ORIGO PARTNERS PLC

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

PRIVATE EQUITY
INVESTORS IN CHINA

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

Legal form

Public limited company

Company number

005681V

Auditors

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

Nominated adviser and broker

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

Solicitors to the company

Charles Russell LLP
5 Fleet Place
London, EC4M 7RD

Public relations advisers

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

Contents

Highlights

Net asset value declined by 44 per cent. during the year to US$30.6 million (30 June 2015: US$50.7 million, 31 December 2014: US$54.3 million)

Loss after tax of US$24.4 million (2014: loss after tax of US$61.9 million) reflecting unrealised and realised losses on investments

Total investments in existing investee companies during the year of US$0.58 million (2014: US$2.7 million)

Cash position of US$1.3 million as at 31 December 2015 (31 December 2014: US$5.2 million)

Chairman's Statement

2015 was another challenging year for Origo as we sought to deal with a number of interrelated issues that have impacted the Company's financial position, the performance of our investment portfolio and our ability to execute our realisation strategy.

We successfully implemented the revised strategy and governance arrangements which were approved by shareholders at the end of 2014. Through an orderly realisation programme, the Company is now seeking to divest its entire portfolio by November 2018, at such time and under such conditions as the Board may determine in order to maximise value on behalf of the Company's Shareholders (the "Revised Investing Policy"). Following the reorganisation of the Company's governance and management arrangements, we have been able to reduce the core operating cost of the business which amounted to US$4.2 million (2014: US$5.0 million) (excluding litigation related expenses and on-off items, such as provisions for loans extended and other movements in the fair value of the Company's portfolio). We expect to achieve further reductions of applicable costs in 2016 and beyond.

Continued economic uncertainty in China and the concomitant turbulence in commodities markets have impeded our ability to dispose of assets and impacted the value of a number of companies in the portfolio. Without a material improvement in the macro-economic environment in general and commodity markets in particular, we foresee continuous pressure on asset prices and limited liquidity for the kind of assets the Company holds. That said, as is further detailed in the Investment Consultant's Report below, there are a number of positive developments at some portfolio companies, which indicate that there is potential to realise value for investors in due course.

During 2015, the Board continued to seek an amicable resolution to the ongoing dispute with Brooks Macdonald Group plc ("BM") in respect of the terms of the Company's convertible zero dividend preference shares ("CZDPs"). To this end, the Board negotiated a detailed set of CZDP restructuring proposals which would have served, inter alia, to settle the ongoing dispute with BM while providing the Company with greater financial flexibility to achieve an orderly realisation of its assets. Unfortunately, the proposals did not receive the necessary approval of a 75 per cent majority of votes cast at the General Meeting and the Ordinary Share Class Meeting held in February 2016 and therefore the proposals could not be implemented.

The Company was unable to redeem US$12m CZDPs which were due for redemption on 8 March 2016. It is important to point out that, according to the Isle of Man Companies Act 2006 ("2006 Act"), under which Origo is organised, and the Company's Articles of Association (the "Articles"), (notably articles 4.25 and 4.8), no redemptions of the CZDPs are allowed by the Company if, immediately following any such redemption, the Company would be unable to satisfy the Solvency Test under the 2006 Act. In other words, the effect of the 2006 Act and the Articles is to postpone the obligation to redeem any CZDPs which cannot be redeemed until such time as the Company is able to pass the Solvency Test. Therefore, the Company's inability to redeem US$12 million of CZDPs in March 2016 was not a breach of the Articles. Nonetheless, in early March 2016, BM issued a claim in the Isle of Man seeking a Winding-Up Order against the Company on the grounds that it was just and equitable to do so in view of the Company's alleged oppressive conduct and unfairly prejudicial treatment of the BM as a shareholder (the "Winding-up Claim").

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's daily operations should remain broadly unaffected, disposals of its assets without Court approval may be rendered void and therefore there are likely to be challenges in implementing the Company's Revised Investing Policy pending the outcome of the trail. 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, 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, the Board requested that trading in Origo's shares on AIM be suspended. Trading in Origo's shares (Ordinary shares and CZDPs) has been suspended since 11 March 2016.

Following an initial Court Hearing on 7 April 2016, the Company was notified that the Isle of Man Court has directed that Pacific Alliance Asia Opportunity Fund L.P. (a 25.6 per cent. ordinary shareholder of the Company) be joined to the proceedings (at its request) in relation to the petition. A hearing in respect of a disclosure request in relation to the Winding-up Claim made by BM has been set down for Friday 22 July 2016 and Monday 25 July 2016. Dates for a trail are yet to be set but is expected no earlier than September 2016.

The Company is vigorously contesting the Winding-up Claim. The Board believes it is an abuse of process being brought for collateral, improper and self-serving purposes. However, the Company's opposition to the Winding-up Claim will inevitably involve significant cost. Further, pursuant to Rule 41 of the AIM Rules for Companies, the London Stock Exchange plc will cancel the admission of an AIM company's securities to trading on AIM where trading has been suspended for six months. Accordingly, the Company faces the risk of cancellation of its admission to trading on AIM on or about 11 September 2016.

In the year ahead, the Board will continue to work towards a resolution of the ongoing dispute with BM in the interests of all shareholders.

Shonaid Jemmett-Page
Non-Executive Chairman
3 July 2016

Investment Consultant's Report

Difficult economic conditions in China and falling commodity prices in the second half of 2015 provided a difficult background for many of the companies in the portfolio. The exploration and development stage mining companies in which we have invested were particularly impacted, with opportunities for developing or divesting such companies being extremely limited. Consequently, the Company wrote down the value of a number of investments in the portfolio. On a more positive note, working closely with the Company's portfolio investments, we were able to reach a number of important commercial milestones. We expect this progress to facilitate divestments during the course of the Revised Investing Policy.

Celadon Mining

Following a strategic review and discussions with its key shareholders, including Origo, Celadon Mining Ltd. ("Celadon") has commenced a process to dispose of its main asset – the Chang Tan West – and distribute the proceeds to its shareholders.

Chang Tan West is a high quality thermal coal deposit located in the Jungar Banner coal belt, the closest major coalfield to the coastal areas of Northern China. Chang Tan West has current coal resources of 603 million MT (Chinese classification). Celadon owns 80 per cent of Chang Tan West and is in the process of acquiring the remaining 20 per cent of the relevant project company.

After an active sales process during the second half of the year, Celadon entered into a Letter of Intent for the sale of Chang Tan West in November 2015 with a large Chinese state-owned enterprise. The prospective buyer is developing a coal-to-natural-gas project as a downstream project for coal produced at Chang Tan West. In May 2016, we were informed that the proposed Buyer's coal-to-gas conversion project was included in China's Thirteenth Five Year Plan; final approvals from relevant central authorities are pending. Once the project receives these approvals we expect negotiations in respect of the Chang Tan West deposit to continue.

China Rice

Throughout 2015 and beyond, we worked with China Rice Ltd ("China Rice") management on financing and liquidity options for the business. The initiatives assessed included a possible reverse merger in Hong Kong; the potential for an introduction on China's National Equities Exchange and Quotations (generally referred to as China's "New Third Board"); and a possible sale to a strategic player.

Discussions with strategic players have led to a joint-initiative with a consortium of powerful Chinese State-Owned Enterprises. The consortium is spearheaded by a large state owned trading group listed on the Shanghai Stock Exchange. With a traditional business focus on commodity trading, this group is seeking to expand into supply chain management and related financial services in the agricultural sector, including leasing, guarantee, and asset management. The second player is another state owned grain company, with existing interests in the rice processing industry.

Being based in south China, both parties have a strategic interest to expand their business in Jilin province, being one of the three provinces in north-east China that form "China's bread-basket". The vehicle for doing so would be a proposed partnership with China Rice and its founding shareholder. The venture will seek to build and operate a large logistics hub in the provincial capital of Changchun, which would serve as the trading platform of third parties products between Jilin and the rest of the Chinese market. Beyond storage and logistic services, the vehicle will provide a range of auxiliary services, including quality control, financial services, as well as a trading/clearing platform.

While details are yet to be agreed, we expect that the formation of this new venture will offer Origo an opportunity to realise its investment in the business within the time-frame of the Company's Revised Investing Policy.

Niutech

In May 2016 Jinan Heng Yu Environmental Protection Technology Co., Ltd. ("Heng Yu"), the operating company of Niutech Energy Ltd ("Niutech") received final approval for a listing on China's "New Third Board."

The market introduction was completed later in May 2016 and a placing of new Heng Yu shares to investors is planned for later this year. The shares of all current shareholders are subject to lock-up restrictions until November 2016. As such, the listing will not represent an opportunity for Origo to realise part or all of its investment in Heng Yu in the short term.

However, by providing access to a domestic Chinese investor base, Origo expects the New Third Board listing to facilitate a realisation of this investment over the course of the Company's Revised Investing Policy period.

Unipower

The performance of Unipower Battery Ltd. (“Unipower”) during 2015 was negatively impacted by previously announced issues. On the one hand, China’s EV market, and those of related systems and components, including batteries, experienced solid growth. However, Unipower was unable to take advantage of this positive environment due to a dispute over a cross-guarantee issued to a local bank. While the dispute was ongoing, Unipower was unable to renew its credit facilities. Without sufficient funding, production and sales fell below the break-even point. As a result, Origo’s equity position in the business was written down by 52 per cent.

The dispute was finally resolved in April 2016, paving the way for the Company to resume normal operation. Provided sufficient capital in the short-term, we believe that Unipower will be well positioned for a trade sale, specifically since the universe of potential suitors is both broad and deep. Unipower produces large polymer batteries used primarily in EVs which could make it an attractive target for players from a wide range of sectors, including automotive, utilities and industrial.

Based on our introductions and assistance, Unipower is currently in discussion with a number of parties, both banks and equity investors, to secure additional capital. While the immediate focus is on financing the company so it can return to growth, we believe there are reasonable prospects for a bundled transaction which would allow a partial sale and/or refinancing of Origo’s convertible loans to the business.

Kincora

Kincora Copper Limited ("Kincora"), a TSX Venture Exchange listed Mongolia focused copper exploration company, announced the combination of two of its wholly owned subsidiaries with companies that own contiguous licences in May 2016. Concurrent with the mergers, Kincora announced a proposed C$2 million non-brokered private placement.

To enable the business combination and the private placement, Origo agreed to convert C$2,000,000 of convertible note outstanding into equity on the same terms as the private placement. Meanwhile, we have informed the company that we intend to draw-down escrowed funds in the amount of C$500,000 in conjunction with the completion of the proposed financing.

Kincora now benefits from a portfolio of contiguous copper porphyry targets in a highly prospective region, access to one of the largest regional geophysical and surface geochemistry datasets, an enhanced, experienced team with complementary skill sets as well as increased funding. While the carrying value of Origo’s investment in Kincora declined by 33 per cent. during the year, reflecting movements in the price of Kincora’s listed equity, the market value of the investment has rebounded significantly in connection with the above mentioned private placement.

Staur Aqua (Aqualyng)

Aqualyng A/S (“Aqualyng”) radically transformed its business in 2015. Since Origo’s initial investment in 2008, Aqualying has pursued an integrated strategy, seeking to become a one-stop provider and operator of desalination facilities. Aqualyng was successful in acquiring a number of build-operate-transfer projects, most importantly a large-scale desalination operation in north-east China. However, this business model required large amounts of capital with returns realised over the long-term.

In 2015, Aqualyng revamped its strategy to focus on more asset-light opportunities in order to improve financial returns. The company also expanded its business scope to outside of China and from desalination to water-treatment more generally. In line with its new strategy, the company entered into an agreement to merge with Fontus Water Private Ltd, an Indian water treatment company. The merger is expected to achieve final closing in July this year.

Having operated on a consolidated basis for the last year, the enlarged business broke even in 2015 on a pro-forma business. Guidance for 2016 suggests revenues in excess of US$100 million with EBITDA margins in the range of 8-10%. Once the merger is completed, the enlarged business will be owned by a group of shareholders that wish to seek a liquidity event over the coming years and given the enhanced profile of the combined group this could include a trade sale or IPO.

Moly World

Moly World Ltd (Moly World), through its subsidiary, owns an exploration license, covering 2,360 hectares in the Mandal area of Mongolia (the “Mandal Project”). The Mandal project holds a JORC resource of 203Mt in situ material at 0.126% Mo and 0.026%W. Over the last two years, Moly World has undertaken further exploration work and discovered that the project has the potential to significantly expand its resource base. The company also commissioned a third-party scoping study for a small mining operation. On this basis, in 2015, the company initiated a process to convert the exploration license into a mining license. However, Moly prices are at a level where the majority of primary producers are producing at a loss. Taking into account the risks of obtaining the relevant licenses and raising the required project financing, the carrying value of the Moly World position was reduced by 38 per cent.

Gobi Coal & Energy

Over the past several years, Gobi Coal & Energy Ltd. ("GCE") has successfully preserved its coal assets while conducting selected exploration and drilling works to expand and improve the resource during an unusually weak coking coal market.

In 2015, the company successfully completed a drilling program at its primary coking coal mine at Shinejinst. The drilling program consisted of a total of 637.3 meters of drilling comprised of 8 diamond core boreholes that enlarged the deposit area to the southeast with an average coal thickness of 9.3m. One hole returned an exceptional coal seam of 44m in thickness with low volatile materials. 76 coal quality samples were obtained in 2015 and submitted for laboratory testing, with subsequent results confirming hard coking coal properties and the potential for a new sub-basin at Shinejinst.

Due to the protracted weakness in semi-soft coking coal prices, GCE’s Shinejinst and Zeegt projects were placed on and have remained on care and maintenance, except for minimal mining requirements to local communities, in order to preserve cash. While the primary mine at Shinejinst is uneconomic at the current semisoft coking coal pricing, its long-term Net Present Value is positive based on the recent and future expected semi-soft coking coal price improvements and using assumptions in GCE’s feasibility study.

We understand exploration work is intended to continue. At the same time, the company is exploring opportunities to expand and diversify across the energy resources value chain inside and outside of Mongolia.

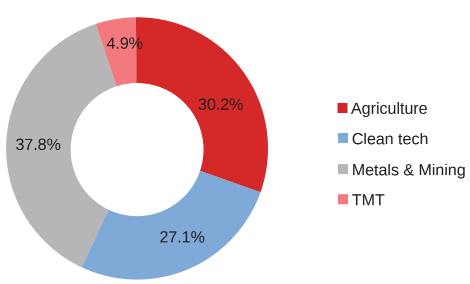
We have been informed that GCE has maintained negligible debt and was recently awarded US $11.5 million, plus costs and continuing interest and damages, by the Hong Kong International Arbitration Centre, in respect of collateralized loans outstanding to a Mongolian business vehicle, granted in connection a power generation business and a mining supply business focused on the major active Mongolia mines such as Rio Tinto’s Oyu Tolgoi project.

On the basis of the valuation of a group of traded peers, the carrying value of the position in Gobi has been reduced by 51 per cent.

Portfolio summary

At 31 December 2015 the carrying value of our portfolio, which is comprised of interests in 17 companies, decreased to US$104.0 million from US$120.2 million as at the end of 2014. The decrease principally reflects the downward adjustment in the carrying value of certain investments.

The composition of the portfolio has changed compared to the previous year, reflecting the impact of falling commodity prices. The metals and mining sector accounted for 38 per cent. in 2015 (2014: 45 per cent.). Elsewhere, the portion of our portfolio invested in agriculture was 30 per cent. (2014: 23 per cent.), while our exposure to cleantech fell to 27 per cent. (2014: 28 per cent.). The consumer, technology and media portion of our portfolio was at 5 per cent. in 2015 (2014: 4 per cent.).



Reflecting the Group's strategy of investing in privately held companies, 97 per cent. of the portfolio (in terms of fair value) as at 31 December 2015 was invested in unquoted portfolio companies. The weighted average holding period for portfolio companies is 5.2 years compared to 4.2 years in 2014.

Profit and Loss

Total administrative expenses, excluding the provision of performance incentives, bad debt and financial guarantee contracts, were US$4.3 million in 2015, a reduction of US$1.7 million from 2014.

The Group recorded a loss before tax of US$24.8 million, compared to a loss before tax of US$62.2 million in the previous year. The loss is primarily due to unrealised and realised losses of US$15.9 million on investments.

Balance Sheet

At the end of 2015, the Group had total cash and cash equivalents of US$1.3 million (2014: US$5.2 million). Besides operating costs, the decline was primarily as a result litigation related expenses incurred due to the disputes with Brooks MacDonald.

Net asset value decreased from US$54.3 million in 2014 to US$30.6 million in 2015, representing a net asset value per share of US$0.09 as at 31 December 2015, a 44 per cent. decline from US$0.16 per share in 2014. This fall was primarily due to the revaluation of a number of the Group's investments.

Outlook

Economic conditions in China improved during the first half of the year following measures by the Government to stimulate economic activity, yet the debate as to whether the Chinese economy is about to enter a soft or hard landing persists.

Also the picture for Mongolia is unclear. The country has certainly made progress in addressing investor concerns following the introduction of policies to promote protectionism and resource nationalism in 2012. The resolution of the long-running dispute with Rio Tinto in respect of the Oyu Tolgoi project, and the commitment to proceed with the development of the underground phase of the project, as announced in May 2016, are both cases in point. However, the result of the parliamentary elections, held on June 29 2016, and approach taken by the newly elected government, will be another important test of the country's attractiveness to foreign investors.

From a macro-economic perspective, while commodity and equity markets have recouped some of the losses recorded in 2015, the prospects for a sustained rebound are dim. The outlook for coal and molybdenum look particularly bleak.

While less pronounced, and more institutional than cyclical in nature, the market environment for our Chinese portfolio companies also remains challenging. Access to funding in general, and credit in particular, remain key concerns for most SMEs in China. Over the last few years, reforms of local equity markets, coupled with the launch of China's New Third Board, have been much welcomed institutional innovations aimed at directing domestic capital flows from the banking and real-estate sectors towards the SME sector. The rapid development of Chinese equity markets has also had important spill-over effects for private equity investors by creating a vibrant market for merger and acquisitions. Yet, as the unprecedented volatility in the Chinese equity markets in the first half of 2015 clearly demonstrated, these markets are fickle, and it will take time for them to evolve into reliable channels for raising capital. Accordingly, while we have repositioned our Chinese portfolio companies to take advantage of domestic capital flows, we remain cautious about the prospects for generating substantial liquidity in the near-term.

Looking to the remainder of 2016 and beyond, contesting the Winding-up Claim in the first instance and resolving the CZDP dispute is a key concern. Meanwhile, we will continue to work with our portfolio companies to assist them in their continued development and to review opportunities for value creating transactions, in line with the Company's Revised Investing Policy.

Portfolio Overview*

	China Rice Ltd	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)	31.42	23.67	14.95
% of Net Assets	102.7%	77.4%	48.9%
Basis of Valuation	Multiples	Multiples	Multiples
Business Description	China Rice, and its subsidiries form one of China's leading privately held rice processing and distribution groups with an annual production capacity of approximately 300,000 tons. The Company maintains a strong resource and procurement base in the north eastern province of Jilin, one of China's largest rice producing belts.	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 (39km2) 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.

	Niutech Energy Ltd	Gobi Coal & Energy Ltd	Moly World Ltd
Abbreviation	Niutech	Gobi	Moly World
Market	China/ROW	Mongolia	Mongolia
Industry Sector	Cleantech	Metals & Mining	Metals & Mining
Segment	Recycling/Waste to energy	Coal	Molybdenum & Tungsten
Date of Investment	2010/06/22	2009/11/24	2011/06/02
Cost of Investment (US$m)	6.35	14.96	10.00
Instrument	Common Stock	Common Stock	Common Stock
Equity Interest	19.1%	14.0%	20.0%
Fair Value (US$m)	11.53	6.58	5.42
% of Net Assets	37.7%	21.5%	17.7%
Basis of Valuation	Multiples	Multiples	DCF
Business Description	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.	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.	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

	Rising Technology Corporation Ltd	Kincora Copper Ltd	Six waves Inc
Abbreviation	Rising	Kincora Copper Ltd	Six waves Inc
Market	China	Mongolia	China
Industry Sector	TMT	Metals & Mining	TMT
Segment	Consumer software	Copper-gold & gold	Web service
Date of Investment	2007/01/11	2011/07/31	2011/10/27
Cost of Investment (US$m)	5.57	9.86	0.24
Instrument	Common Stock	Common Stock & Loan	Common Stock
Equity Interest	1.6%	26.3%	1.1%
Fair Value (US$m)	3.88	2.97	1.22
% of Net Assets	12.7%	9.7%	4.0%
Basis of Valuation	Multiples	Market price	Multiples
Business Description	China's anti-virus software and content security vendor.	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.	6Waves is the leading publisher of independent games on social networks and mobile devices.

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 December 2015.

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$24,364,000 (2014: loss of US$61,891,000). The limited trading history of the Group neither justifies nor allows the payment of a dividend. The Directors are therefore not able to recommend the payment of a dividend (2014: US$nil). The retained loss of the year of US$24,364,000 (2014: loss of US$61,891,000) has been transferred to reserves.

Principal activities, review of business and future developments

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 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 4 years from the effective date of the changes to the Company's investing policy. 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.

Repurchase of the Convertible Zero Dividend Preference Shares

The 60 million US$1.00 Convertible Zero Dividend Preference Shares that were issued in March 2011 have a maturity date of 8 September 2017. The Company had previously committed to repurchasing at least 12million of the Convertible Zero Dividend Preference Shares on the 8 March 2016 but due to the lack of cash reserves, this repurchase has been deferred. The Directors are currently 18 months into a 4 year realisation plan for the Group and will seek to repay these Convertible Zero Dividend Preference Shares from the proceeds generated from the disposal of the investment portfolio. However, the Articles of the Company state that

"if on any date fixed for redemption the Company is unable to redeem in full the relevant number of Convertible Zero Dividend Preference Shares, 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 Zero Dividend 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."

The Directors will continue to monitor cash reserves and solvency levels with a view to repurchasing the Convertible Zero Dividend Preference Shares when the Company and the Group is in a position to do so. Full disclosure of the Convertible Zero Dividend Preference Shares has been included in note 22 of the consolidated financial statements.

Application to Court to wind up the Company

On 11 March 2016 the Company was formally notified by Brooks Macdonald Asset Management (International) Limited that it had 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 (the "Winding-up Claim"). The Directors have obtained legal advice regarding all matters and are continuing to work with all parties to reach an amicable solution.. The Directors are hopeful that this will be achieved. Full disclosure of the ongoing disputes with Brooks Macdonald Asset Management (International) Limited has been included in note 29 of the consolidated financial statements.

Directors

At 31 December 2015

	Options	Ordinary shares	Shares in subsidiaries
Mr. Niklas Ponnert	5,300,000	2,691,009****	1****
Ms. Shonaid Jemmett-Page		560,000******	
Mr. Lionel de Saint-Exupery		560,000******	

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*****

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

** 1,507,500 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.

****** 560,000 Shares have been issued to Ms. Shonaid Jemmett-Page and Mr. Lionel de Saint-Exupery respectively on February 2015.

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

The Board has concluded that the Company and the Group is considered to be a going concern and as a result of this the consolidated financial statements for the year ended 31 December 2015 have been prepared on the going concern basis. In concluding that it is appropriate to t prepare the consolidated financial statements on a going concern basis, the Board has made assumptions, based on legal opinion received that the ongoing dispute with Brooks MacDonald Asset Management (International) Limited will be resolved in such a way that will allow the Company and the Group to continue in operation in its current form. It also believes that it has reasonable grounds to defer the repurchase of the Convertible Zero Dividend Preference Shares that were issued in March 2011, until such a time that the Company and the Group has sufficient cash reserves to make the repurchases. Further disclosure regarding the going concern has been included in Note 1 – Basis of preparation.

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

The auditors, Ernst & Young LLC have indicated the willingness to continue in office.

By order of the Board
Karl Niklas Ponnert
3 July 2016

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 2015 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 30. 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements, concerning the Company's and the Group's ability to continue as a going concern. The conditions described in note 1.2 indicate the existence of a material uncertainty which may cast significant doubt about the Company's and the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company and the Group was unable to continue as a going concern.

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 2015 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
3 July 2016

Origo Partners Plc

Consolidated statement of comprehensive income
For the year ended 31 December 2015

	Notes	2015 US$'000	2014 US$'000
Investment loss:	2		
Realised losses on disposal of investments		(1,526)	(14,513)
Unrealised losses on investments		(14,365)	(30,078)
Income from loans		721	764
Dividends		-	4
		(15,170)	**(43,823)**
Fund consulting fee		14	98
Consulting services payable	3	(2,054)	(98)
Other income		113	52
Performance fee			
- Performance incentive	4	3,209	(5,790)
Other administrative expenses	5	(4,748)	(6,765)
Share-based payments	26	(226)	(545)
Net loss before finance costs and taxation		**(18,862)**	**(56,871)**
Foreign exchange losses		(106)	(43)
Finance income	9	-	18
Finance cost	9	(5,802)	(5,336)
Loss before tax		**(24,770)**	**(62,232)**
Income tax	10	406	341
Loss after tax		**(24,364)**	**(61,891)**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		5	(252)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**5**	**(252)**
Tax on other comprehensive income/(loss)		-	-
Other comprehensive income/(loss) net of tax		**5**	**(252)**
Total comprehensive loss after tax		**(24,359)**	**(62,143)**
Loss after tax			
Attributable to:			
- Owners of the parent		(24,340)	(62,357)
- Non-controlling interests		(24)	466
		(24,364)	**(61,891)**
Total comprehensive loss			
Attributable to:			
- Owners of the parent		(24,337)	(62,617)
- Non-controlling interests		(22)	474
		(24,359)	**(62,143)**
Basic loss per share	11	**(6.95) cents**	**(17.89) cents**
Diluted loss per share	11	**(6.95) cents**	**(17.89) cents**

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

Origo Partners Plc

Consolidated statement of financial position
At 31 December 2015

Assets	Notes	2015 US$'000	2014 US$'000
Non-current assets			
Property, plant and equipment	12	64	96
Intangible assets		4	6
Investments at fair value through profit or loss	14	77,571	91,306
Loans	15	350	653
Derivative financial assets	16	-	11
		77,989	92,072
Current assets			
Loans due within one year	15	26,093	28,246
Trade and other receivables	17	4,101	3,896
Cash and cash equivalents	18	1,272	5,185
		31,466	37,327
Total assets		**109,455**	**129,399**
Current liabilities			
Trade and other payables	19	2,701	1,249
Performance incentive payable within one year	19	8	8
Financial guarantee contracts	20	435	-
		3,144	1,257
Non-current liabilities			
Provision	21	4,262	7,701
Convertible zero dividend preference shares	22	69,385	63,609
Deferred income tax liability	10	2,082	2,488
		75,729	73,798
Net assets		**30,582**	**54,344**
Equity attributable to owners of the parent			
Issued capital	23	56	55
Share premium		150,414	150,262
Share-based payment reserve		7,573	7,147
Retained earnings		(135,824)	(111,484)
Translation reserve		(1,495)	(1,500)
Equity component of convertible zero dividend preference shares	22	8,297	8,297
Other reserve	24	1,056	995
		30,077	53,772
Non-controlling interests		505	572
Total equity		**30,582**	**54,344**
Total equity and liabilities		**109,455**	**129,399**

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
3 July 2016

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 2015

		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
At 1 January 2014		**55**	**150,281**	**6,741**	**(49,127)**	**8,297**	**(2,193)**	**(1,248)**	**112,806**	**22,163**	**134,969**
Loss for the year		-	-	-	(62,357)	-	-	-	(62,357)	466	(61,891)
Other comprehensive loss		-	-	-	-	-	-	(252)	(252)	-	(252)
Total comprehensive income/ (loss)		-	-	-	(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	26	-	-	406	-	-	-	-	406	-	406
Disposal of subsidiaries		-	-	-	-	-	-	-	-	(13,054)	(13,054)
At 31 December 2014		55	150,262	7,147	(111,484)	8,297	995	(1,500)	53,772	572	54,344
Loss for the year		-	-	-	(24,340)	-	-	-	(24,340)	(24)	(24,364)
Other comprehensive loss		-	-	-	-	-	-	5	5	-	5
Total comprehensive income/ (loss)		-	-	-	(24,340)	-	-	5	(24,335)	(24)	(24,359)
New issue of shares		1	184	-	-	-	-	-	185	-	185
Own share acquired		-	(32)	-	-	-	61	-	29	-	29
Share-based payment expense	26	-	-	426	-	-	-	-	426	-	426
Minority interests		-	-	-	-	-	-	-	-	(43)	(43)
At 31 December 2015		56	150,414	7,573	(135,824)	8,297	1,056	(1,495)	30,077	505	30,582

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 2015

	Notes	2015 US$'000	2014 US$'000
Loss before tax		**(24,770)**	**(62,232)**
Adjustments for:			
Depreciation and amortisation	5	34	44
Performance incentive	4	(3,209)	5,790
Share-based payments	26	226	545
Provision for bad debts	5	49	803
Provision for financial guarantee contracts	5	435	-
Realised losses on disposal/written off of investments	2	1,526	14,513
Unrealised losses on investments at FVTPL*	2	12,357	19,601
Unrealised losses on loans	2	1,997	10,379
Fair value losses on derivative financial assets	2	11	98
Income from loans		(721)	(688)
Foreign exchange losses		106	43
Interest expenses of convertible zero dividend preference shares	9	5,776	5,296
Purchases of investments at FVTPL	8	(219)	(363)
Purchases of loans	15	(363)	(2,121)
Proceeds from disposals of investments at FVTPL	8	432	396
Proceeds from repayment of loans	15	459	732
Operating loss before changes in working capital and provisions		**(5,874)**	**(7,164)**
Decrease/ (increase) in trade and other receivables		344	(569)
Decrease in inventories		-	2
Increase/(decrease) in trade and other payables		1,452	(793)
Decrease in financial guarantee contracts	20	-	(825)
Net cash outflow from operations		**(4,078)**	**(9,349)**
Investing activities			
Disposal/(purchases) of property, plant and equipment		10	18
Disposal of subsidiaries, net of cash impact		-	(15,054)
Acquisition of subsidiaries, net of cash impact		-	-
Net cash inflow/(outflow) from investing activities		**10**	**(15,036)**
Financing activities			
Repayment of shareholder loans		-	(500)
Redemption (CCP LP, CCF & MSE)**		-	(5,726)
Net cash outflow from financing activities		**-**	**(6,226)**
Net decrease in cash and cash equivalents		**(4,068)**	**(30,611)**
Effect of exchange rate changes on cash and cash equivalents		155	496
Cash and cash equivalents at beginning of period		5,185	35,300
Cash and cash equivalents at end of period		**1,272**	**5,185**

* FVTPL refers to fair value through profit or loss

** CCP LP, CCF & 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

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 2015 were authorised for issue in accordance with a resolution of the Directors on 27 June 2016. 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 2015.

(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.

As mentioned in the Directors Report the Company is currently facing a potential court battle over its future due to the fact that Brooks Macdonald Asset Management (international) Limited have filed a Claim Form (dated 9 March 2016) at the Isle of Man High Court seeking an order to wind up the Company. As also mentioned in the Directors Report, the Company has deferred the repurchase of at least 12million US$1.00 Convertible Zero Dividend Preference Shares that the Company had previously committed to repurchasing on the 8 March 2016. The Directors have also noted that the Convertible Zero Dividend Preference Shares will only be repurchased at a time when the Company has sufficient reserves to do so and can still satisfy the Solvency Test, as defined in the Company's Articles.

The Directors have taken legal advice with regards to the Windingup Claim and are working with Brooks Macdonald Asset Management (international) Limited and other key shareholders in the Company to reach a solution that is acceptable to all parties involved. The Directors have assumed, based on legal advice received and discussions held to date that this can be achieved.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.2 Basis of preparation (continued)

The Company continues with the investment realisation programme that commenced in November 2014 and the Directors expect that the proceeds generated from the planned divestment of the investment portfolio will be sufficient, not only to settle all liabilities, but also to fulfil the redemption obligations in respect of the Convertible Zero Dividend Preference Shares.

However, there is uncertainty as to whether the assumptions will be met which could impact the Company and the Group's ability to repay the Convertible Zero Dividend Preference Shares or settle the ongoing dispute.

The Board have concluded that the circumstances surrounding the ability to settle the ongoing dispute with Brooks Macdonald Asset Management (International) Limited represents a material uncertainty that casts significant doubt upon the Company's and the Group's ability to continue as a going concern. However, whilst recognising this uncertainty the Board has a reasonable expectation that this ongoing dispute will be resolved and therefore it is appropriate to prepare the consolidated financial statements on a going concern basis. The consolidated financial statements do not reflect any adjustments that would have to be made should this not be the case.

1.3 Significant accounting judgements, estimates and assumptions

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. 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:

(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.

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

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.3 Significant accounting judgements, estimates and assumptions (continued)

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

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 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., exiting rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

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.

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)

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) 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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(b) Foreign currencies (continued)

- **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.

(c) 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, convertible credit agreements 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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(c) Financial assets (continued)

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

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:

(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;

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(c) Financial assets (continued)

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

Fair value estimation (continued):

iv. apply an appropriate marketability discount to the gross attributable enterprise value derived in (iii) above in order to derive the net attributable enterprise value. The marketability discount relates to an investment rather than to the underlying business. Marketability discounts will vary from situation to situation and is a question of 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.

(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 17.

- **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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(c) Financial assets (continued)

- **Impairment of financial assets**

For amortised cost loans and receivables, the Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(d) 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.

- **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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(d) Financial liabilities (continued)

- **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.

(e) 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.

(f) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). Certain directors, executives and key employees of the Group are granted share appreciation rights, which can only be settled in cash ("cash-settled transactions"). Advisors receive equity-settled options in relation to the Company's admission to trading on the AIM market of the London Stock Exchange.

The cost of these options with employees are measured by reference to the fair value of the equity instruments awarded at the date of grant, whereas those with non-employees are measured at the fair value of goods or services received at the date when the goods or services have been received. The fair value is determined by using 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).

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(f) Share-based payments (continued)

Equity-settled transactions (continued)

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

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

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

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

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using 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).

(g) 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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(g) Taxes (continued)

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

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

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

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

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

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

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

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

Deferred Tax (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.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(h) 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.

(i) 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 measured at fair value between the start and end of the accounting period and the impairment of amortised cost loans.

- 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.

(j) 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)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(j) 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.

(k) New and revised IFRS that are effective or early adopted in 2015 and relevant to the Group

On 1 January 2015, the Group adopted the following new standards, amendments and interpretations.

Amendment to IAS 19 Defined Benefit Plans: Employee Contributions

Annual Improvements 2010-2012 Cycle

Annual Improvements 2011-2013 Cycle

The Group adopted the IAS 19 Amendments — Defined Benefit Plans: Employee Contributions in 2015. IAS 19 Amendments require an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

Annual Improvements 2010-2012 Cycle and Annual Improvements 2011-2013 Cycle

IFRS 2 — Share-Based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions.

IFRS 3 — Business Combinations

The amendments are applied prospectively and clarify that: (1) all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable); and (2) IFRS 3 does not apply to the accounting for the formation of any joint arrangement.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(k) New and revised IFRS that are effective or early adopted in 2015 and relevant to the Group (continued)

IFRS 8 — Operating Segments

The amendments are applied retrospectively and clarify that: (1) an entity must disclose the judgements made by management in applying the aggregation criteria, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are "similar"; and (2) the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 24 — Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

IFRS 13 — Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 — Investment Property

The amendment is applied prospectively and clarifies that the guidance in IFRS 3 is used to determine if the purchase of investment property is the purchase of an asset or a business combination.

The adoption of the above standards, amendments and interpretations does not have any significant impact on the operating results, financial position and comprehensive income of the Group. The Group has not early adopted any other standard, amendment or interpretation that was issued but not yet effective.

Origo Partners Plc

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.4 Summary of significant accounting policies (continued)

(l) 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, amendments and interpretations issued that the Group reasonably expects to be have an impact on disclosures, financial position or performance when applied at a future date.

		Effective for annual periods beginning on or after
IFRS 9	*Financial Instruments*	1 January 2018
IAS 27 Amendments	*Equity Method in Separate Financial Statements*	1 January 2016
IFRS 10, IAS 28 Amendments	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
IFRS 15	*Revenue from Contracts with Customers*	1 January 2018
IFRS 10, IFRS 12 and IAS 28 Amendments	*Investment Entities: Applying the Consolidation Exception*	1 January 2016
IAS 1 Amendments	*Disclosure Initiative*	1 January 2016
IFRS 11 Amendments	*Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
IAS 16 and IAS 38 Amendments	*Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
IFRS 16	*Leases*	1 January 2019
IAS 7 Amendments	*Statement of Cash Flow*	1 January 2017
Annual Improvements to IFRSs 2012–2014 cycle (issued in September 2014)		1 January 2016

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.

Origo Partners Plc

Notes to the financial statements (continued)

2 Investment loss

	2015 US$'000	2014 US$'000
Realised losses on disposal of investments	(1,526)	(14,513)
- Investments at FVTPL	(1,160)	(1,233)
- Loans at amortised cost	(363)	(3,867)
- Subsidiary	(3)	(9,413)
Unrealised losses on investments	(14,365)	(30,078)
- Investments at FVTPL	(12,357)	(19,601)
- Loans at FVTPL	(894)	(6,851)
- Loans at amortised cost	(1,103)	(3,528)
- Derivative financial assets	(11)	(98)
Income from loans	721	764
Dividends	-	4
Total	**(15,170)**	**(43,823)**

3 Consulting services receivable/(payable)

	2015 US$'000	2014 US$'000
Consulting services receivable	-	17
Consulting services payable	(2,054)	(115)
Total	**(2,054)**	**(98)**

Origo Partners Plc

Notes to the financial statements (continued)

4 Performance incentive

	2015 US$'000	2014 US$'000
Payable within one year	-	(8)
Provision for performance incentive payable over one year	3,209	(5,782)
Total	**3,209**	**(5,790)**

A balance sheet provision for future performance incentive for the year ended 31 December 2015 was US$4,194,262 (2014: US$7,404,454). The decrease in balance was derived from the unrealised losses on investments in 2015.The performance incentives are accrued and payable to Origo Adviser Ltd refer to Note 27 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

	2015 US$'000	2014 US$'000
Employee expenses	(262)	(2,763)
Professional fees	(3,248)	(2,144)
Including:		
- Audit fees	(257)	(291)
Depreciation expenses	(22)	(44)
Provision for bad debts*	(49)	(803)
Provision for financial guarantee contracts	(435)	-
Others	(732)	(1,011)
Total	**(4,748)**	**(6,765)**

Origo Partners Plc

Notes to the financial statements (continued)

6 Information regarding directors and employees

	Year ended 31 December 2015	Year ended 31 December 2014
Average number of employees of the Group*	**Number**	**Number**
Management**	-	2
Investment and transaction team	-	4
Finance and accounting	-	5
Administration and HR	-	3
	-	14
The aggregate payroll costs of these employees were as follows:	**US$'000**	**US$'000**
Wages and salaries	262	2,632
Share-based payments	226	545
Social security costs	-	131
	488	**3,308**

* 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

	2015 US$'000	2014 US$'000
Directors' emoluments	231	1,005
Share-based payment expenses	191	218
	422	1,223

Origo Partners Plc

Notes to the financial statements (continued)

7 Directors' remuneration (continued)

Directors' remuneration for the year 2015 and the number of options held were as follows:

Name	Salaries* US$'000	Director Fee US$'000	Share-based payment** US$'000	Total US$'000	2015 Number of options
Mr. Wang Chao Yong***	3	-	17	20	4,000,000
Mr. Chris A Rynning***	-	-	87	87	3,500,000
Mr. Niklas Ponnert	-	-	87	87	5,300,000
Mr. Christopher Jemmett***	-	3	-	3	100,000
Mr. Lionel de Saint-Exupery	-	72	-	72	-
Mr. Tom Preststulen***	-	6	-	6	-
Ms. Shonaid Jemmett Page	-	147	-	147	-
	3	228	191	422	12,900,000

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

Name	Salaries* US$'000	Director Fee US$'000	Share-based payment** US$'000	Total US$'000	2014 Number of options
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	-
	705	300	218	1,223	12,900,000

* Short term employee benefits

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

*** 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 Board of Directors. The Group's operating segments have been defined based on the types of investments which was equity investment and debt instrument in 2015 and 2014.

Origo Partners Plc

Notes to the financial statements (continued)

8 Operating segment information (continued)

For the year ended 31 December 2015

	Unlisted			Listed			Total
	Equity **$'000**	Debt **$'000**	Total **$'000**	Equity **$'000**	Debt **$'000**	Total **$'000**	**$'000**
Investment loss:							
Realised losses on disposal of investments	(3)	(363)	(366)	(1,160)	-	(1,160)	(1,526)
Unrealised losses on investments	(12,755)	(1,866)	(14,621)	387	(131)	256	(14,365)
Income from loans	-	555	555	-	166	166	721
Total	(12,758)	(1,674)	(14,432)	(773)	35	(738)	(15,170)
Net divestment/(investment)							
Net proceeds of divestment	-	459	459	432	-	432	891
Investment	(20)	(363)	(383)	(199)	-	(199)	(582)
Balance sheet							
Investment portfolio	76,125	24,649	100,774	1,446	1,793	3,239	104,013

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 **$'000**	South Africa **$'000**	Total **$'000**
Investment loss:					
Realised losses on disposal of investments	(366)	-	(1,160)	-	(1,526)
Unrealised losses on investments	(415)	(2,485)	(9,831)	(1,634)	(14,365)
Income from loans	-	555	166	-	721
Total	(781)	(1,930)	(10,825)	(1,634)	(15,170)
Net divestment/(investment)					
Net proceeds of divestment	-	460	432	-	892
Investment	(383)	-	(199)	-	(582)
Balance sheet					
Investment portfolio	1,100	87,466	15,233	214	104,013

Origo Partners Plc

Notes to the financial statements (continued)

8 Operating segment information (continued)

For the year ended 31 December 2014

	Unlisted			Listed			Total
	Equity	Debt	Total	Equity	Debt	Total	
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment loss:							
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
Total	(29,408)	(13,468)	(42,876)	(933)	(14)	(947)	(43,823)
Net divestment/(investment)							
Net proceeds of divestment	5,411	732	6,143	396	-	396	6,539
Investment	-	(2,121)	(2,121)	(565)	-	(565)	(2,686)
Balance sheet							
Investment portfolio	88,860	26,761	115,621	2,457	2,138	4,595	120,216

	Europe	China	Mongolia	Rest of Asia	North America	South Africa	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment loss:							
Realised (losses)/gains 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
Total	(6,022)	(13,492)	(15,860)	(32)	(80)	(8,337)	(43,823)
Net proceeds of divestment	-	6,143	15	294	87	-	6,539
Investment	(981)	(1,140)	(565)	-	-	-	(2,686)
Balance sheet							
Investment portfolio	1,494	90,197	26,677	-	-	1,848	120,216

Origo Partners Plc

Notes to the financial statements (continued)

9 Finance income and costs

	2015 US$'000	2014 US$'000
Finance income		
Bank interest	-	18
	-	**18**
Finance costs		
Bank charges	(26)	(40)
Interest expenses of convertible zero dividend preference shares	(5,776)	(5,296)
	(5,802)	**(5,336)**

10 Income tax

As the Company is not in receipt of income from Manx land, certain related business 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.

	2015 US$'000	2014 US$'000
Current taxes		
Current year	-	(1)
Deferred taxes		
Deferred income taxes*	406	342
Total income taxes credit in the statement of comprehensive income	**406**	**341**

* The deferred income tax liability US$ 2,081,539 relates to fair value gain of Celadon Mining Ltd, China Rice 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 People's Republic of China ("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:

	2015 US$'000	2014 US$'000
Loss before tax	(24,802)	(62,232)
Profit before tax multiplied by rate of corporate income tax in the Isle of Man of 0% (2014: 0%)		
Effects of:		
Current tax on realised gains on investments	-	(1)
Deferred tax on unrealised gains on investments	406	342
Total income taxes in the statement of comprehensive income	**406**	**341**

Origo Partners Plc

Notes to the financial statements (continued)

10 Income tax (continued)

Deferred income taxes

	2015 US$'000	2014 US$'000
Opening deferred income tax liability		
Income in accounts taxable in the future	2,488	2,830
	2,488	2,830
Recognised through statement of comprehensive income		
Income in accounts taxable in the future	(406)	(342)
	(406)	(342)
Closing deferred income tax liability		
Income in accounts taxable in the future	2,082	2,488
	2,082	2,488

11 Earnings per share

Numerator	2015 US$'000	2014 US$'000
Loss for the period attributable to owners of the parent as used in the calculation of basic loss per share	(24,340)	(62,357)
Loss for the period attributable to owners of the parent as used in the calculation of diluted loss per share	(24,340)	(62,357)

Denominator	2015 Number of shares	2014 Number of shares
Weighted average number of ordinary shares for basic LPS	350,714,047	348,612,786
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	350,714,047	348,612,786
Basic LPS	(6.95) cents	(17.89) cents
Diluted LPS	(6.95) cents	(17.89) 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
Cost					
At 1 January 2014	42	128	153	48	371
Additions	1	3	-	-	4
Disposal	(43)	(116)	-	-	(159)
At 31 December 2014	-	15	153	48	216
Additions	-	-	-	-	-
Disposal	-	(15)	(9)	(48)	(72)
At 31 December 2015	-	-	144	-	144
Accumulated depreciation					
At 1 January 2014	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
Charge for the year 2015	-	-	22	-	22
Disposal	-	(14)	-	(48)	(62)
At 31 December 2015	-	-	80	-	80
Net book value					
At 31 December 2014	-	1	95	-	96
At 31 December 2015	-	-	64	-	64

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 2015	Proportion of ownership interest at 31 December 2014
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%
Origo Partners MGL LLC	Mongolia	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%
Origo Asset Management Ltd***	Cayman	-	100%
China Venture Capital GP Ltd***	Cayman	-	100%

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
***	Struck off

14 Investments at fair value through profit or loss

As at 31 December 2015

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	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
				128,298	77,571

The shares held in China Rice and Unipower are all convertible preference shares whilst the remaining investments held in the other entities are all ordinary equity shares. The 'proportion of ownership interest' represents the percentage of the shares held by the Group in all share classes.

Origo Partners Plc

Notes to the financial statements (continued)

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

As at 31 December 2014

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	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
				129,665	**91,306**

* 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.

Origo Partners Plc

Notes to the financial statements (continued)

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

As at 31 December 2015 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	1.38%	254	63
Gobi Coal & Energy Ltd	0.2%	252	111

In accordance with IFRS 13-Fair Value Measurement, financial instruments recognised at fair value are required to be analysed between those whose fair value is based on:

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

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 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:

	2015 US$'000	2014 US$'000
Opening balance	88,860	110,750
Acquisitions	20	-
Proceeds from disposals of investments	-	(294)
Realised losses on disposals of investments	-	(32)
Realised losses on write-off of investments	-	(306)
Net exchange difference	(1,327)	(1,692)
Movement in unrealised losses on investments		
- In profit or loss	(11,428)	(17,965)
Transfers out of Level 3	-	(1,601)
Closing balance	**76,125**	**88,860**

The fair value decrease on investments categorised within Level 3 of US$12,754,500 (2014: US$19,994,687), 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 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%

as at 31 December 2014

	Valuation technique	Significant unobservable inputs	Range
Investments in unquoted equity shares - metal & mining sector	DCF method	WACC	13.85% - 15%
		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%

Origo Partners Plc

Notes to the financial statements (continued)

14 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. The Group believes that the carrying amount is a reasonable approximation of fair value for their financial assets and liabilities.

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.

Sensitivity risk of investments at fair value through profit or loss 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$1,882,986 (2014: US$2,310,225) or 2.47% (2014: 2.60%) of total investments at fair value through profit or loss based at level 3.

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.

Origo Partners Plc

Notes to the financial statements (continued)

15 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**

* 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.

Origo Partners Plc

Notes to the financial statements (continued)

15 Loans (continued)

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	-	-	-
Sub-total			**45,476**	**27,169**	**228**	**27,397**

As at 31 December 2014

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	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	-	-	-
Sub-total		**15,863**	**1,077**	**425**	**1,502**
Total		**61,339**	**28,246**	**653**	**28,899**

Origo Partners Plc

Notes to the financial statements (continued)

15 Loans (continued)

Statement of changes in loans:

	2015 US$'000	**2014 US$'000**
Opening balance	28,899	41,756
Additions	363	2,121
Repayment	(459)	(732)
Write-offs	(363)	(3,867)
Revaluation	(894)	(6,851)
Impairment	(1,103)	(3,528)
Closing balance	**26,443**	**28,899**

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

	2015 US$'000	**2014 US$'000**
Opening balance	27,397	34,248
Repayment	(215)	-
Write-offs	-	-
Movement in unrealised losses on investments		
- In profit or loss	(894)	(6,851)
Closing balance	**26,288**	**27,397**

The fair value decrease on convertible credit agreements categorised within level 3 of US$893,533 (2014: US$6,851,090), was recorded in the statement of profit or loss.

Description of significant unobservable inputs to valuation:

The valuation technique of convertible credit agreements includes DCF method for the liability component and Binomial Model for the option embedded. The significant unobservable input is the discount rate In accordance with the expected level of risk, which moves opposite towards the fair value of convertible credit agreements.

Convertible loans issued to China Rice Ltd and Unipower Batteries Ltd are structured as “bundled investments”, i.e. they have been extended along-side of equity investments. Substantial repayments of loans outstanding are expected to negatively affect the Company’s ability to realise the full value of its combined investment in relevant companies. Consequently, except smaller amounts, the bulk of convertible loan investments are expected to be realised (whether through repayment in cash or conversion into and subsequent sale of equity) with the disposal of the relevant portfolio company as a whole, or through divestments of Origo’s equity positions. The Company has a reasonable expectation to be in a position to realise the full value of these loans over next 12 months; however, substantial balances may remain outstanding beyond such period.

Origo Partners Plc

Notes to the financial statements (continued)

16 Derivative financial assets

	Fair Value hierarchy level	2015 US$'000	2014 US$'000
Warrants	3	-	11
Total		**-**	**11**

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:

	2015 US$'000	2014 US$'000
Opening balance	11	109
Expired	-	-
Movement in unrealised losses on investments		
- In profit or loss	(11)	(98)
Closing balance	**-**	**11**

The fair value decreases on derivative financial instruments categorised within level 3 of US$11,092 (2014: US$97,701), was recorded in the statement of profit or loss.

17 Trade and other receivables

	2015 US$'000	2014 US$'000
Trade debtors	5	4
Other debtors	1,378	1,382
Loan interest receivables	2,676	2,127
Prepayments	42	383
Total	**4,101**	**3,896**

2015 Aging for the Group

Aging for the Group	0-30 days US$'000	31-60 days US$'000	61-90 days US$'000	181-365 days US$'000	Over 365 days US$'000	Total US$'000
Trade debtors	-	-	-	1	4	5
Other debtors	-	-	-	200	3,762	3,962
Loan interest receivables	18	37	24	552	10,214	10,845
Other	42	-	-	-	-	42
Provision against loan interest receivables				-	(8,169)	(8,169)
Provision of bad debts	-	-	-	-	(2,584)	(2,584)
Total	**60**	**37**	**24**	**753**	**3,227**	**4,101**
Percentage	**1%**	**1%**	**1%**	**18%**	**79%**	**100%**

Origo Partners Plc

Notes to the financial statements (continued)

17 Trade and other receivables

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)
Total	**1,029**	**45**	**53**	**280**	**584**	**1,905**	**3,896**
Percentage	**27%**	**1%**	**1%**	**7%**	**15%**	**49%**	**100%**

The Group identified an impairment of US$ 48,887 (2014: US$ 802,505) on trade and other receivables, and the impairment is recognised within the other administrative expenses.

18 Cash and cash equivalents

	2015 US$'000	2014 US$'000
Current account	1,272	5,185
Total cash and cash equivalents	**1,272**	**5,185**

19 Trade and other payables

	2015 US$'000	2014 US$'000
Trade payables	5	2
Other payables	2,696	1,247
Performance incentive payable within one year*	8	8
Total	**2,709**	**1,257**

* Refer to note 4 for total performance incentive expenses.

20 Financial guarantee contracts

	2015 US$'000	2014 US$'000
Financial guarantee contracts*	435	-
Total	**435**	**-**

* In July 2013, the Group entered into a guarantee agreement with IRCA Holdings 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, which has applied for the liquidation, so the Group recognised it as a liability. The payment request related to this provision is expected in the next year.

Origo Partners Plc

Notes to the financial statements (continued)

21 Provision

	2015 US$'000	2014 US$'000
USR/contingent share awards *	67	297
Performance incentive provision**	4,195	7,404
Total	**4,262**	**7,701**

	2015 US$'000	2014 US$'000
Opening balance	7,701	1,787
Movement in USR/contingent share awards *	(230)	132
Movement in performance incentive provision**	(3,209)	5,782
Total	**4,262**	**7,701**

* The provision relates to the fair value of USR and contingent share awards granted to certain directors, executives and key employees under the Company's joint share ownership scheme. Further details about the USR and contingent share awards are included in note 26. The provision is expected to be utilised in the next 9 years when the operation are exercised.

** Refer to note 4 for total performance incentive expenses. The provision is expected to be utilised when investments are realised and the hurdle is reached.

22 Liability component of convertible zero dividend preference shares

	Number of shares	Liability component US$'000	Equity component US$'000	Early redemption option derivative US$'000
Balance at 1 January 2014	**57,000,000**	**58,313**	**8,297**	**-**
Interest expenses on convertible zero dividend preference shares	-	5,296	-	-
Fair value movement of early redemption option derivative	-	-	-	-
Balance at 31 December 2014	**57,000,000**	**63,609**	**8,297**	**-**
Interest expenses on convertible zero dividend preference shares	-	5,776	-	-
Fair value movement of early redemption option derivative	-	-	-	-
Balance at 31 December 2015	**57,000,000**	**69,385**	**8,297**	**-**

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).

Origo Partners Plc

Notes to the financial statements (continued)

22 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% of the Convertible Preference Shares remain outstanding, for a cash sum equal to the Accreted Principal Amount in respect of the Convertible Preference Shares being redeemed.

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

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 repurchased 3 million Convertible Preference Shares from holders at a price of US$1.00 per Convertible Preference Shares in 2013.

23 Issued capital

Authorised	2015 Number of shares	£'000	2014 Number of shares	£'000
Ordinary shares of £ 0.0001 each	500,000,000	50	500,000,000	50

Issued and fully paid	Number of shares	US$'000	Number of shares	US$'000
At beginning of the year	**356,706,814**	**55**	**356,706,814**	**55**
New issue of shares	2,390,000	1		
Buyback shares	(350,000)		-	-
At end of the year	**358,746,814**	**56**	**356,706,814**	**55**

Origo Partners Plc

Notes to the financial statements (continued)

24 Other reserve

Included within the other reserve are 7,711,425 shares of the Company held by Employee Benefit Trust ("EBT") and the amounts of US$ 3,162,677 credited from the capital redemption of CCP fund in 2014.

25 Financial instruments - Risk management

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

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is relatively small as the Group's outstanding debt is fixed rate. Meanwhile, the interest income is not material in the context of the total portfolio return as a whole.

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
2015	+10%	2,784	2,784
	-10%	(2,784)	(2,784)
2014	+10%	3,125	3,125
	-10%	(3,125)	(3,125)

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)

25 Financial instruments - Risk management (continued)

Currency risk (continued)

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

2015	GBP US$'000	NOK US$'000	RMB US$'000	AUD US$'000	HKD US$'000	CAD US$'000	ZAR US$'000	Total US$'000
Cash and bank balances	-	-	84	10	50	6	-	150
Investment at FVTPL	23,757	605	793	-	-	1,362	-	26,517
Loans	-	495	154	-	-	1,793	-	2,442
Trade and other receivables	-	-	380	-	-	80	-	460
Total Assets	23,757	1,100	1,411	10	50	3,241	-	29,569
Trade and other payables	(154)	-	-	-	-	-	-	(154)
Financial guarantee contracts	**-**	**-**	**-**	**-**	**-**	**-**	**(435)**	**(435)**
Provision	(67)	-	-	-	-	-	-	(67)
Deferred income tax liability	(1,060)	-	(12)	-	-	-	-	(1,072)
Total Liabilities	**(1,281)**	**-**	**(12)**	**-**	**-**	**-**	**(435)**	**(1,728)**

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
Total Assets	**24,868**	**1,544**	**1,980**	**12**	**50**	**4,525**	**32,979**
Trade and other payables	(171)	-	(101)	-	-	-	(272)
Provision	(297)	-	-	-	-	-	(297)
Deferred income tax liability	(1,157)	-	(2)	-	-	-	(1,159)
Total Liabilities	**(1,625)**	**-**	**(103)**	**-**	**-**	**-**	**(1,728)**

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$26.4 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.

	2015 not past due US$'000	2015 up to 12 months past due US$'000	2015 more than 12 months past due US$'000	2015 Total US$'000	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
Convertible loan	-	350	25,938	26,288	2,366	-	25,031	27,397
Working capital loan	-	-	155	155	425	556	521	1,502
Total	**-**	**350**	**26,093**	**26,443**	**2,791**	**556**	**25,552**	**28,899**

Origo Partners Plc

Notes to the financial statements (continued)

25 Financial instruments - Risk management (continued)

Liquidity risk

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

Assets

31 December 2015	Less than 1 month US$'000	1-3 months US$'000	3-12 months US$'000	over 12 months US$'000	Total US$'000
Cash and cash equivalents	1,272	-	-	-	1,272
Trade receivables	-	-	-	5	5
Other receivables	988	220	-	170	1,378
Loan interest receivables	2,630	46	-	-	2,676
Loans	24,300	-	1,793	350	26,443
Investments at fair value through profit or loss	-	-	-	77,571	77,571
Total	**29,190**	**266**	**1,793**	**78,096**	**109,345**

Liabilities

31 December 2015	Less than 1 month US$'000	1-3 months US$'000	3-12 months US$'000	over 12 months US$'000	Total US$'000
Trade payables	5	-	-	-	5
Performance incentive payable	-	-	8	4,195	4,203
USR/Contingent share awards	67	-	-	-	67
Other payables	1,912	281	-	503	2,696
Liability component of convertible zero dividend preference shares	-	-	-	57,000	57,000
Contractual interest payable	-	-	-	23,608	23,608
Total	**1,984**	**281**	**8**	**85,306**	**87,579**

Origo Partners Plc

Notes to the financial statements (continued)

25 Financial instruments - Risk management (continued)

Liquidity risk (continued)

Assets

31 December 2014	Less than 1 month US$'000	1-3 months US$'000	3-12 months US$'000	over 12 months US$'000	Total US$'000
Cash and cash equivalents	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
Total	**35,107**	**1,757**	**2,222**	**89,828**	**128,914**

Liabilities

31 December 2014	Less than 1 month US$'000	1-3 months US$'000	3-12 months US$'000	over 12 months US$'000	Total US$'000
Trade payables	2	-	-	-	2
Performance incentive payable	-	-	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
Total	**660**	**378**	**8**	**81,755**	**82,801**

Concentration risk

The main concentration risk for Origo is that the largest investments are concentrated in China for the amount of US$ 87,466,071, 84% out of the total portfolio value of US$ 104,012,816.

Origo Partners Plc

Notes to the financial statements (continued)

26 Share-based payments

The Group has a number of share schemes that allow employees to acquire shares in the Company, as detailed in note 1.3 (b).

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

	2015 US$'000	2014 US$'000
Equity-settled option	(426)	(406)
USR/contingent share awards	200	(139)
Total	**(226)**	**(545)**

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 2015 and 31 December 2014.

	2015 No.	2015 WAEP	2014 No.	2014 WAEP
Outstanding at 1 January	**21,451,932**	**26.97p**	**23,001,932**	**27.32p**
Granted during the year	-	-	-	-
Forfeited during the year	(500,000)	(31.00p)	(1,550,000)	(31.00p)
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	**20,951,932**	**26.87p**	**21,451,932**	**26.97p**
Exercisable at 31 December	**11,451,932**	**23.45p**	**11,451,932**	**23.45p**

The weighted average remaining contractual life for the share options outstanding as at 31 December 2015 was 3.56 years (31 December 2014: 4.56 years).

The range of exercise prices for options outstanding at the end of the year was 20 pence to 59.85 pence (31 December 2014: 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 2015, except as described above.

Origo Partners Plc

Notes to the financial statements (continued)

26 Share-based payments (continued)

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in USRs and contingent share awards during the years ended 31 December 2015 and 31 December 2014.

	2015 No.	2015 WAEP	2014 No.	2014 WAEP
Outstanding at 1 January	**8,061,425**	**9.07p**	**5,688,067**	**12.85p**
Granted during the year	-	-	2,423,358	0.00p
Forfeited during the year	-	-	-	-
Exercised during the year	(350,000)*	0.00p	(50,000)**	0.00p
Expired during the year	-	-	-	-
Outstanding at the end of the year	**7,711,425**	**9.48p**	**8,061,425**	**9.07p**
Exercisable at the end of the year	**7,711,425**	**9.48p**	**8,061,425**	**9.07p**

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

** The weighted average share price at the date of exercise of these options was 7.88 pence.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2015 was 5.51 years (2014: 6.64 years).

The range of exercise prices for options outstanding at the end of the year was zero to 15.5 pence (2014: 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 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 vested 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 vested 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.

	2015	2014
Underlying stock price (pence)	1.50	6.13
Exercise price (pence)	15.5	15.5
Expected life of option (years)	2	2
Expected volatility (%)	34.53	45.82
Expected dividend yield (%)	-	-
Risk-free interest rate (%)	0.50	1.18

Origo Partners Plc

Notes to the financial statements (continued)

26 Share-based payments (continued)

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 2013 to 31 December 2015 using source data from Reuters.

The carrying amount of the liability relating to the USR and the contingent share award as at 31 December 2015 is US$66,895 and the credit expense recognized as share-based payments during the period is US$200,495.

27 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. 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 balance

	2015 US$'000	2014 US$'000
Amounts due from/(to) related parties*		
Key management personnel:		
Wang Chao Yong***	-	(47)
Christopher Jemmett***	-	(47)
Lionel de Saint-Exupery***	(25)	(47)
Shonaid Jemmett Page***	(100)	(47)
Luke Leslie***	-	(12)
Other:		
Origo Advisers Ltd**	**(4,203)**	**(7,117)**

Origo Partners Plc

Notes to the financial statements (continued)

27 Related party transactions (continued)

	2015 US$'000	2014 US$'000
Transactions		
Key management personnel:		
Luke Leslie****	-	(17)
Other:		
Origo Advisers Ltd**	3,209	(5,790)

* 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.

*** Wang Chao Yong and Christopher Jemmett 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.

28 Capital management

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

The Group manages and makes appropriate adjustments to its capital structure on an ongoing basis in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders and/or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

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:

	2015 US$'000	2014 US$'000
Current liabilities	3,144	1,257
Less: Cash and bank balances	(1,272)	(5,185)
Net debt	**1,872**	**(3,928)**

Origo Partners Plc

Notes to the financial statements (continued)

28 Capital management (continued)

	2015 US$'000	2014 US$'000
Liability component of convertible zero dividend preference shares	69,385	63,609
Equity attributable to equity holders of the parent	30,077	53,772
Capital	**99,462**	**117,381**
Capital and net debt	**101,334**	**113,453**
Gearing ratio	**2%**	**(3%)**

29 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 argues 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.

Origo Partners Plc

Notes to the financial statements (continued)

29 Commitments and contingencies (continued)

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). Articles 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.”

Origo Partners Plc

Notes to the financial statements (continued)

29 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 arms 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, the Board requested that trading in the Company’s shares on AIM be suspended. Trading in the Company’s shares has been suspended since 11 March 2016.

Following an initial Court Hearing on 7 April 2016, the Company was notified that the Isle of Man Court has directed that Pacific Alliance Asia Opportunity Fund L.P. (a 25.6 per cent. ordinary shareholder of the Company) be joined to the proceedings (at its request) in relation to the Winding-up Claim. A hearing in respect of a disclosure request made by Brooks Macdonald Asset Management (International) Limited in relation to the Winding-Up Claim has been set down for Friday 22 July 2016 and Monday 25 July 2016. These dates were originally set down as the trial dates to consider the Winding-Up Claim. Revised dates for a trail are yet to be determined but the trial is now not expected to occur no earlier than September 2016. Pursuant to Rule 41 of the AIM Rules for Companies, the London Stock Exchange plc will cancel the admission of an AIM company’s securities to trading on AIM where trading has been suspended for six months. Accordingly, the Company faces the risk of cancellation of its admission to trading on AIM in September 2016.
Having sought and considered relevant legal advice provided, it is the Directors’ view that, on balance, if the matter goes to Court, the Winding up Claim will not succeed. Further, the Board holds a a reasonable expectation that the parties may be able to reach an agreement in respect of a restructuring of the CZDP and a related legal settlement which, if finalisd and agreed, would result in the Winding-up Claim being dropped and all related disputes among the parties being settled.

There were no other material contracted commitments or contingent assets or liabilities at 31 December 2015 (31 December 2014: none) that have not been disclosed in the consolidated financial statements.

30 Events after the reporting period

In June 2016, Origo announced that it has agreed with Kincora to convert the C$2,000,000 convertible note principal and interest outstanding (net of C$500,000 escrowed funds to be paid to Origo) into equity, subject to a Placement of not less than C$500,000, with conversion being on the same terms as the Placement. The loan note is due and payable on 21 October 2016 with interest at 8.7% per annum, payable on maturity in cash or shares of Kincora, at Origo's election. Prior to the conversion of the loan note and its associated interest, Origo holds 85,883,786 common shares of Kincora.

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