based payments	21	29	54
Provision for bad debts	6	-	49
Realised losses on disposal of investments	3	(26)	978
Unrealised gains on investments at FVTPL*	3	(373)	(4,138)
Unrealised (gains)/losses on loans	3	(124)	308
Fair value losses on derivative financial assets	3	-	11
Income from loans	3	(356)	(368)
Foreign exchange (gains)/losses		(92)	103
Interest expenses of convertible zero dividend preference shares	9	3,083	2,826
Purchases of investments at FVTPL		-	(21)
Purchases of loans		-	(363)
Proceeds from disposals of investments at FVTPL		-	300
Repayment of loans		-	245
Operating (losses)/gains before changes in working capital and provisions		**(1,879)**	**(3,289)**
Decrease in trade and other receivables		36	77
Increase in trade and other payables		1,206	748
Net cash outflow from operations		**(637)**	**(2,464)**
Investing activities			
Net cash acquired from subsidiary		8	-
Net cash flows outflow from investing activities		**8**	**-**
Financing activities			
Repayment of short-term borrowings		-	-
Net cash outflow from financing activities		**-**	**-**
Net decrease in cash and cash equivalents		**(629)**	**(2,464)**
Effect of exchange rate changes on cash and cash equivalents		(3)	91
Cash and cash equivalents at beginning of period		1,272	5,185
Cash and cash equivalents at end of period		**640**	**2,812**

* FVTPL refers to fair value through profit or loss

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

1 General information

Origo Partners Plc 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 Company and its subsidiaries are collectively referred to as the Group.

The principal activities of the Group are private equity investment, focused on growth opportunities created by the urbanization and industrialization of China. The Group'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.

These interim consolidated financial statements have been approved and authorised for issue by the Company's board of directors on 29 September 2016.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

These interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

The following new and revised IFRSs did not have any impact on the accounting policies, financial position or performance of the Group:

IAS 19 Amendments to defined benefit plans

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

3 Investment income

	(Unaudited) Six months ended 30 June 2016 US$'000	**(Unaudited) Six months ended 30 June 2015 US$'000**
Realised gains/(losses) on disposal of investments	26	(978)
- Investments at FVTPL	29	(612)
- Loans	-	(363)
- Subsidiary	(3)	(3)
Unrealised gains/(losses) on investments	497	3,819
- Investments at FVTPL	373	4,138
- Loans	124	(308)
- Derivative financial assets	-	(11)
Income from loans	356	368
Total	**879**	**3,209**

4 Fund Consulting fee

	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Consulting Services payable	(966)	(1,044)
Total	**(966)**	**(1,044)**

5 Performance incentive

	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Provision for performance incentive payable over one year	(71)	(542)
Total	**(71)**	**(542)**

A balance sheet provision for future performance incentive for the period ended 30 June 2016 was US$4,265,070 (31 December 2015: US$4,194,262). The performance incentives are accrued and payable to Origo Advisers Ltd (“OAL”) (refer to Note 22 for details on Origo Advisers Ltd.)

The amount of performance incentives has been calculated and accrued on the following 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.

Effective on 26 September, 2016, the terms of the consulting agreement under which OAL provide services to the Company, including the definition of the Hurdle as stated above, have been amended. Please refer to Note 24 for details.

6 Other administrative expenses

	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Employee expenses	(162)	(91)
Professional fees	(682)	(2,062)
Including:		
-Audit fees	(2)	(109)
Depreciation expenses	(14)	(20)
Provision for bad debts*	-	(49)
Others	(93)	(304)
Total	**(951)**	**(2,526)**

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

7 Directors' remuneration

	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Directors' emoluments	153	68
Share-based payment expenses	45	79
Total	198	147

Directors' remuneration for the six months ended 30 June 2016 and number of options held were as follows:

Name	Salaries* US$'000	Director Fee US$'000	Share-based payments** US$'000	Total US$'000	Number of options
Mr. Wang Chao Yong***	-	-	7	7	4,000,000
Mr. Chris A Rynning***	-	-	19	19	3,500,000
Mr. Niklas Ponnert	-	-	19	19	5,300,000
Mr. Christopher Jemmett***	-	-	-	-	100,000
Mr. Lionel de Saint Exupery	-	78	-	78	-
Mr. Tom Preststulen***	-	-	-	-	-
Ms. Shonaid Jemmett Page	-	75	-	75	-
	-	153	45	198	12,900,000

7 Directors' remuneration (Continued)

Directors' remuneration for the six months ended 30 June 2015 and number of options held were as follows:

Name	Salaries* US$'000	Director Fee US$'000	Share-based payments** US$'000	Total US$'000	Number of options
Mr. Wang Chao Yong***	3	-	(9)	(6)	4,000,000
Mr. Chris A Rynning***	-	-	44	44	3,500,000
Mr. Niklas Ponnert	-	-	44	44	5,300,000
Mr. Christopher Jemmett***	-	3	-	3	100,000
Mr. Lionel de Saint Exupery	-	28	-	28	-
Mr. Tom Preststulen***	-	6	-	6	-
Ms. Shonaid Jemmett Page	-	28	-	28	-
	3	65	79	147	12,900,000

* Short term employee benefits

** Share-based payments refer to expenses arising from the Company's share option scheme (see note 21 for details).

*** Mr. Wang Chao Yong, Mr. Chris A Rynning, Mr. Christopher Jemmett and Mr. Tom Preststulen resigned as Directors of the Company on 16 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 (Executive 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 Executive Director. The Group's operating segments has been defined based on the types of investments which was equity investment and debt instrument in 2016 and 2015.

For the six months ended 30 June 2016 (Unaudited)

	Unlisted			Listed			Total
	Equity	Debt	Total	Equity	Debt	Total	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Investment income/(loss):							
Realised gains on disposal of investments	4	-	4	22	-	22	26
Unrealised gains/(losses) on investments	(540)	(3)	(543)	913	127	1,040	497
Income from loans	-	271	271	-	85	85	356
Total	(536)	268	(268)	935	212	1,147	879
Net divestment/(investment)							
Net proceeds of divestment	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-
Balance sheet							
Investment portfolio	75,585	24,646	100,231	2,374	1,920	4,294	104,525

8 Operating segment information (Continued)

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

For the six months ended 30 June 2016 (Unaudited)

	Europe	China	Mongolia	South Africa	Total
	$'000	$'000	$'000	$'000	$'000
Investment income/loss:					
Realised gains/(losses) on disposal of investments	-	(3)	29	-	26
Unrealised gains/(losses) on investments	(75)	534	38	-	497
Income from loans	-	271	85	-	356
Total	(75)	802	152	-	879
Net divestment/(investment)					
Net proceeds of divestment	-	-	-	-	-
Investment	-	-	-	-	-
Balance sheet					
Investment portfolio	1,025	88,000	15,500	-	104,525

For the six months ended 30 June 2015 (Unaudited)

	Unlisted			Listed			Total
	Equity	Debt	Total	Equity	Debt	Total	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Investment income/(loss):							
Realised losses on disposal of investments	(3)	(363)	(366)	(612)	-	(612)	(978)
Unrealised gains/(losses) on investments	3,324	(187)	3,137	803	(121)	682	3,819
Income from loans	-	282	282	-	86	86	368
Total	3,321	(268)	3,053	191	(35)	156	3,209
Net divestment/(investment)							
Net proceeds of divestment	-	245	245	300	-	300	545
Investment	(21)	(363)	(384)	-	-	-	(384)
Balance sheet							
Investment portfolio	92,203	26,360	118,563	2,350	2,017	4,367	122,930

8 Operating segment information (Continued)

For the six months ended 30 June 2015 (Unaudited)

	Europe	China	Mongolia	South Africa	Total
	$'000	$'000	$'000	$'000	$'000
Investment income/(loss):					
Realised losses on disposal of investments	(366)	-	(612)	-	(978)
Unrealised gains/(losses) on investments	328	4,307	(547)	(269)	3,819
Income from loans	-	282	86	-	368
Total	(38)	4,589	(1,073)	(269)	3,209
Net divestment/(investment)					
Net proceeds of divestment	-	245	300	-	545
Investment	(384)	-	-	-	(384)
Balance sheet					
Investment portfolio	1,843	94,287	25,220	1,580	122,930

9 Finance income and costs

	(Unaudited) Six months ended 30 June 2016 US$'000	**(Unaudited) Six months ended 30 June 2015 US$'000**
Finance income		
Bank interest	9	-
	9	-
Finance costs		
Bank charges	(3)	(15)
Interest expenses of convertible zero dividend preference shares	(3,083)	(2,825)
	(3,086)	(2,840)
Total	**(3,077)**	**(2,840)**

10 Income tax

No provision for current tax was made for the year as the subsidiaries had no assessable profit. As the Group is not in receipt of income from Manx land, property or retail activity and does not hold a Manx banking licence, it is taxed at the standard rate of zero per cent on the Isle of Man.

	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Current taxes		
Current year	-	-
Deferred taxes		
Deferred income taxes*	(44)	(305)
Total income taxes in the statement of comprehensive income	**(44)**	**(305)**

* The deferred income tax relates to net change in fair value gains/(losses) of Celadon Mining Ltd, China Rice Ltd, Unipower Battery Ltd, Shanghai Yi Rui Tech New Energy Technology Ltd and Niutech Energy Ltd, estimated in accordance with the relevant tax laws and regulations of the PRC based on a tax rate of 10 per cent.

11 Earnings per share

Numerator	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Loss for the period attributable to owners of the parent as used in the calculation of basic loss per share	(4,144)	(4,128)
Loss for the period attributable to owners of the parent as used in the calculation of diluted loss per share	(4,144)	(4,128)

Denominator	(Unaudited) 30 June 2016 Number of shares	(Unaudited) 30 June 2015 Number of shares
Weighted average number of ordinary shares for basic LPS	351,035,389	350,387,378
Weighted average number of ordinary shares adjusted for the effect of dilution	351,035,389	350,387,378
Basic LPS	(1.18) cents	(1.18) cents
Diluted LPS	(1.18) cents	(1.18) cents

12 Investments in subsidiaries

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

Name	Country of incorporation	Proportion of ownership interest at 30 June 2016	Proportion of ownership interest at 31 December 2015
Ascend Ventures Ltd	Malaysia	100%	100%
Origo Resource Partners Ltd	Guernsey	100%	100%
PHI International Holding Ltd	Bermuda	100%	100%
PHI International (Bermuda) Holding Ltd*	Bermuda	100%	100%
Ascend (Beijing) Consulting Ltd**	China	100%	100%
China Cleantech Partners, L.P.	Cayman	100%	100%
China Commodities Absolute Return Ltd	Isle of Man	95.3%	95.3%
ISAK International Holding Ltd**	British Virgin Islands	71.2%	71.2%

* Owned by Origo Resource Partners Ltd

** Owned by Ascend Ventures Ltd

13 Investments at fair value through profit or loss

As at 30 June 2016 (Unaudited)

Name	Country of incorporation	Fair Value hierarchy level	Proportion of ownership interest	Cost US$'000	Fair value US$'000
IRCA Holdings Ltd.	British Virgin Islands	3	49.1%	9,505	-
Shanghai Yi Rui Tech New Energy Technology Ltd	China	3	49.0%	675	450
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	16,050
Kincora Copper Ltd**	Canada	1	26.5%	6,728	1,925
R.M.Williams Agricultural Holdings Pty Ltd	Australia	3	24.0%	20,214	-
Moly World Ltd	British Virgin Islands	3	20.0%	10,000	5,383
Niutech Energy Ltd	British Virgin Islands	3	19.1%	6,350	11,467
Unipower Battery Ltd	Cayman Islands	3	16.5%	4,301	5,820
Fans Media Co., Ltd	British Virgin Islands	3	14.3%	2,360	-
Gobi Coal & Energy Ltd**	British Virgin Islands	3	10.8%	14,960	5,693
Celadon Mining Ltd	British Virgin Islands	3	9.7%	13,069	24,637
Staur Aqua AS	Norway	3	9.2%	719	373
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/China	3	2%/1.6%	5,565	3,964
Kooky Panda Ltd	Cayman Islands	3	1.2%	25	-
Six Waves Inc	British Virgin Islands	3	1.1%	240	1,461
Marula Mines Ltd**	South Africa	3	0.9%	250	129
Fram Exploration AS	Norway	3	0.6%	1,223	157
Other quoted investments**		1		1,569	450
Total				**128,298**	**77,959**

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

As at 31 December 2015 (Audited)

Name	Country of incorporation	Fair Value hierarchy level	Proportion of ownership interest	Cost US$'000	Fair value US$'000
IRCA Holdings Ltd.	British Virgin Islands	3	49.1%	9,505	-
Shanghai Yi Rui Tech New Energy Technology Ltd	China	3	49.0%	675	793
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	16,417
Kincora Copper Ltd**	Canada	1	26.1%	6,728	1,180
R.M.Williams Agricultural Holdings Pty Ltd	Australia	3	24.0%	20,214	-
Moly World Ltd	British Virgin Islands	3	20.0%	10,000	5,419
Niutech Energy Ltd	British Virgin Islands	3	19.1%	6,350	11,531
Unipower Battery Ltd	Cayman Islands	3	16.5%	4,301	5,795
Fans Media Co., Ltd	British Virgin Islands	3	14.3%	2,360	-
Gobi Coal & Energy Ltd**	British Virgin Islands	3	14.0%	14,960	6,575
Celadon Mining Ltd	British Virgin Islands	3	9.7%	13,069	23,674
Staur Aqua AS	Norway	3	9.2%	719	373
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/China	3	2%/ 1.6%	5,565	3,884
Kooky Panda Ltd	Cayman Islands	3	1.2%	25	-
Six Waves Inc	British Virgin Islands	3	1.1%	240	1,218
Marula Mines Ltd**	South Africa	3	0.9%	250	214
Fram Exploration AS	Norway	3	0.6%	1,223	232
Other quoted investments**		1		1,569	266
Total				**128,298**	**77,571**

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

** Investments held partially by China Commodities Absolute Return Ltd (”CCF”), a fund managed by the Group. The investments were transferred to the Company on Jan 6, 2016.

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

As at 30 June 2016 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
Gobi Coal & Energy Ltd	0.2%	252	96

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

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

In according 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 at a whole) at the end of each reporting period. There have been no transfers between Levels during the period of first six months of 2016. There have been no transfers between Levels during the period of 2015.

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

	(Unaudited) Six month ended 30 June 2016 US$'000	(Audited) 2015 US$'000
Opening balance	76,125	88,860
Acquisitions	-	20
Proceeds from disposals of investments	-	-
Realised losses on disposals of investments	-	-
Realised losses on write-off of investments	-	-
Net exchange difference	(2,148)	(1,327)
Movement in unrealised gains/(losses) on investments	-	
- In profit or loss	1,607	(11,428)
Transfers out of Level 3	-	-
Closing balance	**75,584**	**76,125**

The fair value decrease on investments categorised within Level 3 of US$540,849 (2015: US$12,754,500), was recorded in the statement of comprehensive income.

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

Description of significant unobservable inputs to valuation:

as at 30 June 2016

	Valuation technique	Significant unobservable inputs	Range
Investments in unquoted equity shares - metal & mining sector	DCF method	WACC	19%
		Discount for lack of marketability	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 2015

	Valuation technique	Significant unobservable inputs	Range
Investments in unquoted equity shares - metal & mining sector	DCF method	WACC	19%
		Discount for lack of marketability	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%

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

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.

Cash flow interest rate risk

The Group 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.

Other risk management activities

As a result of its international activities, some of the Group's assets, liabilities, income and expenses are effectively denominated in currencies other than US Dollars (the Group's reporting currency). Fluctuations in the exchanges rates between these currencies and US Dollars will have an effect on the reported value of those items.

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

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 applied under 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.

Inputs applied in the valuation methodologies are sensitive to assumptions made when ascertaining the fair value of financial assets. A reasonable alternative assumption would be to apply a standard marketability discount of 25% for all unquoted financial instruments rather than the specific approach adopted. This would have a positive impact on the portfolio of US$1,920,035 or 2.54% of total unquoted financial instruments.

14 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 30 June 2016 (Unaudited)

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	-	-	-
R.M. Williams Agricultural Holdings Pty Ltd	3	8-20	3,090	-	-	-
Staur Aqua AS	3	0-15	3,848	229	266	495
Kincora Copper Ltd	3	8.7	2,254	1,920	-	1,920
Roshini International Bio Energy Corporation	3	-	424	-	-	-
Sub-total			**45,261**	**26,149**	**266**	**26,415**

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	-	-	-
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	-	-	-
China Silvertone Investment Co Ltd	-	478	-	-	-
Unipower Battery Ltd	12	164	151	-	151
View Step Corporation Ltd	-	25	-	-	-
Sub-total		**15,618**	**151**	**-**	**151**
Total		**60,879**	**26,300**	**266**	**26,566**

* Loans in relation to convertible credit agreements are measured at fair value, which is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Loans in relation to loan agreements are measured at amortised cost using the effective interest rate method less any identified impairment losses. The carrying value of loans in relation to loan agreements is a reasonable approximation of fair value.

14 Loans (Continued)

As at 31 December 2015

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	-	-	-
R.M. Williams Agricultural Holdings Pty Ltd	3	8-20	3,090	-	-	-
Staur Aqua AS	3	0-15	3,848	145	350	495
Kincora Copper Ltd	3	8.7	2,254	1,793	-	1,793
Roshini International Bio Energy Corporation	3	-	424	-	-	-
Sub-total			**45,261**	**25,938**	**350**	**26,288**

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	-	-	-
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	-	-	-
China Silvertone Investment Co Ltd	-	478	-	-	-
Unipower Battery Ltd	12	164	155	-	155
View Step Corporation Ltd	-	25	-	-	-
Sub-total		**15,618**	**155**	**-**	**155**
Total		**60,879**	**26,093**	**350**	**26,443**

Statement of changes in loans:

	(Unaudited) Six months ended 30 June 2016 US$'000	(Audited) 2015 US$'000
Opening balance	**26,443**	28,899
Additions	-	363
Repayment	-	(459)
Write-offs	-	(363)
Revaluation	123	(894)
Impairment	-	(1,103)
Closing balance	**26,566**	**26,443**

14 Loans (Continued)

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

	(Unaudited) Six months ended 30 June 2016 US$'000	(Audited) 2015 US$'000
Opening balance	26,288	27,397
Additions	-	-
Repayment	-	(215)
Write-offs	-	-
Movement in unrealised loss on investments	-	-
- In profit or loss	127	(894)
Closing balance	**26,415**	**26,288**

The fair value decrease on convertible credit agreements categorised within Level 3 of US$227,345 (2014: US$6,851,090), was recorded in the statement of profit or loss.

15 Trade and other receivables

	(Unaudited) 30 June 2016 US$'000	(Audited) 31 December 2015 US$'000
Trade debtors	5	5
Other debtors	1,331	1,378
Loan interest receivables	3,046	2,676
Prepayments	79	42
Total	**4,461**	**4,101**

16 Trade and other payables

	(Unaudited) 30 June 2016 US$'000	(Audited) 31 December 2015 US$'000
Trade payables	5	5
Other payables	3,830	2,696
Performance incentive payable within one year*	8	8
Total	**3,843**	**2,709**

* Refer to note 5 for total performance incentive expenses.

17 Financial guarantee contracts

	(Unaudited) 30 June 2016 US$'000	(Audited) 31 December 2015 US$'000
Financial guarantee contracts*	435	435
Total	**435**	**435**

* In July 2013, the Group entered into a guarantee agreement with IRCA Holding Ltd and ABSA Bank Limited to guarantee the repayment of loan facilities of up to Rand 6,769,000 extended by ABSA Bank Limited to IRCA Holdings Ltd. A potential claim related to this guarantee is expected in the next 12 months. A provision has been made for the total amount of the guarantee.

18 Liability component of convertible zero dividend preference shares

	Number of Shares	Liability Component US$'000	Equity component US$'000	Early redemption option derivative US$'000
Balance at 1 January 2015	**57,000,000**	**63,609**	**8,297**	**-**
Interest expenses on convertible zero dividend preference shares	-	5,776	-	-
Balance at 31 December 2015	**57,000,000**	**69,385**	**8,297**	**-**
Interest expenses on convertible zero dividend preference shares	-	3,083	-	-
Balance at 30 June 2016	**57,000,000**	**72,468**	**8,297**	**-**

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

18 Liability component of convertible zero dividend preference shares (Continued)

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

(a) at any time after the second anniversary of 8 March 2011, for a cash sum of US$1.28 per Convertible Preference Share redeemed;
(b) at any time after the second anniversary of 8 March 2011, if in any period of 30 consecutive dealing days the closing middle market price of the ordinary shares of the Company exceeds US$1.235 per ordinary share of the Company on 20 or more of those days, for a cash sum equal to the Accreted Principal Amount in respect of the Convertible Preference Shares being redeemed;
(c) at any time, if less than 15 per cent of the Convertible Preference Shares remain outstanding, for a cash sum equal to the Accreted Principal Amount in respect of the Convertible Preference Shares being redeemed.

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

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 (see note 23 for details); 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 on the same date. 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.

Effective on 26 September 2016, the terms of the Convertible Preference Shares have been amended. Please refer to Note 24 for details.

19 Provision

	(Unaudited) 30 June 2016 US$'000	(Audited) 31 December 2015 US$'000
USR/contingent share awards *	44	67
Performance incentive provision**	4,265	4,195
Total	**4,309**	**4,262**

* The provision relates to the fair value of Upper Share Rights (“USR”) and share awards granted to certain directors, executives and key employees under the Company's joint share ownership scheme. Further details about the USR and shared awards are included in note 21 to the financial statements.

** Refer to note 5 for total performance incentive expenses. Effective on 26 Sept, 2016, the terms of the consulting agreement under which OAL provide services to the Company have been amended. Please refer to Note 24 for details

20 Issued capital

	(Unaudited) 30 June 2016		(Audited) 31 December 2015	
Authorized	**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	**Number of shares**	**US$'000**	**Number of shares**	**US$'000**
At beginning of the period/year	358,746,814	56	356,706,814	55
New issued shares	-	-	2,390,000	1
Buyback shares	-	-	(350,000)	
At end of the period/year	358,746,814	56	**358,746,814**	56

21 Share-based payments

The Group has a number of share schemes that allow employees to acquire shares in the Company.

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

	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Equity-settled option	(53)	(178)
USR/contingent share awards	24	124
	(29)	**(54)**

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in share options during the six months ended 30 June 2016 and year ended 31 December 2015.

	(Unaudited) 30 June 2016		(Audited) 31 December 2015	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at 1 January	**23,001,932**	**27.24p**	**21,451,932**	**26.97p**
Granted during the period/year			-	-
Forfeited during the period/year			(500,000)	(31.00p)
Exercised during the period/year			-	-
Expired during the period/year			-	-
Outstanding at the end of the period/year	**23,001,932**	**27.24p**	**20,951,932**	**26.87p**
Exercisable at the end of the period/year	**11,451,932**	**23.45p**	**11,451,932**	**23.45p**

The weighted average remaining contractual life for the share options outstanding as at 30 June 2016 was 3.06 years (31 December 2015: 3.56 years).

The range of exercise prices for options outstanding at the end of the period was 20 pence to 59.85 pence (31 December 2015: 20 pence to 59.85 pence).

21 Share-based payments (Continued)

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, 06 February 2009 and 02 February 2012 respectively to certain directors and employees of the Company and 651,932 equity-settled options granted on 21 December 2006 to Seymour Pierce Ltd, the Company's former nominated adviser. The Company did not enter into any share-based transactions with parties other than employees during the six months ended 30 June 2015 and2014, 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 six months ended 30 June 2016 and year ended 31 December 2015.

	(Unaudited) 30 June 2016		(Audited) 31 December 2015	
	No.	WAEP	No.	WAEP
Outstanding at 1 January	**7,711,425**	**9.48p**	**8,061,425**	**9.07p**
Granted during the period/year			-	-
Forfeited during the period/year			-	-
Exercised during the period/year			(350,000)*	-
Expired during the period/year			-	-
Outstanding at the end of the period/year	**7,711,425**	**9.48p**	**7,711,425**	**9.48p**
Exercisable at the end of the period/year	**7,711,425**	**9.48p**	**7,711,425**	**9.48p**

* The weighted average share price at the date of exercise of these options was 5.70 pence.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2016 was 5.02 years (31 December 2015: 5.51 years).

The range of exercise prices for options outstanding at the end of the period was zero to 15.5 pence (31 December 2015: zero to 15.5 pence).

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

21 Share-based payments (Continued)

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

	(Unaudited) 30 June 2016	**(Audited) 31 December 2015**
Underlying stock price (pence)	0.01	1.50
Exercise price (pence)	15.5	15.5
Expected life of option (years)	2	2
Expected volatility (%)	196.62	34.53
Expected dividend yield (%)	-	-
Risk-free interest rate (%)	0.50	0.50

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 July 2012 to 30 June 2015 using source data from Reuters.

The carrying amount of the liability relating to the USR and contingent share awards as at 30 June 2016 is US$44,075 and the expense recognized as share-based payments during the period is (US$22,820).

22 Related party transactions

Identification of related parties

The Group has a related party relationship with its subsidiaries, jointly controlled entites, 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 (US$278,886) and the balance at the end of the period was (US$15,831,673). 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 that have entered into with related parties during the six months ended 30 June 2016 and 30 June 2015, as well as balances with related parties at 30 June 2016 and 31 December 2015.

	(Unaudited) 30 June 2016 US$'000	**(Audited) 31 December 2015 US$'000**
Loans to related parties		
Subsidiaries:		
ISAK International Holding Ltd	870	870
China Cleantech Partners, L.P.	340	340

22 Related party transactions (Continued)

	(Unaudited) 30 June 2016 US$'000	(Audited) 31 December 2015 US$'000
Amounts due from/(to) related parties*		
Key management personnel:		
Lionel de Saint-Exupery***	(84)	(25)
Shonaid Jemmett Page***	(156)	(100)
Other:		
Origo Advisers Ltd**	(5,827)	(5,039)

	(Unaudited) Six months ended 30 June 2016 US$'000	(Unaudited) Six months ended 30 June 2015 US$'000
Transactions		
Origo Advisers Ltd**	788	3,209

* The amounts are unsecured and have no fixed terms of repayment

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

*** Lionel de Saint-Exupery (Non-executive Director of the Company); Shonaid Jemmett Page (Non-executive Chairman of the Company).

23 Commitments and contingencies

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 on a reference in a short-form term sheet (the "CZDP Term Sheet") that was appended to the placing letter entered into between Origo’s Broker and NOMAD (on behalf of Origo) and Spearpoint (now part of the Brook MacDonald group) 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 argued 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 purported 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.

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 also sought legal advice in respect of the First Complaint. On the basis of that legal advice, Board considers that a legal claim against Origo, in respect of the First Complaint 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.

Separately, 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 asserted that the resolution passed on 8 March 2011 ("March 2011 Resolution") to amend the Company's Articles to reflect the creation of the CZDP shares was not validly passed. This assertion rested 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, contended 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.

On July 9, 2015, the Isle of Man Court handed down judgment in favour of the Company in respect of the Second Complaint, confirming that the Articles bear the meaning propounded by the Company.

Following the hearings of the Second Complaint, Brooks MacDonald has notified the Company of a claim in relation to the construction of a provision of the Company's Articles (the “Third Complaint”). This claim is in relation to article 4.17 of the Articles, which primarily addresses a conversion mechanism relating to the Company's convertible zero dividend preference shares.

On 29 September 2015, after extensive consultations with Brooks MacDonald, and other shareholders, the Company announced a set of proposals which would restructure the CZDPs and provide Origo with greater flexibility to implement its orderly realisation strategy. The proposals, if approved by Shareholders, would also have served to settle the ongoing dispute with Brooks Macdonald. At the relevant general meeting of the Company held on 4 February 2016, the proposals were voted down by the Company's shareholders by way of poll.

On 10 February 2016, Brooks MacDonald issued proceedings in the Isle of Man Court in respect of the Third Complaint, seeking a declaration as to the correct interpretation of article 4.17. Those proceedings were subsequently stayed by consent and Brooks MacDonald has made no attempt to prosecute that claim.

The Company announced on 8 March 2016 that, whilst the Company's Articles include a requirement for the Company to have redeemed US$12 million of CZDP by 8 March 2016, it was not in a position to redeem US$12 million of CZDPs at the current time. The 8 March 2016 announcement went on to confirm that the Company remains under a continuing obligation to undertake the redemption of US$12 million of CZDPs as and when it is legally able to do so.

The Articles expressly envisage the possibility that the Company will not have the available funds to redeem CZDP shares on the relevant redemption date (whether 8 March 2016 or later). Article 4.8 provides:

“If on any date fixed for redemption the Company is unable to redeem in full the relevant number of Convertible Preference Shares [CZDPs], if as a result of so doing the Company would be unable to satisfy the Solvency Test immediately thereafter, on any date fixed for redemption, the Company shall redeem as many of such Convertible Preference Shares as can lawfully and properly be redeemed and the Company shall redeem the balance as soon as it is lawfully and properly able to do so.”

23 Commitments and contingencies (continued)

Further, under the Isle of Man Companies Act of 2006, no Redemption of the CZDP may be made by the Company if, immediately following any such redemption, the Company would be unable to satisfy the Solvency Test under the 2006 Act, the effect of the 2006 Act is to postpone the obligation to redeem those CZDP which cannot be redeemed due to the Solvency Test until such time as the Company can redeem and pass the Solvency Test, and to avoid the Company becoming insolvent by converting CZDP shareholders to creditors when the Company cannot afford to redeem.

On 10 March 2016, the Company was notified by Brooks Macdonald Asset Management (International) Limited that it has filed a Claim Form, dated 9 March 2016, at the Isle of Man High Court seeking an order to wind-up the Company on the grounds that it is just and equitable to do so and/or as relief under section 180 of the Isle of Man Companies Act 2006.

On 7 April 2016, the first hearing of this Winding-up Claim was heard in the Isle of Man Courts of Justice and certain directions were made. The presentation of Brooks Macdonald's claim to the Isle of Man Court for winding up is deemed to have commenced a winding up by the Isle of Man Court, under section 169(2) of the Isle of Man Companies Act 1931. Section 167 of the Isle of Man Companies Act 1931 states that any disposition of the property of the Company after the commencement of the winding up by the Isle of Man Court is void unless the court orders otherwise. Consequently, whilst the Company judged that its daily operations should remain broadly unaffected, disposals of its assets without Court approval may be rendered void. The Company has received legal advice that the Isle of Man Court is likely to validate realisations where no person will be prejudiced by them which are for fair value and on arm's length, and also that the provisions of section 167 of the Isle of Man Companies Act 1931 may extend to any transfer of the Company's shares. As a result, At the request of the Company trading on AIM for the under-mentioned securities was temporarily suspended 0n 11 March, 2016, pending clarification of the Company's financial position.

There were no other material contracted commitments or contingent assets or liabilities at 30 June 2016 (31 December 2015: none) that have not been disclosed in the consolidated financial statements.

24 Events after the reporting period

On 28 July, 2016, Kincora Copper Limited (TSX.V: KCC) ("Kincora") announced that it had closed a non-brokered private placement for gross proceeds of CAD$1,053,060 through the issuance of 3,510,200 shares at a price of C$0.30 per share (the "Offering"). Concurrent with, and on the same terms of the offering, 6,666,667 shares were issued to Origo for settlement of an outstanding convertible note in the amount of C$2,000,000. Funds in escrow of C$500,000 were returned to Origo and, subsequently, accrued interest was converted into Kincora share, fully settling the note.

On 19 August 2016, the Company accounced that, following extensive discussions with its key shareholders and further to the proposed restructuring of the Company's share capital set out in the circular sent to shareholders in January 2016, a revised set of proposals (the "Proposals") had been agreed and would be put to shareholders for their approval.

In August 2016, with the agreement of the Company, Brooks Macdonald and PAX, the Isle of Man Court granted validation orders such that: (i) transfers of the Company's issued shares shall not be void by virtue of section 167 of the 1931 Act in the event of a winding up order being made (the "Share Transfer Validation Order"); and (ii) dispositions of the property of the Company made in the ordinary course of business for proper value shall not be void by virtue of the provisions of section 167 of the 1931 Act notwithstanding the presentation of the Winding-up Claim.

On 7 September 2016 the Company posted a Circular to Shareholders providing details of the proposed restructuring of the Company's share capital together with notices convening a general meeting, a CZDP class meeting and an ordinary share class meeting (together the "Meetings") for the purpose of putting the Proposals to shareholders.

As a result of the Share Transfer Validation Order and the publication of the Circular, which contained full details of the Proposals and the likely implications for the Company should the Proposals be rejected, the Company applied for the resumption in trading in the Company's securities on AIM. The temporary suspension was lifted on 9 September, 2016.

On September 27 2016, the Company announced that the Proposals were duly approved by the Meetings, and hence the Proposals were implemented.

The Proposals restructured the share-capital of the Company and provides Origo with greater flexibility to implement its orderly realisation strategy with a view to maximising value on behalf of Origo's shareholders. The key elements of the Proposals included the following:

- the removal of all obligations of the Company in respect of the redemption of at least 12 million CZDPs and the removal of any final CZDP redemption and/or maturity date;
- the reset of the accreted principal amount per CZDP toUS$1.0526;
- that all distributions made to CZDP Shareholders shall upon receipt by CZDP Shareholders operate to redeem the relevant whole number of issued CZDPs (pro rata as between CZDP Shareholders in direct proportion to the numbers of CZDPs which they respectively hold);
- that no rate of return on the CZDPs will begin to accrete until 1 January 2018 and, in respect of each CZDP still in issue on 1 January 2018, its principal amount of US$1.0526 shall be subject to the accretion of a rate of return equal to 4 per cent. per annum from (and including) 1 January 2018 to (and including) the date on which such CZDP is redeemed, with such return accruing on a simple and not compound basis;
- that the current liquidation preference of the CZDPs shall be removed, except if a winding up of the Company is commenced within 365 days of the Settlement Date (other than such a winding up which is initiated in breach of the BM Undertaking or otherwise initiated by Brooks Macdonald or any of its group entities), as further explained below;
- that the rights attaching to the CZDPs and the Ordinary Shares will be amended such that, other than on a winding up (other than any such winding up which is initiated in breach of the BM Undertaking or which is otherwise initiated by Brooks Macdonald or any entity or person which controls or is controlled by or is under common control with any Brooks Macdonald entity) commencing within 365 days of the Settlement Date, Ordinary Shareholders shall receive a proportion of all future distributions alongside CZDP Shareholders on the following basis (pro rata within the respective classes of shares):
  - in respect of the first US$15 million of distributions, 80 per cent. (i.e. US$12 million) to the CZDP Shareholders and 20 per cent. (i.e. US$3 million) to the Ordinary Shareholders;
  - in respect of distributions in excess of the first US$15 million:
    - until such time as all CZDPs have been redeemed in full, 44 per cent. to the CZDP Shareholders and 56 per cent. to the Ordinary Shareholders;
    - thereafter, 100 per cent. to the Ordinary Shareholders;
- that until such time as all CZDPs have been redeemed in full:
  - distributions on Ordinary Shares will be made solely in the proportions set out above, and at the same time as distributions are made to the CZDP Shareholders, after which time former CZDP Shareholders will no longer be entitled to receive any further distributions or other amounts from the Company;
  - the CZDPs will have priority in respect of the balance of their accreted principal amount over the Ordinary Shares on a winding up of the Company (other than any such winding up which is initiated in breach of the BM Undertaking, or which is otherwise initiated by Brooks Macdonald or any entity or person which controls or is controlled by or is under common control with any Brooks Macdonald entity) provided such winding up commences within 365 days of the Settlement Date;

- That the CZDP conversion provisions will all be removed;

- That the Articles also be amended so that any single person holding the greatest number of Ordinary Shares and any single person holding the greatest number of CZDPs shall each have the right to nominate an independent person to be appointed as a non-executive director of the Company, such appointment being subject to relevant regulatory requirements;

- That the rights attaching to the CZDPs will be amended such that, for so long as there are CZDPs in issue, the Company shall not, and shall procure that no member of the Group shall:

  - without CZDP Majority Shareholder Consent:

    - undertake or permit or incur (i) any borrowings (or enter into or vary any contracts for financial indebtedness or arrangements for financial indebtedness), or (ii) any other financial indebtedness on the part of any member of the Group, other than in each case for the purposes of discharging liabilities of any member of the Group existing as at 19 August 2016 towards fees or disbursements of professional advisers (excluding the fees and disbursements of OAL), but which in any event shall not exceed £2 million in aggregate;

    - without prejudice to the obligation of the directors of the Company to have due regard to the interests of all shareholders as a whole, cease to have due regard to the interests of the CZDP Shareholders as a class and do anything materially prejudicial to them;

    - change the terms of engagement or appointment or the fees payable to any investment manager (including OAL) of any member of the Group;

    - if any CZDPs remain in issue on 1 January 2019, extend the Asset Realisation Support Agreement (further details of which are set out in paragraph 7 below) beyond that date;

    - enter into, or permit the entry into of, any transaction or arrangement between any member of the Group on the one hand and any PAG Entity and/or any affiliate of any PAG Entity who or which is a "related party" (as defined in the AIM Rules for Companies) of the Company and/or any agent of any PAG Entity or such affiliate thereof (including, without limitation, any fund manager) and/or any shareholder of the Company from time to time owning more than 10 per cent. of the voting rights of the Company and/or persons acting in concert with any of them, on the other hand save in respect of issues of any further Ordinary Shares in the Company issued on bona fide arm's length terms; and

    - allot or issue any shares or securities or rights to subscribe for or to convert or exchange any securities into shares or securities or reclassify any shares or permit any of the foregoing by any member of the Group (other than (i) issues of Ordinary Shares made to the Company or any wholly owned subsidiary of it; and (ii) issues of any further Ordinary Shares in the Company in every case issued on bona fide arm's length terms); and;

  - without CZDP Ordinary Consent, make or permit any change in its Investing Policy;

The Company and OAL are party to an asset realisation support agreement (the "Asset Realisation Support Agreement"), the terms of which were approved by shareholders on 20 November 2014. The Asset Realisation Support Agreement became effective on 13 January 2015. On 6 September 2016, the Company entered into an amendment agreement with OAL to the Asset Realisation Support Agreement (the "Amendment Agreement"). Following shareholder approval of the Proposals at the Meetings, the Asset Realisation Support Agreement has been amended as follows:

The aggregate annual fees payable to OAL for the provision of services pursuant to the Asset Realisation Support Agreement has been reduced as follows:

- US$1.6 million (previously US$1.8 million) in respect of the second year of the Asset Realisation Support Agreement (i.e. the year commencing on 13 January 2016);
- US$1.2 million (previously US$1.6 million) in respect of the third year of the Asset Realisation Support Agreement (i.e. the year commencing on 13 January 2017);
- US$1 million (previously US$1.05 million) in respect of the fourth year of the Asset Realisation Support Agreement (i.e. the period commencing on 13 January 2018 and ending on 31 December 2018);

- The Existing Performance Hurdle (as defined below) will be removed and instead OAL shall be entitled to receive the performance fee under has been removed and instead OAL shall be entitled to receive the performance fee under the Asset Realisation Support Agreement only if the Company has made aggregate Distributions in excess of US$90 million to Shareholders during the period from the date on which the Proposals were approved until the termination of the Asset Realisation Support Agreement (the "New Performance Hurdle"); and
- Realisation Support Agreement will be a fixed term expiring on 31 December 2018 and will be subject to termination for cause.

Under the terms of the Asset Realisation Support Agreement, OAL were to receive an additional performance fee if the Group has received realised gross cash proceeds from the realisation of assets in its portfolio (net of repayment of third party debts, any related hedge or other break costs and any prepayment fees and penalties, but before any related transactional costs, fees and expenses and any taxes payable) ("Gross Realisations") in excess of US$90 million (the "Existing Performance Hurdle"). The Existing Performance Hurdle will be amended pursuant to the Amendment Agreement as set out above such that OAL will be entitled to a performance fee (the quantum of which reflects the existing terms of the Asset Realisation Support Agreement) of 20 per cent. of Gross Realisations over the New Performance Hurdle, subject to the first US$1.7 million of Gross Realisations over the New Performance Hurdle being payable to OAL

Finally, in connection with the Proposals, the Company entered into a settlement deed (the "Settlement Deed") with Brooks Macdonald Group PLC ("BM"), Pacific Alliance Group Asset Management Limited ("PAGAML") and certain of their affiliates. The Settlement Deed was conditional on, inter alia, the Proposals being approved by shareholders. The Settlement Deed, once it becomes effective, disposes of the legal claims pursued and/or intimated by BM to date and BM has agreed to take all required steps to discontinue the proceedings it has brought in respect of the Conversion Claim and the Winding-up Claim.

Directors, Advisors and Other Information

Directors	Niklas Ponnert, Director Shonaid Jemmett-Page, Non-Executive Chairman Lionel de Saint-Exupery, Non-Executive Director
Country of incorporation of parent company	Isle of Man
Company number	005681V
Auditors	Ernst & Young LLC Rose House, 51-59 Circular Road Douglas Isle of Man IM1 1AZ, United Kingdom
Nominated adviser and broker	Smith & Williamson Corporate Finance Ltd 25 Moorgate London EC2R 6AY
Solicitors to the company	Reynolds Porter Chamberlain LLP Tower Bridge House, St. Katharine's Way, London E1W 1AA
Public relations advisers	Aura Financial LLP 33 St James's Square London, SW1Y 4JS