Origo Partners PLC (OPP)

Tuesday 17 June, 2014

Origo Partners PLC

Final Results

RNS Number : 7386J
Origo Partners PLC
17 June 2014

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Origo Partners PLC

("Origo" or the "Group" or the "Company")

Audited Results for year ended 31 December 2013

Summary:

- Net asset value: declined by 21 per cent. to US$135.0 million (2012: US$171.5 million), primarily due to the 50 per cent. reduction in the carrying value of our stake in Gobi Coal & Energy
- Loss after tax of US$57.9 million (2012: loss after tax of US$69.0 million) reflecting unrealised and realised losses on investments
- Total investments in existing investee companies during the period of US$9.1 million (2012: US$21.3 million)
- Cash position of US$35.3 million as at 31 December 2013 (2012: US$25.1 million)

Commenting on today's announcement, Chris Rynning CEO of Origo said:

"Despite indications of an improving global economy, Origo was again impacted by poor market conditions in 2013. In particular, generally flat or declining commodity prices in the year impacted our natural resource investments, a number of which were further affected by political uncertainty in Mongolia."

"The ongoing market uncertainty has limited our ability to exit investments and raise new capital. We have, therefore, taken a number of proactive steps to respond to this situation and adjust our strategy and operations to the prevailing environment."

"We remain focused in the year ahead on reversing the negative trend in the value of our assets and realising our investments as the portfolio matures. Our investments in high quality natural resource projects should pay dividends in future, given their location close to China and the limited number of new discoveries and developments of new sources of supply. Our investments in cleantech are well positioned to benefit in the long-term from supporting government policy and growing public demand in China for environmental improvements."

Origo Partners plc Chris Rynning Niklas Ponnert	 chris@origoplc.com niklas@origoplc.com
Nominated Adviser **Smith & Williamson Corporate Finance Limited** Azhic Basirov/ Ben Jeynes	+44 (0)20 7131 4000
Broker **Investec Bank Plc** Jeremy Ellis	+44 (0)20 7597 4000
Public Relations **Aura Financial** Andy Mills	+44 (0)20 7321 0000

Chairman's Statement

2013 was a challenging year for Origo with a difficult economic background preventing us from delivering on the objectives we set ourselves for the year.

As a result, in the summer of 2013 the Board completed a detailed review of Origo's strategy and operations with the aim of ensuring that the Company is well positioned to weather current uncertainties without compromising its ability to deliver long-term value to shareholders.

The conclusions of the review, which were announced on 14 August 2013, resulted in a number of significant steps to reposition the Company. As a result we have significantly reduced our overheads, made no further investments outside of the existing portfolio in the year, postponed initiatives in Myanmar and reduced our activities in Mongolia.

Whilst I am convinced that these changes will help us to create a stronger, leaner company, they have been difficult and we have lost many valued team members. I would therefore like to thank my colleagues at Origo for their hard work and commitment during the year, in what have proved to be difficult circumstances.

Our underlying thesis of investing to capture the growth opportunities created by the urbanisation and industrialisation of China remains unchanged.

China's economy grew by 7.7 per cent. in 2013, in line with 2012 and slightly ahead of expectations. Whilst this figure is lower in percentage terms than the growth achieved in previous years it is from a higher base and, therefore, demand for many items is higher in absolute terms.

Importantly, China's economic transformation from an economy driven by exports and fixed asset investment continued apace in 2013, with the service sector's 46 per cent. share of overall gross domestic product exceeding that of industry for the first time. This represents a major milestone in the Chinese Government's plan to rebalance the Chinese economy and recent data suggests that this trend is continuing, with the service sector comprising 49 per cent. of GDP in Q1 2014 according to official data.

The Chinese Government is addressing issues relating to the build-up of debt in certain parts of its financial system. Whilst this has the potential to impact growth in certain sectors I am confident that the rebalancing of the financial system will be achieved in a controlled and successful fashion.

Towards the end of 2013, China also announced a number of significant policies to address social and environmental issues. In March 2014 the National Development and Reform Commission announced detailed plans to tackle pollution and water scarcity by closing inefficient plants, investing in new infrastructure, punishing polluters and investing in new green technologies.

Furthermore, China is gradually opening its economy and promoting the role of market forces, for example by encouraging private-sector participation in industries previously controlled by the Central Government. Steps to improve the functioning of capital markets are also underway, a recent move to allow cross border investment between the Shanghai Stock Exchange and the Hong Kong Stock Exchange has the potential to boost the performance of Chinese listed companies.

Therefore, despite the difficult short term circumstances the Company has experienced in 2013, there remain significant grounds for optimism over the longer term. The key challenge remains the positioning of our portfolio and being able to realise the value of our assets in an optimal and timely fashion.

CEO's Statement

Despite indications of an improving global economy, Origo was again impacted by poor market conditions in 2013. In particular, generally flat or declining commodity prices in the year impacted our natural resource investments, a number of which were further affected by political uncertainty in Mongolia. In addition, concern over the short term outlook for the Chinese economy has also negatively impacted sentiment.

As a result our net asset value declined by 21 per cent. to US$135.0 million as at 31 December 2013. The largest contributor to this decline was a significant reduction in the valuation of our investment in Gobi Coal & Energy Ltd ("Gobi"), which we reduced by 50 per cent. in line with similar reductions in the value of listed peers.

Although not as financially significant, I am also very disappointed with the outcome for our investment in RM Williams Agricultural Holdings Ltd ("RMWAH"). Despite making promising steps to refinance the business, in July 2013 the senior debt holders decided to place RMWAH into receivership. We subsequently wrote the value of our investment down to zero.

Our portfolio company Celadon Mining Limited ("Celadon") made great progress during the course of the year, by further developing its advanced Chang Tan West thermal coal project in Inner Mongolia ("Chang Tan West"). Chang Tan West, in which Celadon acquired a 23 per cent. equity stake in mid-2012, was included in the Inner Mongolian Government's 'Mining Permit Distribution Plan' (the "Plan"). The Plan sets out a list of priority coal mining projects that have been selected for the granting of future mining licenses. As part of its inclusion in the Plan, Chang Tan West's mining territory was expanded from 20.35 square kilometres to 30.81 square kilometres, increasing coal resources from 602 million tonnes to 1.05 billion tonnes according to Chinese specifications. At the same time, the phase one mining production permit to be allocated was increased from 4 million tonnes per annum to 6 million tonnes per annum. Meanwhile, Celadon completed a feasibility study on and received approval from the Inner Mongolia Government to establish a Coal-to-Olefins Project which could utilise coal from Chang Tan West.

We were also pleased to announce today the results of a scoping study carried out on the Mandal Moly molybdenum and tungsten project in North West Mongolia which confirmed the potential to develop a small scale, high return operation for a low initial investment with the option to expand production in the future.

Similarly, Kincora Copper Limited ("Kincora") continued to deliver promising exploration results at its flagship and wholly owned Bronze Fox deposit in Mongolia with a number of new high priority large, potentially world-class, copper gold porphyry targets identified in 2013. Following discussions with various existing large-scale copper producers attracted by Bronze Fox's potential, Kincora have entered into an exclusivity agreement with a third party. The agreement, which is confidential, grants exclusive rights to the third party to carry out due diligence with respect to a potential joint venture, earn-in, strategic alliance, equity investment or other transaction in respect to the Bronze Fox project. Kincora's significant potential was further highlighted in February 2014 when Cameron McRae, the former President and Chief Executive Officer of Oyu Tolgoi and Rio Tinto's Country Director for Mongolia, joined its Advisory Board. In May 2014, Kincora closed an oversubscribed private placement to raise a total of CAN$5 million, in which Origo invested CAN$400,000. Funds from the capital raising are being used for high priority drilling and other exploration activities at Kincora's Bronze Fox license in the 2014 field season. After the year end, the Mongolian Mining Ministry proposed a process to return 106 licenses which were previously revoked following a criminal court case involving former Government officials. Kincora could therefore have two previously revoked licenses returned, although the process is subject to Parliamentary approval and therefore some uncertainties remain.

While substantially smaller in size, our cleantech portfolio and china based agriculture related assets broadly continue to develop in line with expectations. Our cleantech companies are all early stage growth ventures which address small, but developing, markets. As such, these companies still require time and further capital to fulfill their potential, yet I believe that companies such as Aqualyng, Niutech, Unipower Batteries and China Rice all have the potential to exceed expectations on the back of compelling product offerings and strong government support for the sectors in which they operate.

Revised strategy

The ongoing market uncertainty has affected our ability to exit investments and raise new capital. We have therefore taken a number of proactive steps to respond to this situation and adjust our strategy and operations to the changing environment.

In March 2013 the maturity date of our convertible zero-dividend preference shares ("C-ZDPs") was extended to September 2017, ensuring that the Company had no near term financing needs. Subsequently, in August 2013, we completed a comprehensive review of Origo's strategy and operations - the conclusions of which informed the development of a new strategy.

As a result the Board committed to: making no new investments and focussing attention on our existing portfolio; reducing operating costs; achieving value accretive divestments; and postponing activities in both Myanmar and Mongolia.

In line with this strategy, we continue to work closely with our investee companies, supporting their continued development and have made no new investments in the year. We do consider follow on investments in cases where it demonstrably creates value, such as in the case of the recent financing of Kincora, or in situations where we need to maintain our funding commitments to preserve the value of our investment.

Cost control is a key focus and we have taken a number of steps to reduce ongoing costs and overheads, including via a significant reduction in headcount and the closure of our offices in Mongolia and Myanmar. The effects of these cost-savings will be evident in 2014, but were offset in the period under review by one off administrative charges in respect of certain investments. These charges included bad debt provisions in respect of loans made to certain portfolio companies, notably RMWAH and IRCA Holdings Ltd, and costs incurred in responding to a previously announced complaint by Brooks Macdonald Group plc ("Brooks Macdonald") in respect of the revised terms of the C-ZDPS. Although the changes to the terms of the C-ZDPS were approved by all shareholders in March 2013 we continue to seek a mutually acceptable resolution to the dispute with Brooks Macdonald.

Market conditions in the second half of 2013 and the first quarter of 2014 following our strategic review have not improved and therefore we have not concluded any exits during this period. We will continue to pursue opportunities which provide good value for Origo shareholders in the year ahead.

Streamlining the business

In line with the strategic changes set out above, we have taken a number of further steps to simplify our business and to return capital to the Company.

Towards the end of 2013 we decided to wind up our MSE Liquidity Fund. The Fund's performance had been impacted by political uncertainty in Mongolia and we expect investor sentiment for this kind of product to be muted well into 2015. For similar reasons, we have closed our China Commodity Fund, the China Commodities Absolute Return Fund Ltd (the "CCF") to new investors. The CCF is a commodity long/short hedge fund with a strong focus on Mongolia based assets and we are now seeking to gradually unwind this portfolio in an orderly fashion and return capital to CCF investors.

After the end of the year we agreed to end our partnership with Ecofin Ltd ("Ecofin") and cease marketing our joint cleantech fund - China Cleantech Partners LP ("CCP"). In 2011, Origo and Ecofin Water and Power Trust ("EWPO"), a UK investment trust managed by Ecofin, each funded a commitment of US$15 million to CCP. In addition, Origo secured further commitments of, in aggregate, RMB185 million from Chinese state sponsored investment vehicles. Following the end of the period, EWPO's interest in CCP was redeemed in full. Origo is now the sole partner of CCP and holds a majority limited partnership interest in the associated RMB denominated sub-fund. As a result Origo now controls CCP, improving our ability to deliver a return on our investment, while exploring options for accelerating capital distribution to Origo and our Chinese partners.

Investments and divestments

In 2013, the Group's total investments to existing investee companies decreased to US$9.1 million compared to US$21.3 million in 2012 reflecting our conservative approach in current markets. There was no divestment of unlisted investments in the period.

Portfolio summary

At 31 December 2013 the carrying value our portfolio, which comprises interests in 18 companies, decreased to US$153.8 million from US$209 million as at the end of 2012. The decrease principally reflects the downward adjustment in the carrying value of certain of our mining related investments.

As a result of our cautious approach to realisations and investments, coupled with the revaluation of a number of holdings, the composition of the portfolio has not significantly changed compared to the previous year. The metals and mining sector accounted for 52 per cent. in 2013 (2012: 53 per cent.). Elsewhere, the portion of our portfolio invested in agriculture increased to 21 per cent. (2012: 18 per cent.), while our exposure to cleantech rose to 24 per cent. (2012: 15 per cent.). The consumer, technology and media portion of our portfolio was at 3 per cent. in 2013 (2012: 4 per cent.).

Reflecting the Group's strategy of investing in privately held companies, 96 per cent. of the portfolio (in terms of fair value) as at 31 December 2013 was invested in unquoted portfolio companies.

The Company's direct holdings in listed companies included stakes in HaloSource Inc. (LSE: HAL), Kincora Copper Limited (TSXV: KCC) and Rex International Holdings Limited (SGX: REXI). The Group also has indirect interests in quoted stocks through its investments in China Commodities Absolute Return Ltd managed by the Group.

The weighted average holding period for portfolio companies is 3.4 years compared to 2.5 years in 2012. 52 per cent. of the portfolio has been held for less than 3 years.

Assets under management

The Group defines its assets under management as total assets of the Group plus the net asset value of (and the aggregate commitments to) third party funds and other pools of investments advised by the Group (net of any commitments to or ownership of the Group in such funds). Assets under management equalled US$200.9 million. Total assets of the Group equalled US$200.9 million compared to US$242.1 million in the previous year.

Profit and Loss

Total administrative expenses, excluding the provision of performance incentives, bad debt and financial guarantee contracts, reached US$8.0 million in 2013, which is the same as 2012.

The Group recorded a loss before tax of US$57.9 million, compared to a loss before tax of US$67.8 million in the previous year. The loss is primarily due to unrealised and realised losses of US$47.6 million on investments.

Balance Sheet

At the end of 2013, the Group had total cash and cash equivalents of US$35.3 million (2012: US$25.1 million).

Net asset value decreased from US$171.5 million in 2012 to US$135.0 million in 2013, representing a net asset value per share of US$0.39 as at 31 December 2013, a 20 per cent. decrease from US$0.49 per share in 2012.

Outlook

We remain focused In the year ahead on reversing the negative trend in the value of our assets and realising our investments as the portfolio matures. Our ability to do so is, to a great extent, dependent upon four factors: the economic situation in China; developments in Mongolia; developments in the international commodity markets; and our ability to create a sustainable corporate structure that enables us to focus on carrying out our investment strategy.

While there are clearly significant challenges facing Chinese policy makers in the short term, we believe there is much reason for optimism with regards to the Chinese economy over the medium to long-term. Unlike many other countries, China has the capability to make rapid and significant interventions in markets to ensure its targets are met. China's ratio of government debt to gross domestic product is low and therefore, in the event of a significant crisis, the Government has considerable financial firepower to maintain the economy in a healthy state. It could be argued that, equity markets have partially priced in a soft-landing as shown by improving ratings of Chinese companies across the world. Nonetheless, the market for small cap offerings, in particular for natural resource related companies, is still extremely soft and will take time to recover.

There were a number of positive developments in Mongolia in 2013, which have normalised the political situation after a turbulent 2011 and 2012. The new Government, voted into power in first half of 2013, has taken a more pragmatic and balanced approach with regards to foreign investment. The implementation of the New Security Law, the removal of the controversial Mining Law, and progress with regards to the 106 licenses previously revoked are all to be welcomed. Yet, while positive developments are being made on the ground, investor sentiment towards the resource sector in general, and in respect of Mongolia based assets in particular, is muted. We remain cautiously optimistic that this may change, in particular if a resolution is found in respect of the Oyu Tolgoi dispute.

Our revised strategy recognises that our investments in private companies are currently priced at the bottom of the cycle. By their very nature, such assets are illiquid and the achievement of value accretive exits requires a favourable market environment coupled with a well-considered approach to portfolio management that recognises the specific circumstances of each individual portfolio investment. While we cannot control the macro environment, we believe the revised strategy we set out in August 2013 provides the foundation for us to deliver the nascent value in our investments. That having been said, we continue to engage in an ongoing dialogue with shareholders around the Company's optimal structure and strategy.

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 2013 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related report notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standardsissued by the Accounting Standards Board and adopted for use in the European Union.

This report is made solely to the group's members, as a body. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group's members as a body for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2013 and of the group's loss for the year then ended; and

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

Ernst & Young LLC

Chartered Accountants

Isle of Man

16 June 2014

Consolidated statement of comprehensive income

For the year ended 31 December 2013

	Notes	2013 US$'000	2012 US$'000
Investment loss:	2		

Realised losses on disposal of investments		(7,976)	(294)
Unrealised losses on investments		(39,603)	(64,919)
Share of gains/(losses) of jointly controlled entity		7	(13)
Income from loans		945	2,227
Dividends		80	58
		(46,547)	**(62,941)**
Fund consulting fee		35	72
Consulting services payable	3	(151)	(417)
Other income		32	67
Performance fee			
- Performance incentive	4	3,091	8,311
Share-based payments	27	(443)	559
Other administrative expenses	5	(13,301)	(9,527)
Net loss before finance costs and taxation		**(57,284)**	**(63,876)**
Foreign exchange (losses)/gains		(476)	1
Finance income	9	431	529
Finance cost	9	(562)	(4,424)
Loss before tax		**(57,891)**	**(67,770)**
Income tax	10	(24)	(1,263)
Loss after tax		**(57,915)**	**(69,033)**

Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		129	50
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**129**	**50**
Tax on other comprehensive income		-	-
Other comprehensive income net of tax		**129**	**50**
Total comprehensive loss after tax		**(57,786)**	**(68,983)**

Loss after tax			
Attributable to:			
- Owners of the parent		(57,533)	(68,249)
- Non-controlling interests		(382)	(784)
		(57,915)	**(69,033)**
Total comprehensive loss			
Attributable to:			
- Owners of the parent		(57,404)	(68,199)
- Non-controlling interests		(382)	(784)
		(57,786)	**(68,983)**
Basic loss per share	11	**(16.51) cents**	**(19.31) cents**
Diluted loss per share	11	**(16.51) cents**	**(19.31) cents**

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

Consolidated statement of financial position

At 31 December 2013

		2013	2012
Assets	Notes	**US$'000**	**US$'000**
Non-current assets			
Property, plant and equipment	12	175	124
Intangible assets		11	11
Investments at fair value through profit or loss	14	111,972	164,587
Loans	15	10,030	7,199
Investment in jointly controlled entities		-	53
Derivative financial assets	16	109	927
		122,297	172,901
Current assets			
Inventories		2	-
Trade and other receivables	18	3,404	7,823
Loans due within one year	15	31,726	36,263
Other current assets	17	8,205	-
Cash and cash equivalents	19	35,300	25,064
		78,637	69,150
Total assets		**200,934**	**242,051**
Current liabilities			
Short-term borrowings	19	160	-
Trade and other payables	20	1,817	1,552
Performance incentive payable within one year	20	233	233
Financial guarantee contracts	21	825	-
		3,035	1,785
Non-current liabilities			
Convertible zero dividend preference shares	23	58,313	60,877
Provision	22	1,787	5,080
Deferred income tax liability	10	2,830	2,809
		62,930	68,766
Net assets		**134,969**	**171,500**
Equity attributable to owners of the parent			
Issued capital	24	55	55
Share premium		150,281	150,379
Share-based payment reserve		6,741	6,109
Retained earnings		(49,127)	9,241
Translation reserve		(1,248)	(1,377)
Equity component of convertible zero			
dividend preference shares	23	8,297	7,462
Other reserve	25	(2,193)	(2,244)
		112,806	169,625
Non-controlling interests		22,163	1,875

Total equity	**134,969**	**171,500**
Total equity and liabilities	**200,934**	**242,051**

Wang Chao Yong	Chris Andre Rynning	Karl Niklas Ponnert
Executive Chairman	Chief Executive Officer	Chief Financial Officer
2014	2014	2014

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

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

Consolidated statement of changes in equity

For the year ended 31 December 2013

		Attributable to equity holders of the parent									
	Notes	Issued capital	Share premium	Share-based payment reserve	Retained earnings	Equity component of CZDP	Other reserve	Translation reserve	Total	Non-controlling interests	Total equity
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2012		**56**	**151,023**	**5,528**	**77,490**	**7,462**	**(1,950)**	**(1,427)**	**238,182**	**2,388**	**240,570**
Loss for the year		-	-	-	(68,249)	-	-	-	(68,249)	(784)	(69,033)
Other comprehensive income		-	-	-	-	-	-	50	50	-	50
Total comprehensive loss		-	-	-	(68,249)	-	-	50	(68,199)	(784)	(68,983)
Own shares acquired		(1)	(644)	-	-	-	(418)	-	(1,063)	-	(1,063)
Unrealised losses reversed		-	-	-	-	-	124	-	124	-	124
Share-based payment expense	26	-	-	581	-	-	-	-	581	-	581
Minority interests		-	-	-	-	-	-	-	-	271	271
At 31 December 2012		55	150,379	6,109	9,241	7,462	(2,244)	(1,377)	169,625	1,875	171,500
Loss for the year		-	-	-	(57,533)	-	-	-	(57,533)	(382)	(57,915)
Other comprehensive income		-	-	-	-	-	-	129	129	-	129
Total comprehensive income		-	-	-	(57,533)	-	-	129	(57,404)	(382)	(57,786)
Restructure CZDP	23	-	-	-	(835)	835	-	-	-	-	-
Own share acquired		-	(98)	-	-	-	51	-	(47)	-	(47)

Share-based payment expense	26	-	-	632	-	-	-	-	632	-	632
Minority interests		-	-	-	-	-	-	-	-	20,670	20,670
At 31 December 2013		55	150,281	6,741	(49,127)	8,297	(2,193)	(1,248)	112,806	22,163	134,969

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

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

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

Origo Partners Plc

Consolidated statement of cash flows

For the year ended 31 December 2013

		2013	2012
	Notes	**US$'000**	**US$'000**
Loss before tax		**(57,891)**	**(67,770)**
Adjustments for:			
Depreciation and amortisation	5	50	50
Performance incentive	4	(3,091)	(8,311)
Share-based payments	26	443	(559)
Provision for bad debts	5	4,428	1,491
Provision for financial guarantee contracts	21	825	-
Realised losses on disposal of investments	2	7,976	294
Unrealised losses on investments at FVTPL*	2	33,404	58,946
Unrealised losses/(gains) on loans	2	5,381	(90)
Fair value losses on derivative financial assets	2	818	6,063

Share of (gains)/losses of jointly controlled entity	2	(7)	13
	2		
Income from loans		(945)	(2,227)
Foreign exchange losses/(gains)		476	(1)
Interest expenses of convertible zero dividend preference shares	9	434	4,282
Purchases of investments at FVTPL		(476)	(11,249)
Purchases of loans	15	(8,626)	(10,055)
Proceeds from disposals of investments at FVTPL		1,498	6,661
(Purchase)/disposal of other current assets		(42)	11
Operating loss before changes in working capital and provisions		**(15,345)**	**(22,451)**
Decrease/(increase) in trade and other receivables		1,341	(568)
Increase in trade and other payables		265	753
(Increase)/decrease in inventories		(2)	1
Net cash outflow from operations		**(13,741)**	**(22,265)**
Investing activities			
Purchases of property, plant and equipment	12	(101)	(17)
Disposal of a subsidiary		6,064	-
Acquisition of subsidiaries, net of cash acquired		21,359	-
Net cash inflow/(outflow) from investing activities		**27,322**	**(17)**
Financing activities			
			(8,544)
Repayment of short-term borrowings	19	-	--
Buyback ordinary shares		-	(706)
Transaction costs of buyback shares		-	(1)
Redemption of convertible zero dividend preference shares		(3,000)	-
Subscription (CCF & MSE)**		324	-
Redemption (CCF &MSE)		(698)	-
Net cash outflow from financing activities		**(3,374)**	**(9,251)**
Net increase/(decrease) in cash and cash equivalents		**10,207**	**(31,533)**
Effect of exchange rate changes on cash and cash equivalents		29	(258)
Cash and cash equivalents at beginning of period		25,064	56,855
Cash and cash equivalents at end of period		**35,300**	**25,064**

* FVTPL refers to fair value through profit or loss

** CCF & MSE refer to China Commodities Absolute Return Ltd and MSE Liquidity Fund

The accompanying notes form an integral part of these consolidated 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 2013 were authorised for issue in accordance with a resolution of the directors on 16 June 2014. 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 International Financial Reporting Standards issued by the Accounting Standards Board and adopted for use in the European Union and also to comply with relevant Isle of Man law.

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

(a) The financial information set out below, is based on the financial statements of the Company and its subsidiaries and associates for the year ended 31 December 2013.

(b) The consolidated financial information has been prepared under the historical cost convention except for certain financial instruments, which have been measured at fair value, and in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee's interpretations ("IFRIC") (collectively , "IFRSs") issued by the International Accounting Standards Board (the "IASB").

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

1.3 Significant accounting judgements, estimates and assumptions

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

The following is a list of accounting policies which cover areas that the directors consider 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:

1.3 Significant accounting judgements, estimates and assumptions (continued)

(a) Fair value of unquoted equity instruments

The Group has estimated the value of each of its unquoted equity instruments by using judgement to select the most appropriate valuation methodology for each investment based on the recommendations of the International Private Equity and Venture Capital Valuation Guidelines (the "Guidelines"). Valuation methodologies mainly include the price of recent investments, earnings multiples, industry valuation benchmarks, available market prices and so on, which may apply individually or in combination. Key assumptions and judgements of each methodology concerning the future and other key sources of estimation uncertainty will have a significant risk of causing a material adjustment to the fair value of the instruments within the next financial year.

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

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

The Group has issued equity-settled share-based payments to certain directors and employees, and to its advisors for services provided in respect of the admission of the Company to trading on the AIM market of the London Stock Exchange. Equity-settled share-based payments to directors and employees are measured at the fair value of equity instruments awarded at the date of grant. Equity-settled share-based payments to non-employees are measured at the fair value of goods or services rendered at the date when the goods or services are received. Where equity investments are granted subject to vesting conditions, share-based payments are expensed to the profit or loss on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. Fair value is measured by use of the Black-Scholes model.

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

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

1.4 Summary of significant accounting policies

The following principal accounting policies have been applied consistently throughout the year in dealing with items which are considered material in relation to the financial information.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2013.

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.

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

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

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

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

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

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

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

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

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

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

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights except where the entity has been classified as held for trading and measured at fair value through profit or loss according to IAS 39 based on the significance the investments are to the Group. This treatment is permitted by IAS 28 investment in Associate, which requires investments held by venture capital organisations to be excluded from its scope.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves are recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Jointly controlled entities

Interests in jointly controlled entities which are held for operating activity are accounted for in accordance with IAS 31 using the equity method of accounting. Interest in jointly controlled entities that are held as part of Group's investment portfolio are carried in the balance sheet at fair value through profit or loss in accordance with IAS39, with changes in fair value recognised in the statement of comprehensive income in the period of the change.

(d) Foreign currencies

- **Functional and presentation currency**

  Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollar, which is the Group's presentation currency.

- **Transactions and balances**

  Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

  Changes in the fair value of monetary securities denominated in foreign currencies classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in profit or loss, and other changes in the carrying amount are recognised in other reserve.

  Non-monetary financial assets and liabilities that are carried at historic cost are translated using the exchange rate as at the dates of initial transactions and are not re-measured. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in the fair value reserve in equity.

- **Group companies**

The results and financial position of all Group entities, none of which has the currency of a hyperinflationary economy that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(I) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(II) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(III) all resulting exchange differences are recognised in the statement comprehensive income as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Financial assets

The Group classifies its financial assets, at initial recognition, into one of the following categories: investments at fair value through profit or loss, loans and receivables, derivative financial instruments and other financial assets, as appropriate, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

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

These financial assets are designated by the Board of Directors at fair value through profit or loss at inception, which include debt and equity securities, and derivatives, upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with the risk management and investment strategies of the Group.

Recognition / Derecognition:

Regular acquisitions and disposals of investments are recognised on the trade date on which the Group received acquisitions of investments or delivered disposals of investments. A fair value through profit or loss asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when rights are realised, expire or are surrendered and the rights to receive cash flows from the investment have expired or the Group has transferred substantially all risks and rewards of ownership. Fair value through profit or loss assets that are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Group commits to sell the assets.

Measurement:

Financial assets held at fair value through profit or loss is initially recognised at fair value. Transaction costs are expensed in the profit or loss. Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets held at fair value through profit or loss are presented in the profit or loss in the period in which they arise.

Dividend income from investments at fair value through profit or loss is recognised in the profit or loss within other income when the Group's right to receive payments is established.

Fair value estimation:

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The fair value of financial instruments that are not traded in an active market (for example, PLUS listed securities and unlisted private companies) is determined by using valuation techniques in accordance with the 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;

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 18.

- **Derivative financial instruments**

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

(f) Financial liabilities

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

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

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

- **Financial guarantee contracts**

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

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 similar bond without early redemption or equity conversion option. The difference between the proceeds of the CZDP issue and the fair value of the liability component of the CZDP is assigned to the equity component of the CZDP representing the embedded equity conversion option, and the derivative financial assets representing the embedded early redemption option.

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

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

- **Derecognition**

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

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

Cash and cash equivalents are defined as cash in hand, demand deposits, time deposit and short-term, highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity, generally less than three months, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. For the purpose of the statement of financial positions, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

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

(h) Share-based payments

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

Equity-settled transactions

The cost of these options with employees are measured by reference to the fair value of the equity instruments awarded at the date of grant, whereas those with non-employees are measured at the fair value of goods or services received at the date when the goods or services have been received. The fair value is determined by using Black-Scholes model, further details of which are given in note 27.

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge of credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee expense (see Note 6).

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

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

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

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

Cash-settled transactions

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

(i) Taxes

Current Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income taxes are recognised in the profit or loss or directly in equity except when a tax exemption has been granted.

(j) Performance incentive payable

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

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

(k) Investment Income (Loss)

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

- Realised gains (losses) on the disposal of investments are the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its carrying value at the start of the accounting period.

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

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

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

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

(l) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

(m) New and revised international financial reporting standards that are effective or early adopted in 2013 and relevant to the Group

The IASB has issued the following new and revised IFRSs (including International Accounting Standards ("IASs")) and IFRIC interpretations that are effective as of 1 January 2013:

IAS 1 Presentation of Financial Statements

IFRS 7 Amendment to offsetting financial assets and liabilities

IFRS 13 Fair value measurement

IAS 19 Amendment to employee benefits

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available -for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plan and revaluation of land and building). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IFRS 13 establishes a single source of guidance under IFRS for all fair value measures. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required and permitted. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group reassessed its policies for measuring fair value. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group. The IFRS 13 also requires additional disclosures, and these are provided in Note 14.

Other amendments apply for the first time in 2013. However, they do not impact the financial statement of the Group.

(n) Standards issued but not yet effective

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

	Effective for period beginning on or after
IFRS 9 Financial instruments-classification and measurement	possibly 1 January 2018
IFRS 10 Consolidated financial statements	1 January 2014
IFRS 11 Joint arrangements	1 January 2014
IFRS 12 Disclosure of interest in other entities	1 January 2014
IAS 27 Amendment to separate financial statements	1 January 2014
IAS 28 Amendment to Investments in associates and joint ventures	1 January 2014
IAS 32 Amendment to offsetting financial assets and financial liabilities	1 January 2014

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

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

2 Investment loss

	2013 US$'000	2012 US$'000
Realised losses on disposal of investments	(7,976)	(294)
- Investments at FVTPL	(3,002)	28
- Loans	(4,791)	(180)
- Subsidiary	(268)	-
- Associate	85	-
- Available-for-sale investments	-	(142)
Unrealised losses on investments	(39,603)	(64,919)
- Investments at FVTPL	(33,404)	(58,946)
- Loans	(5,381)	90
- Derivative financial assets	(818)	(6,063)
Share of profits/(losses) of jointly controlled entity	7	(13)
Income from loans	945	2,227
Dividends	80	58
Total	**(46,547)**	**(62,941)**

3 Consulting services receivable/(payable)

	2013 US$'000	2012 US$'000
Consulting services receivable	26	311
Consulting services payable	(177)	(728)
Total	**(151)**	**(417)**

4 Performance incentive

	2013 US$'000	2012 US$'000
Payable within one year	-	(333)
Provision for performance incentive payable over one year	3,091	8,644
Total	**3,091**	**8,311**

For the year ended 31 December 2013, performance incentive accruals of US$1,622,083 were approved by the board of directors of the Company (other than Chris Rynning and Niklas Ponnert) at the board meeting held on 16 June 2014. The performance incentive are accrued and paid to Origo Advisers Ltd. Refer to Note 28 for details on Origo Advisers Ltd.

In determining the amount to be accrued, the board (i) assessed the amount of performance incentives arising on each and every individual investment under the terms of the Scheme; and (ii) capped the total amount to be accrued at the higher of a) 20 per cent of the accumulated gain (realised and unrealised) of the Company's portfolio of investments taking into account write-offs, realisations, and movements in the fair value of all investment completed from the time of admission until the balance sheet date and previous payments made under the Scheme; and b) 10 per cent of the accumulated gain (realised and unrealised) over the 10% hurdle on applicable companies in the Company's portfolio of Investments.

5 Other administrative expenses

	2013 US$'000	**2012 US$'000**
Employee expenses	(3,952)	(4,418)
Professional fees	(2,133)	(1,405)
Including:		
- Audit fees	(288)	(261)
Depreciation expenses	(50)	(50)
Provision for bad debts*	(4,428)	(1,491)
Provision for financial guarantee contracts	(825)	-
Others	(1,913)	(2,163)
Total	**(13,301)**	**(9,527)**

* Provision for bad debts of US$3.4 million of US$4.4 million of other receivables due from R.M.Williams Agricultural Holdings Pty Ltd. Provision has been recognised only on receivables where it is considered there is a greater than 50% risk of failure.

6 Information regarding directors and employees

	Year ended 31 December 2013	**Year ended 31 December 2012**
Average number of employees of the Group	**Number**	**Number**
Management*	2	2
Investment and transaction team	8	23
Finance and accounting	7	12
Administration and HR	6	9
Design and IT	-	2
Trading sales	1	1
Geologists	1	3
	25	52
The aggregate payroll costs of these employees were as follows:	**US$'000**	**US$'000**
Wages and salaries	3,724	4,196
Share-based payments	443	(559)
Social security costs	228	222
	4,395	3,859

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

7 Directors' remuneration

	2013 US$'000	2012 US$'000
Directors' emoluments	1,094	1,444
Share-based payment expenses	146	(712)
	1,240	732

Directors' remuneration for the year 2013 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	2013 Number of options
Mr. Wang Chao Yong	150	-	(36)	114	4,000,000
Mr. Chris A Rynning	330	-	91	421	3,500,000
Mr. Niklas Ponnert	290	-	91	381	5,300,000
Mr. Christopher Jemmett	-	111	-	111	100,000
Mr. Lionel de saint Exupery	-	75	-	75	-
Mr. Tom Preststulen	-	75	-	75	-
Ms. Shonaid Jemmett Page	-	63	-	63	-
	770	324	146	1,240	12,900,000

Directors' remuneration for the year 2012 and the number of options held were as follows:

Name	Salaries* US$'000	Director Fee US$'000	Share-based payment** US$'000	Total US$'000	2012 Number of options
Mr. Wang Chao Yong	150	-	(356)	(206)	4,000,000
Mr. Chris A Rynning	610	-	(178)	432	3,500,000
Mr. Niklas Ponnert	465	-	(178)	287	5,300,000
Mr. Christopher Jemmett	-	114	-	114	100,000
Mr. Lionel de Saint Exupery	-	41	-	41	-
Mr. Tom Preststulen	-	39	-	39	-
Ms. Shonaid Jemmett Page	-	25	-	25	-
	1,225	219	(712)	732	12,900,000

* Short term employee benefits

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

8 Operating segment information

Operating segments are components of the entity whose results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance. The chief operating decision-maker for the Group is considered to be the Chief Executive Officer. The Group's operating segments have been defined based on the types of investments which was equity investment, debt instrument and partnership interest in 2013 and 2012.

For the year ended 31 December 2013

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

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

	Europe	China	Mongolia	Rest of Asia	North America	South Africa	Australia	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment income/ (losses):								
Realised (losses)/gains on disposal of investments	-	85	(1,041)	-	(594)	-	(6,426)	(7,976)
Unrealised (losses)/gains on investments	(695)	(3,128)	(30,976)	327	(91)	(5,040)	-	(39,603)
Share of gains of jointly controlled entity	-	7		-	-	-	-	7
Income from loans	194	540	211	-	-	-	-	945
Dividends	-	63	17	-	-	-	-	80
Total	(501)	(2,433)	(31,789)	327	(685)	(5,040)	(6,426)	(46,547)
Net divestment/ (investment)								
Net proceeds of divestment	-	-	818	-	680	-	-	1,498

Investment	(1,808)	-	(244)	-	-	(5,111)	(1,939)	(9,102)
Balance sheet								
Investment portfolio	6,535	94,434	42,889	327	167	9,485	-	153,837

For the year ended 31 December 2012

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

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

9 Finance income and costs

	2013 US$'000	2012 US$'000
Finance income		
Bank interest	431	529
	431	**529**
Finance costs		
Bank charges	(128)	(142)
Interest expenses of convertible zero		
dividend preference shares	(434)	(4,282)
	(562)	**(4,424)**

10 Income tax

As the Company is not in receipt of income from Manx land or property and does not hold a Manx banking licence, it is taxed at the standard rate of 0% on the Isle of Man. The company is resident for tax purposes in the Isle of Man and subject to corporate income tax at the standard rate of 0% and as such no provision for tax in the Isle of Man has been made.

	2013 US$'000	2012 US$'000
Current taxes		
Current year	(3)	-
Deferred taxes		
Deferred income taxes*	(21)	(1,263)
Total income taxes in the statement of comprehensive income	**(24)**	**(1,263)**

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

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

	2013 US$'000	2012 US$'000
Loss before tax	(57,891)	(67,770)
Profit before tax multiplied by rate of corporate income tax in the Isle		
of Man of 0% (2012: 0%)	-	-
Effects of:		
Current tax on realised gains on investments	(3)	-
Deferred tax on unrealised gains on investments	(21)	(1,263)

Total income taxes in the statement of comprehensive income	**(24)**	**(1,263)**

Deferred income taxes

	2013 US$'000	2012 US$'000
Opening deferred income tax liability		
Income in accounts taxable in the future	2,809	1,546
	2,809	1,546
Recognised through statement of comprehensive income		
Income in accounts taxable in the future	21	1,263
	21	1,263
Closing deferred income tax liability		
Income in accounts taxable in the future	2,830	2,809
	2,830	2,809

11 Earnings per share

Numerator	2013 US$'000	2012 US$'000
Loss for the period attributable to owners of the parent		
as used in the calculation of basic loss per share	(57,533)	(68,249)
Loss for the period attributable to owners of the parent		
as used in the calculation of diluted loss per share	(57,533)	(68,249)

Denominator	2013 Number of Shares	2012 Number of shares
Weighted average number of ordinary shares for basic LPS	348,560,156	353,368,474
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	348,560,156	353,368,474
Basic LPS	(16.51) cents	(19.31) cents
Diluted LPS	(16.51) cents	(19.31) cents

12 Property, plant and equipment

	Fixtures and fittings	Computer equipment	Vehicles	Machinery equipment	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 1 January 2012	39	102	64	48	253
Additions	-	17	-	-	17
Disposal	-	-	-	-	-
At 31 December 2012	39	119	64	48	270
Additions	3	11	89	-	103
Disposal	-	2	-	-	2
At 31 December 2013	42	128	153	48	371
Accumulated depreciation					
At 1 January 2012	26	54	4	12	96
Charge for the year 2012	5	17	12	16	50
Disposal	-	-	-	-	-
At 31 December 2012	31	71	16	28	146
Charge for the year 2013	4	16	15	16	51
Disposal	-	1	-	-	1
At 31 December 2013	35	86	31	44	196
Net book value					
At 31 December 2012	8	48	48	20	124
At 31 December 2013	7	42	122	4	175

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 2013	Proportion of ownership interest at 31 December 2012
Ascend Ventures Ltd	Malaysia	100%	100%
Origo Resource Partners Ltd	Guernsey	100%	100%
PHI International Holding Ltd	Bermuda	100%	100%
Origo Partners MGL LLC	Mongolia	100%	100%
PHI International (Bermuda) Holding Ltd*	Bermuda	100%	100%
Ascend (Beijing) Consulting Ltd**	China	100%	100%
Origo Asset Management Ltd	Cayman	100%	100%
China Venture Capital GP Ltd	Cayman	100%	100%
China Commodities Absolute Return Ltd	Isle of Man	90.7%	80.3%
ISAK International Holding Ltd**	British Virgin Islands	71.2%	71.2%

China Venture Capital AMC Ltd	Cayman	70%	70%
China Cleantech Partners, L.P.	Cayman	62%	50.1%
China CleanTech AMC Ltd	Cayman	50%	50%
China CleanTech GP Ltd	Cayman	50%	50%
MSE Liquidity Fund	Bermuda	-	81.5%

* Owned by Origo Resource Partners Ltd

** Owned by Ascend Ventures Ltd

- **Consolidation of China Cleantech Partners, L.P. ("CCP"), China CleanTech GP Ltd ("GP") and China CleanTech AMC Ltd ("AMC")**

CCP is a private equity fund focusing on China's cleantech sectors, jointly formed and co-managed by the Group and EFMI Limited on 50/50 basis via GP and AMC, the management companies for CCP.

On 7 November 2013, the Group's ownership increased to 62% following the partial redemption by Ecofin Water & Power Opportunities Plc ("EWPO"), and the Group's exercisable call options to purchase all of EFMI Limited's interests in GP and AMC as at 31 December 2013. The Group has consolidated the separate assets and liabilities of CCP, GP and AMC from 7 November 2013 and has consolidated the transactions of CCP, GP and AMC for the period from 7 November 2013 to 31 December 2013.For details on the exercisable call options refer to Note 31.

The Group has elected to measure the non-controlling interests in CCP, GP and AMC at the proportionate share of the acquiree's identifiable net assets.

The assets and liabilities of CCP, GP and AMC at the date of consolidation on 7 November 2013 and at 31 December 2013 were as follows:

	7 November 2013			31 December 2013		
	US$'000			US$'000		
	CCP	**GP**	**AMC**	**CCP**	**GP**	**AMC**
Non-current assets						
Investments at fair value through profit or loss	-	312	-	-	312	-
Property, plant and equipment	-	-	3	-	-	5
Intangible assets	-	-	3	-	-	3
Current assets						
Cash and cash equivalents	30,081	11	26	30,150	11	16
Other receivables	-	-	158	-	-	120
Other current assets	8,140	-	-	8,201	-	-
Total assets	**38,221**	**323**	**190**	**38,351**	**323**	**144**
Current liabilities						
Other payables	(637)	(30)	(41)	(763)	(30)	(47)
Short-term borrowings	-	(220)	(100)	-	(220)	(100)

Total liabilities	**(637)**	**(250)**	**(141)**	**(763)**	**(250)**	**(147)**
Total identifiable net assets at fair value	**37,584**	**73**	**49**	**37,588**	**73**	**(3)**
Non-controlling interest	**13,314**	**36**	**24**	**13,315**	**36**	**(1)**
Goodwill arising on acquisition	**-**	**-**	**-**	**-**	**-**	**-**
Interest in subsidiaries at fair value	**24,270**	**37**	**25**	**-**	**-**	**-**

	From 7 November 2013 to 31 December 2013			2013		
	US$'000			US$'000		
	CCP	**GP**	**AMC**	**CCP**	**GP**	**AMC**
Investment income:						
Dividends	63	-	-	252	-	162
	63	**-**	**-**	**252**	**-**	**162**
Other administrative expenses	(162)	-	(52)	(257)	(3)	(193)
Net loss before finance costs and taxation	**(99)**	**-**	**(52)**	**(5)**	**(3)**	**(31)**
Foreign exchange losses	(160)	-	-	(380)	-	-
Finance cost	(18)	-	-	(354)	(1)	(1)
Loss before tax	**(277)**	**-**	**(52)**	**(739)**	**(4)**	**(32)**
Income tax	-	-	-	-	-	-
Loss after tax	**(277)**	**-**	**(52)**	**(739)**	**(4)**	**(32)**
Other comprehensive income:						
Exchange differences on translating foreign operations	**281**	**-**	**-**	**1,153**	**-**	**5**
Other comprehensive income net of tax	**281**	**-**	**-**	**1,153**	**-**	**5**
Total comprehensive income/(loss) after tax	**4**	**-**	**(52)**	**414**	**(4)**	**(27)**
Attributable to:						
- Owners of the parent	**3**	**-**	**(26)**	**-**	**-**	**-**
- Non-controlling interests	**1**	**-**	**(26)**	**-**	**-**	**-**

14 Investments at fair value through profit or loss

As at 31 December 2013

Name*	Country of incorporation	Fair Value hierarchy level	Proportion of ownership interest	Cost US$'000	Fair value US$'000
TPL GmbH******	Germany	3	54.8%	18	19
Trafigura Origo Joint Venture LLC*****	Mongolia	3	50.0%	400	-
IRCA Holdings Ltd.	British Virgin Islands	3	49.1%	9,505	-
Shanghai Yi Rui Tech New Energy Tecnology Ltd	China	3	49.0%	675	697
Resources Investment Capital Ltd.	British Virgin Islands	3	38.5%	287	287
Roshini International Bio Energy Corporation	British Virgin Islands	3	35.9%	17,050	-
Kincora Copper Ltd***	Canada	3	34.0%	6,824	1,601

China Rice Ltd	British Virgin Islands	3	32.1%	13,000	17,259
R.M.Williams Agricultural Holdings Pty Ltd	Australia	3	24.0%	20,214	-
Niutech Energy Ltd (Achieve Stars Development Ltd)	British Virgin Islands	3	21.1%	6,350	12,083
Moly World Ltd	British Virgin Islands	3	20.0%	10,000	10,000
Unipower Battery Ltd	Cayman Islands	3	16.5%	4,301	9,984
Fans Media Co., Ltd	British Virgin Islands	3	14.3%	2,360	-
Gobi Coal & Energy Ltd***	British Virgin Islands	3	14.0%	14,960	26,788
Celadon Mining Ltd	British Virgin Islands	3	9.7%	13,069	25,689
Staur Aqua AS	Norway	3	9.2%	719	245
Ares Resources	Mongolia	3	4.8%	148	-
Bach Technology GmbH	Germany	3	2.5%	60	-
Rising Technology Corporation Ltd/ Beijing Rising Information Technology Ltd **	British Virgin Islands	3	2%/ 1.6%	5,565	3,009
Kooky Panda Ltd	Cayman Islands	3	1.2%	25	-
Six Waves Inc	British Virgin Islands	3	1.1%	240	1,203
Fram Exploration AS	Norway	3	0.7%	1,202	860
HaloSource, INC.	USA	1	0.3%	525	167
Rex International Holding	Singapore	3	0.1%	217	326
Other quoted investments***		1		3,510	1,755
Total				**131,224**	**111,972**

As at 31 December 2012

Name*	**Country of incorporation**	**Fair Value hierarchy level**	**Proportion of ownership interest**	**Cost US$'000**	**Fair value US$'000**
China Cleantech Partners, L.P.****	Cayman	3	50.1%	15,000	15,000
Trafigura Origo Joint Venture LLC *****	Mongolia	3	50.0%	400	400
IRCA Holdings Ltd	British Virgin Islands	3	49.1%	9,505	-
Shanghai Yi Rui Tech New Energy Tecnology Ltd	China	3	49.0%	675	676
Resources Investment Capital Ltd	British Virgin Islands	3	38.5%	287	287
Roshini International Bio Energy Corporation	British Virgin Islands	3	35.9%	17,050	-
Kincora Copper Ltd***	Canada	3	32.6%	6,824	

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

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

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

*** Investments held partially by China Commodities Absolute Return Ltd ("CCF") and/or MSE Liquidity Fund ("MSE Fund"), the funds managed by the Group.

**** A private equity fund focusing on China's cleantech sectors, jointly formed and co-managed by the Group and EFMI Limited on 50/50 basis. The Group ceased to recognised China Cleantech Partners, L.P. ("CCP") as an investment at FVTPL on 7 November 2013 when its ownership in CCP increased to 62 per cent and instead recognised itsseparate assets and liabilities.

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

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

As at 31 December 2013 the proportion of ownership interest held by CCF in investments is as follows:

		Cost	**Fair value**
Name*	**Proportion of ownership interest**	**US$'000**	**US$'000**
Kincora Copper Ltd	3.4%	1,063	156
Gobi Coal & Energy Ltd	0.2%	252	451

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

a) Quoted prices in active markets for identical assets or liabilities (Level 1);

b) Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

c) Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

In accordance with IFRS 13: For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between Levels during the period of 2013.

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

	2013	**2012**
	US$'000	**US$'000**
Opening balance	159,983	210,242
Acquisitions	456	5,891
Proceeds from disposals of investments	-	(22)
Decrease upon the consolidation of CCP LP and Qinghai Fund	(14,911)	-
Realised losses on write-off of investments	(2,035)	(209)
Net exchange difference	516	1,745
Movement in unrealised gains on investments		
- In profit or loss	(33,959)	(57,664)
Closing balance	**110,050**	**159,983**

15 Loans

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

As at 31 December 2013

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	5,374	-	5,374
R.M. Williams Agricultural Holdings Pty Ltd	3	8-20	3,090	-	-	-
Staur Aqua AS	3	0-15	3,848	740	1,786	2,526
Kincora Copper Ltd	3	8.7	2,469	-	2,348	2,348
Roshini International Bio Energy Corporation	3	-	424	-	-	-
Sub-total			**45,476**	**30,114**	**4,134**	**34,248**

Borrower	Loan rates %	Loan principal US$'000	Loans due within one year US$'000	Loans due after one year US$'000	Amortised cost US$'000
Loan agreements*					
IRCA Holdings Ltd	6-10	8,909	1,102	3,009	4,111
R.M.William Agricultural Holdings Ply Ltd	15.5%+RBA cash rate	1,725	-	-	-
TPL GmbH	10	2,827	-	2,887	2,887
Shanghai Evtech New Energy Technology Ltd	-	510	510	-	510
China Silvertone Investment Co Ltd	-	478	-	-	-
View Step Corporation Ltd	-	25	-	-	-
Sub-total		**14,474**	**1,612**	**5,896**	**7,508**
Total		**59,950**	**31,726**	**10,030**	**41,756**

As at 31 December 2012

	Fair value hierarchy	Loan rates	Loan principal	Loans due within	Loans due after one year	Fair value

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

Borrower	Loan rates %	Loan principal US$'000	Loans due within one year US$'000	Loans due after one year US$'000	Amortised cost US$'000
Loan agreements*					
IRCA Holdings Ltd	6-10	3,798	165	2,231	2,396
TPL GmbH	10	1,037	-	1,055	1,055
Shanghai Evtech New Energy Technology Ltd	-	510	510	-	510
China Silvertone Investment Co Ltd	-	478	-	-	-
View Step Corporation Ltd	-	25	-	-	-
Sub-total		**5,848**	**675**	**3,286**	**3,971**
Total		**51,658**	**36,263**	**7,199**	**43,462**

* Loans in relation to convertible credit agreements are measured at fair value, the fair value of the associated optional rights and obligations are recorded under derivatives note 16. Loans in relation to loan agreements are measured at amortised cost using the effective interest rate method less any identified impairment losses. There are no breaches under the terms and conditions of loan agreements.

Statement of changes in loans:

	2013 US$'000	2012 US$'000
Opening balance	43,462	33,497
Addition	8,626	10,055
Write-off	(4,791)	(180)
Revaluation	(5,381)	90

Decrease upon the consolidation of CCP	(160)	-
Closing balance	**41,756**	**43,462**

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

	2013 US$'000	2012 US$'000
Opening balance	39,501	31,974
Additions	-	7,629
Write-offs	(3,066)	(155)
Movement in unrealised (losses)/gains on investments		
- In profit or loss	(2,027)	53
Decrease upon the consolidation of CCP	(160)	-
Closing balance	**34,248**	**39,501**

16 Derivative financial assets

	Fair value hierarchy level	2013 US$'000	2012 US$'000
Warrants	3	109	704
Derivative from convertible options	3	-	223
Total		**109**	**927**

In accordance with the fair value hierarchy described in note 14 and 15, derivative financial instruments are measured using level 3 for warrants and convertible options.

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

	2013 US$'000	2012 US$'000
Opening balance	927	6,730
Additions	-	678
Expired	(249)	(209)
Movement in unrealised loss on investments		
- In profit or loss	(569)	(6,272)
Transfers out of Level 3	-	-
Closing balance	**109**	**927**

17 Other current assets

	Fair value hierarchy level	2013 Cost US$'000	2013 Fair value US$'000	2012 Cost US$'000	2012 Fair value US$'000
Other financial assets					
Short-term investment*	3	3,280	3,280	-	-
Structured deposits**	3	4,921	4,921	-	-
Others		4	4	-	-
Total		8,205	8,205	-	-

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

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

18 Trade and other receivables

	2013 US$'000	2012 US$'000
Trade debtors	4	262
Other debtors	1,023	2,014
Loan interest receivables	2,204	5,282
Prepayments	173	265
Total	**3,404**	**7,823**

2013 Aging for the Group

Aging for the Group	**0-30 days US$'000**	**31-60 days US$'000**	**61-90 days US$'000**	**91-180 days US$'000**	**181-365 days US$'000**	**Over 365 days US$'000**	**Total US$'000**
Trade debtors	-	-	-	-	-	254	254
Other debtors	11	18	174	236	253	2,384	3,076
Loan interest receivables	221	98	101	386	645	7,423	8,874
Other	1	-	-	88	4	80	173
Provision against loan interest receivables	(51)	(54)	(55)	(159)	(309)	(6,042)	(6,670)
Provision of bad debts	-	-	(153)	(134)	(104)	(1,912)	(2,303)
Total	**182**	**62**	**67**	**417**	**489**	**2,187**	**3,404**
Percentage	**5%**	**2%**	**2%**	**12%**	**14%**	**64%**	**100%**

2012 Aging for the Group

Aging for the Group	0-30 days US$'000	31-60 days US$'000	61-90 days US$'000	91-180 days US$'000	181-365 days US$'000	Over 365 days US$'000	Total US$'000
Trade debtors	-	-	-	5	5	252	262
Other debtors	491	22	121	70	266	2,553	3,523
Loan interest receivables	232	140	137	939	949	5,293	7,690
Other	215	-	-	-	-	50	265
Provision against loan interest receivables	-	-	-	(4)	-	(2,404)	(2,408)
Provision of bad debts	(27)	(21)	(21)	(59)	(152)	(1,229)	(1,509)
Total	**911**	**141**	**237**	**951**	**1,068**	**4,515**	**7,823**
Percentage	**12%**	**2%**	**3%**	**12%**	**14%**	**57%**	**100%**

19 Cash and cash equivalents and Short-term borrowings

	2013 US$'000	2012 US$'000
Current account	35,300	14,718
Fixed deposit	-	10,346
Total cash and cash equivalents	**35,300**	**25,064**

	2013 US$'000	2012 US$'000
Short-term borrowings	160	-
Total short -term borrowings	**160**	**-**

20 Trade and other payables

	2013 US$'000	2012 US$'000
Trade payables	2	2
Other payables	1,815	1,550
Performance incentive payable within one year*	233	233
Total	**2,050**	**1,785**

* Refer to note 4 for total performance incentive expenses.

21 Financial guarantee contracts

	Fair value hierarchy level	2013 US$'000	2012 US$'000
Financial guarantee contracts*	3	825	-
Total		**825**	**-**

* In May 2011, the Company entered into a guarantee agreement maturing in April 2014 with IRCA Holdings Ltd and Mr. Malcolm Stephen Paul to guarantee the repayment of loans of up to GBP500,000 extended by Mr. Malcolm Stephen Paul to IRCA Holdings Ltd. The Company has settled GBP250,000 of guarantee to Mr. Malcolm Stephen Paul 1 April 2014, and agreed to settle the remaining GBP250,000 of guarantee to Mr. Malcolm Stephen Paul on or before 30 June 2014.

22 Provision

	2013 US$'000	2012 US$'000
USR/contingent share awards *	165	367
Performance incentive provision**	1,622	4,713
Total	**1,787**	**5,080**

	2013 US$'000	2012 US$'000
Opening balance	5,080	14,852
Movement in USR/contingent share awards *	(202)	(1,128)
Movement in performance incentive provision**	(3,091)	(8,644)
Total	**1,787**	**5,080**

* The provision relates to the fair value of USR and contingent share awards granted to certain directors, executives and key employees under the Company's joint share ownership scheme. Further details about the USR and contingent share awards are included in note 27 to the consolidated financial statements.

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

23 Liability component of convertible zero dividend preference shares

	Number of shares	Liability component US$'000	Equity component US$'000	Early redemption option derivative US$'000
Balance at 1 January 2012	**60,000,000**	**56,595**	**7,462**	**(261)**
Interest expenses on convertible zero dividend preference shares	-	4,282	-	-
Fair value movement of early redemption option derivative	-	-	-	261
Balance at 31 December 2012	**60,000,000**	**60,877**	**7,462**	**-**
	-	950	-	-

Interest expenses on convertible zero dividend preference shares				
Balance at 18 March 2013	**60,000,000**	**61,827**	**7,462**	**-**
Restructure	(3,000,000)	(7,195)	835	(2)
Interest expenses on convertible zero dividend preference shares	-	3,681	-	-
Fair value movement of early redemption option derivative	-	-	-	2
Balance at 31 December 2013	**57,000,000**	**58,313**	**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).

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 has repurchased 3 million Convertible Preference Shares from holders at a price of US$1.00 per Convertible Preference Shares. Finance cost of US$4.2 million was credited to reverse the liability component after the payoff of US$3 million of cash for repurchase.

24 Issued capital

	2013	2012
Authorised	**£'000**	**£'000**

	Number of shares		Number of shares	
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	**356,986,814**	**55**	**360,168,501**	**56**
Buyback shares*	(280,000)	-	(3,181,687)	(1)
At end of the year	**356,706,814**	**55**	**356,986,814**	**55**

* 3,461,687 ordinary shares were repurchased by the company in 2012, of which 3,181,687 ordinary shares have been cancelled in 2012 and 280,000 have been cancelled in the reporting period, and will not carry voting and dividend distribution rights.

25 Other reserve

Included within the other reserve are 8,111,425 shares of the Company held byEmployee Benefit Trust ("EBT").

26 Financial instruments - Risk management

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

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

The policy for managing these risks is set by the board. The policy for each of the above risks is described in more detail below:

Fair value risk

The Group and Company's financial assets are predominantly investments in unquoted companies, and the fair value of each investment depends upon a combination of market factors and the performance of the underlying asset. The Group and the Company do not hedge the market risk inherent in the portfolio but manages asset performance risk on an asset-specific basis by continuously monitoring each asset's performance and charging the change of each asset's fair value to the statement of comprehensive income as necessary.

Cash flow interest rate risk

The directors currently view interest rate risk as low since the fixed rate return from interest generating assets is not material in the context of the portfolio return as a whole and the Group's investments are financed mainly by shareholders' funds with investment needs being met ahead of planned investments.

Currency risk

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

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

	Increase/ (decrease) in USD rate	**Effect on profit before tax US$'000**	**Effect on NAV US$'000**
2013	+10%	5,025	5,025
	-10%	(5,025)	(5,025)
2012	+10%	4,526	4,526
	-10%	(4,526)	(4,526)

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

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

2013	**GBP**	**NOK**	**RMB**	**AUD**	**HKD**	**CAD**	**EUR**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cash and bank balances	429	64	5,045	19	51	116	-	5,724
Investment at FVTPL	25,984	1,431	697	-	-	2,362	19	30,493
Loans	254	2,526	622	-	-	2,348	1,587	7,337
Other current assets	-	-	8,204	-	-	-	-	8,204
Trade and other receivables	-	416	380	-	-	90	66	952
Derivative assets	-	-	-	-	-	109	-	109
Total Assets	**26,667**	**4,437**	**14,948**	**19**	**51**	**5,025**	**1,672**	**52,819**
Trade and other payables	(180)	-	(140)	-	-	-	-	(320)
Financial guarantee contracts	(825)	-	-	-	-	-	-	(825)
Provision	(165)	-	-	-	-	-	-	(165)
Deferred income tax liability	(1,262)	-	-	-	-	-	-	(1,262)
Total Liabilities	**(2,432)**	**-**	**(140)**	**-**	**-**	**-**	**-**	**(2,572)**

2012	**GBP**	**NOK**	**RMB**	**AUD**	**HKD**	**CAD**	**EUR**	**Total**
					US$'000			

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

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$41.8 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.

	2013 not past due US$'000	2013 up to 12 months past due US$'000	2013 more than 12 months past due US$'000	2013 Total US$'000	2012 not past due US$'000	2012 up to 12 months past due US$'000	2012 more than 12 months past due US$'000	2012 Total US$'000
Convertible loan	4,134	1,200	28,914	34,248	18,545	14,015	6,941	39,501
Working capital loan	6,919	49	540	7,508	3,389	117	455	3,961
Total	**11,053**	**1,249**	**29,454**	**41,756**	**21,934**	**14,132**	**7,396**	**43,462**

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

Liabilities

31 December 2013	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Trade payables	2	-	-	-	2
Short-term borrowing/Convertible loan	-	-	-	160	160
Performance incentive payable	-	-	233	1,622	1,855
USR/Contingent share awards	165	-	-	-	165
Other payables	315	989	-	511	1,815
Liability component of convertible zero dividend preference shares	-	-	-	57,000	57,000
Contractual interest payable	-	-	-	5,130	5,130
Financial guarantee contracts*	-	-	825	645	1,470
Total	**482**	**989**	**1,058**	**65,068**	**67,597**

* Based on the maximum amount that can be called for under a payment guarantee agreement (note 21 and note 30).

Assets

31 December 2012	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash and cash equivalents	14,718	-	10,346	-	25,064
Trade receivables	-	-	250	12	262
Other receivables	1,026	42	-	946	2,014
Loan interest receivables	1,437	-	3,414	431	5,282
Loans	22,934	-	13,329	7,199	43,462
Investments at fair value through profit or loss	4,603	-	-	159,984	164,587
Total	**44,718**	**42**	**27,339**	**168,572**	**240,671**

Liabilities

31 December 2012	Less than 1 month	1-3 months	3-12 months	over 12 months	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Trade payables	2	-	-	-	2
Performance incentive payable	-	-	233	4,713	4,946
USR	-	-	-	367	367
Deferred tax	-	-	-	2,809	2,809
Other payables	295	739	-	516	1,550
Liability component of convertible zero dividend preference shares	-	-	-	60,000	60,000
Contractual interest payable	-	-	-	5,563	5,563
Total	**297**	**739**	**233**	**73,968**	**75,237**

Concentration risk

The main concentration risk for Origo is that the largest investments are concentrated in Mongolia for the amount of US$36,787,984 (Gobi US$26,787,984 and Moly US$10,000,000), 33% out of the total portfolio value of US$111,971,692.

Sensitivity risk of financial assets based at Level 3

Level 3 inputs are sensitive to assumptions made when ascertaining fair value of financial assets. A reasonable alternative assumption would be to apply a standard marketability discount of 25% for all assets rather than the specific approach adopted. This would have a positive impact on the portfolio of US$ 3,934,845 (2012: (US$6,093,199)) or 2.72% (2012: (3.04%)) of total financial assets based at Level 3.

27 Share option scheme

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

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

	2013 US$'000	**2012 US$'000**
Equity-settled option	(632)	(581)
USR/contingent share awards	189	1,140
Total	**(443)**	**559**

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 2013 and 31 December 2012.

	2013 No.	**2013 WAEP**	**2012 No.**	**2012 WAEP**
Outstanding at 1 January	**23,501,932**	**27.32p**	**11,451,932**	**23.45p**
Granted during the year	-	-	13,600,000	31.22p
Forfeited during the year	(500,000)	(31.00p)	(1,550,000)	(32.94p)
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	**23,001,932**	**27.24p**	**23,501,932**	**27.32p**
Exercisable at 31 December	**11,451,932**	**23.45p**	**11,451,932**	**23.45p**

Outstanding options include 6,800,000, 3,500,000, 500,000 and 13,600,000 equity-settled options granted on 06 October 2006, 13 March 2008, 06 February 2009 and 02 February 2012 respectively to certain directors and employees of the Company and 651,932 equity-settled options granted on 21 December 2006 to Seymour Pierce Ltd, the Company's former nominated adviser. The Company did not enter into any share-based transactions with parties other than employees during the years ended 31 December 2013, 2012, 2011,2010, 2009, 2008 and 2007, except as described above.

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in USRs and contingent share awards during the years ended 31 December 2013 and 31 December 2012.

	2013 No.	2013 WAEP	2012 No.	2012 WAEP
Outstanding at 1 January	**5,788,067**	**12.63p**	**4,847,099**	**15.50p**
Granted during the period/year	-	-	1,120,000	-
Forfeited during the period/year	-	-	(50,000)	-
Exercised during the period/year	(100,000)	-	(129,032)	15.50p
Expired during the period/year	-	-	-	-
Outstanding at the end of the period/year	**5,688,067**	**12.85p**	**5,788,067**	**12.63p**
Exercisable at the end of the period/year	**5,688,067**	**12.85p**	**4,718,067**	**15.50p**

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

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

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

	2013	2012
Weighted average share price (pence)	7.38	13.38
Exercise price (pence)	15.5	15.5
Expected life of option (years)	2	2
Expected volatility (%)	45.05	34.81
Expected dividend yield (%)	-	-
Risk-free interest rate (%)	1.20	1.31

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 2011 to 31 December 2013 using source data from Reuters.

The carrying amount of the liability relating to the USR and the contingent share award as at 31 December 2013 is US$164,574 and the expense recognized as share-based payments during the period is (US$188,685).

28 Related party transactions

Identification of related parties

The Group has a related party relationship with its subsidiaries, jointly controlled entity, associates and key management personnel. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Transactions with key management personnel

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

Trading transactions

The following table provides the total amount of significant transactions and outstanding balances which have been entered into with related parties during the years ended 31 December 2013 and 31 December 2012.

	2013	**2012**
	US$'000	**US$'000**
Amounts due from/(to) related parties*		
Origo Advisers Ltd**	(1,853)	(4,793)
Chris A Rynning***	(316)	(276)
Niklas Ponnert***	(322)	(240)
Wang Chao Yong***	(38)	-
Christopher Jemmett***	(29)	-
Lionel de saint Exupery***	(19)	-
Tom Preststulen***	(19)	-
Shonaid Jemmett Page***	(40)	-
Luke Leslie***	(22)	-
Performance incentive		
Origo Advisers Ltd**	3,091	8,311
Transactions with personnel		
Luke Leslie****	22	55
Shonaid Jemmett Page*****	92	-

* 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 two Directors of the Company (Mr. Rynning and Mr. Ponnert).

*** Chris A Rynning and Niklas Ponnert are directors of the Company, Wang Chao Yong, Christopher Jemmett, Lionel de saint Exupery, Tom Preststulen and Shonaid Jemmett Page are non-executive directors of the Company, and Luke Leslie is a director of CCF which is one of subsidiaries of the Group.

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

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

29 Capital management

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

The Group manages and makes appropriate adjustments to its capital structure on an ongoing basis in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders and/or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 31 December 2012.

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:

	2013	**2012**
	US$'000	**US$'000**
Current liabilities	3,035	1,785
Less: Cash and bank balances	(35,300)	(25,064)
Net debt	**(32,265)**	**(23,279)**
Liability component of convertible zero dividend		
preference shares	58,313	60,877
Equity attributable to equity holders of the parent	112,806	169,625
Capital	**171,119**	**230,502**
Capital and net debt	**138,845**	**207,223**
Gearing ratio	**(23%)**	**(11%)**

30 Commitments and contingencies

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

- In August 2013, the Company entered into a payment guarantee agreement with ABSA Bank Ltd ("ABSA") to guarantee IRCA's repayment obligation under the facilities extended from ABSA, for an aggregate amount up to R6,769,000.

- A Claim form which named Origo as the third defendant was issued in the High Court on 6 February 2013. The claim relates to the Company's holding in Roshini International Bio Energy Corporation an investment which was written off as 31 December 2009. With the following update in the Claim form, Origo has been named as the second defendant and the date for service of the Claim Form is extended until 19 September 2014. The Company, having taken advice from its solicitors, Charles Russell LLP, consider that, at present, the risk of an adverse judgment against Origo is remote and estimates the total liabilities being £ nil.

There were no other material contracted commitments or contingent assets or liabilities at 31 December 2013 (31 December 2012: none) that have not been disclosed in the interim consolidated financial statements.

31 Events after the reporting period

- In January, April and May 2014, the Company disbursed further working capital loans of EUR350,000 to TPL GmbH.

- 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"). Brooks Macdonald contends that the change of control provisions should have included an option exercisable by the holders of the CZDP to redeem the CZDP upon a change of control in respect of Origo (a "CZDP COC Redemption Option"). This is on the basis of what was mentioned in a short-form term sheet (the "CZDP Term Sheet") that was appended to the placing letter entered into between Liberum (on behalf of Origo) and Spearpoint for the subscription by Spearpoint of the CZDP (the CZDP Admission Document and Articles, as amended, having not yet been prepared when the placing letter was signed). The CZDP Term Sheet contained a provision that Brooks Macdonald suggest should be interpreted as indicating that Spearpoint would have a CZDP COC Redemption Option.

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

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

  Origo intends to work with Brooks Macdonald to achieve a mutually acceptable resolution to the complaint that Brooks MacDonald has raised.

- In February 2014, the Company announced the restructuring of China Cleantech Partners Ltd ("CCP"). Under an agreement that came into effect on 21 February 2014, Ecofin Water & Power Opportunities Plc's interest in CCP has been redeemed in full. As a result, Origo is now the sole partner of CCP and holds a majority limited partnership interest in the associated RMB denominated sub-fund. Separately, Origo has exercised the call options to purchased EFMI Limited's interests in China CleanTech GP Ltd ("GP") and China CleanTech AMC Ltd ("AMC") in February 2014. Origo repaid a total of US$260,000 advanced by EMFI Ltd to AMC, GP and related entities in the form of equity subscription and loans in consideration for obtaining a 100% ownership of AMC and GP.

- In March 2014, the Company extended a short term working capital loan of RMB4,000,000 to Unipower Battery Ltd.

- In March 2014, the Company subscribed for CAD400,000 worth of common shares in Kincora Copper Limited ("Kincora"), at a price of CAD0.05 per unit. Each Unit consists of 1 common share in the capital of Kincora, and 1 transferable common share purchase warrant ("Warrant Share"), which entitles the holder to purchase 1 common share in the capital of Kincora for a period of 24 months from the subscription date at a price of CAD0.105 per Warrant Share.

32 Annual Report

The Company's Annual Report and copies of this announcement will be available in due course on the Company's website at www.origoplc.com.

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