

ORIGO PARTNERS PLC

INTERIM FINANCIAL REPORT

UNAUDITED ACCOUNTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

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Chairman's Statement

Dear Shareholders,

Origo's new asset value as at 30 June 2019 was approximately \$5.33 million as compared to approximately \$6.27 million as at year end 2018 and approximately \$13.6 million as at 30 June 2018.

The primary reason for the substantial reduction in net asset value as compared with the same period last year was substantial write downs in various Company assets including Celadon, Six Waves, Gobi Coal, Staur Aqua, Fram Exploration, Unipower, and Niutech.

The reasons for these write downs were discussed in prior reports. As compared to year end 2018, the primary reasons for the reduction in net asset value were the realized loss from the Niutech sale and the Company's running costs. Shareholders should not extrapolate these numbers to arrive at a full year figure since there are timing issues with when costs are reflected in the Company's financial statements. The Company expects its total running costs for 2019 to be approximately in line with the figure provided in the 2018 year-end report.

Concurrent with the release of these accounts, the Company has announced a distribution of \$2.1 million to shareholders of record as at 4 October 2019 with payment on or around 31 October 2019. Please note that as explained in note 22 of this report, 80 per cent of that amount will be distributed to record holders of the Company's convertible preference shares and 20% of that amount will be distributed to the record holders of the Company's ordinary shares.

The Company has continued its efforts to recover the Company's books and records. Several of the Company's former directors have been cooperative in this regard but the two founders have not. This is a matter that continues to be dealt with by the Company's lawyers.

Regarding the Company's investments, there have been no material developments since the 2018 annual report was released three months ago. Earlier this month the Company received the final proceeds from the Niutech sale, which amounted to about \$134,000.

As noted in the 2018 annual report, Celadon Mining, an investment the Company made in 2011, has predicted a liquidity event for this November. The Board will keep the market informed of what we learn, though, as we have explained previously, we have no oversight over the sale process including the identity of the purported buyer.

The Board then expects to put the Company's remaining assets up for auction with an announcement identifying those assets and the auction procedures to be made toward the end of the year. Following the completion of the auction process the Board expects to call a shareholder meeting to determine the future direction of the Company. Further details will be provided in due course.

Very truly yours,

John D. Chapman
Chairman
Origo Partners Plc
26 September 2019

Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2019

		(Unaudited) Six months ended 30 June 2019	(Unaudited) Six months ended 30 June 2018	(Audited) Year ended 31 December 2018
	Notes	\$'000	\$'000	\$'000
Investment income/(losses):	6			
Realised gains/(losses) on disposal of investments		(210)	(292)	(292)
Unrealised gains/(losses) on investments		-	(22)	(5,843)
		(210)	(314)	(6,135)
Investment Advisory Fees		-	(154)	-
Other income	7	-	629	139
Other administrative expenses	8	(716)	(995)	(1,644)
Bad Debt Provision		-	(100)	(1,222)
Foreign exchange gains/(losses)		(5)	(10)	(11)
Net loss before Finance Costs and Taxation		(931)	(944)	(8,873)
Finance costs	10	(2)	332	338
Loss before tax		(933)	(612)	(8,535)
Income tax credit	11	-	-	499
Profit after tax		(933)	(612)	(8,036)
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translating foreign operations		(12)	(47)	146
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(12)	(47)	146
Tax on other comprehensive income		-	-	-
Other comprehensive income net of tax		(12)	(47)	146
Total comprehensive loss after tax		(945)	(659)	(7,890)
Total comprehensive loss		(945)	(659)	(8,036)
Basic loss per share	12	(0.05) cents	(0.04) cents	(0.45) cents
Basic loss per redeemable zero dividend preference share	12	(4.98) cents	(3.52) cents	(42.10) cents

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

Interim Consolidated Statement of Financial Position

As at 30 June 2019

		(Unaudited) 30 June 2019 \$'000	(Audited) 31 December 2018 \$'000	(Unaudited) 30 June 2018 \$'000
	Notes			
Non-current assets				
Property, plant and equipment	13	-	5	13
Investments at fair value through profit and loss	15	-	-	9,357
Loan investments	16	-	-	350
		-	5	9,720
Current assets				
Investments at fair value through profit or loss	15	1,407	3,527	-
Loans due within one year	16	-	-	384
Trade and other receivables		252	27	250
Cash and cash equivalents		4,787	3,883	4,312
		6,446	7,437	4,946
Total assets		6,446	7,442	14,666
Current liabilities				
Trade and other payables		331	382	322
Financial guarantee contracts	17	435	435	435
Total current liabilities		766	1,816	757
Non-Current Liabilities				
Provision		103	103	103
Deferred income tax liability	11	247	247	247
Total non-current liabilities		350	350	350
Net assets		5,330	6,275	13,559
Equity attributable to equity holders of the company				
Share capital		56	56	56
Share premium		150,414	150,414	150,414
Share-based payment reserve		5,048	5,048	5,048
Accumulated Losses		(200,582)	(199,649)	(192,272)
Translation reserve		(1,350)	(1,338)	(1,431)
Other reserve	19	51,744	51,744	51,744
		5,330	6,275	13,559
Non-Controlling Interests		-	-	-
Total equity		5,330	6,275	13,559

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

**Interim Consolidated statement of changes in equity
For the six months ended 30 June 2019**

	Attributable to equity holders of the parent								Non-controlling interests \$'000	Total equity \$'000
	Issued capital \$'000	Share premium \$'000	Share-based payment reserve \$'000	Accumulated Losses \$'000	Other reserve \$'000	Translation reserve \$'000	Total \$'000			
	At 1 January 2018	56	150,414	5,048	(191,613)	51,744	(1,484)	14,165		
Loss for the period	-	-	-	(8,036)	-	-	(8,036)	-	(8,036)	
Other comprehensive income	-	-	-	-	-	146	146	-	146	
Total comprehensive income/loss	-	-	-	(8,036)	-	146	(7,890)	-	(7,890)	
At 31 December 2018	56	150,414	5,048	(199,649)	51,744	(1,338)	6,275	-	6,275	
Loss for the period	-	-	-	(933)	-	-	(933)	-	(933)	
Other comprehensive income	-	-	-	-	-	(12)	(12)	-	(12)	
Total comprehensive income/loss	-	-	-	(933)	-	-	(945)	-	(945)	
Minority interests	-	-	-	-	-	-	-	-	-	
At 30 June 2019	56	150,414	5,048	(200,582)	51,744	(1,350)	5,330	-	5,330	

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.
Accumulated losses	Cumulative net gains and losses recognised in profit or loss.
Translation reserve	Equity created to recognise foreign currency translation differences.
Other reserve	Own shares acquired, EBT (as defined in Note 19) shares and capital redemption and capitalisation of redeemable preference shares

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

Interim Consolidated statement of cash flows
For the six months ended 30 June 2019

		(Unaudited) 30 June 2019	(Audited) 31 December 2018	(Unaudited) 30 June 2018
	Notes	\$'000	\$'000	\$'000
Loss before tax		(933)	(8,535)	(659)
Adjustments for:				
Depreciation and amortisation	13	5	16	7
Other income	7	-	-	(629)
Provision for bad debts		-	1,222	125
Realised losses/(gains) on disposal of investments	6	210	292	292
Unrealised losses on investments at FVTPL*	6	-	5,843	22
Foreign exchange (gains)/losses		5	14	10
Interest expenses of long term borrowing	10	-	-	(335)
Operating loss before changes in working capital and provisions		(713)	(1,148)	(1,167)
Purchases of investments at FVTPL*		-	-	(4)
Proceeds from disposals of investments at FVTPL*		1,910	7,383	7,927
Movement in loans		-	734	-
Current and deferred tax		-	(550)	-
Decrease/(increase) in trade and other receivables		(225)	(371)	487
(Decrease)/increase in trade and other payables		(52)	(999)	(1,607)
Net cash outflow from operations		920	5,049	5,636
Investing activities				
Net cash acquired with subsidiary		-	-	-
Net cash flows outflow from investing activities		-	-	-
Financing activities				
Repayment of short-term borrowings	18	-	(2,500)	(2,500)
Net cash flows inflow from financing activities		-	(2,500)	(2,500)
Net increase/(decrease) in cash and cash equivalents		920	2,549	3,136
Effect of exchange rate changes on cash and cash equivalents		(16)	135	(23)
Cash and cash equivalents at beginning of period		3,883	1,199	1199
Cash and cash equivalents at end of period		4,787	3,883	4,312

* FVTPL refers to the fair value through profit and loss

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

Notes to the Interim Consolidated Financial Statements

For the six months ended 30 June 2019

1 Reporting entity

Origo Partners Plc is a limited liability company incorporated and domiciled in the Isle of Man whose shares are publicly traded on the AIM market of the London Stock Exchange.

The Company and its subsidiaries are collectively referred to as the Group.

The principal activities of the Group are private equity investment, focused on growth opportunities created by the urbanization and industrialization of China. The Group's Investing Policy has now changed from that of a closed-ended, permanent capital vehicle to that of a realisation company with the mandate to return the net proceeds of realisations to shareholders.

2 Basis of accounting

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". These interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018, which were prepared in accordance with IFRSs as adopted by the European Union. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The consolidated financial statements of the Group as at and for the year ended 31 December 2018 are available upon request from the Company's registered office at IOMA House, Hope Street, Douglas, Isle of Man or the Company website <http://origopl.com>

These interim consolidated financial statements have been approved and authorised for issue by the Company's Board of directors on 26 September 2019.

3 Use of judgments and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of Fair Value

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4 Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the last annual financial statements. A number of new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

5 Financial risk management policies

The principal risks and uncertainties are consistent with those disclosed with the preparation of the Group's annual financial statements for the year ended 31 December 2018.

6 Investment loss

	(Unaudited) Six months ended 30 June 2019 \$'000	(Unaudited) Six months ended 30 June 2018 \$'000
Realised (losses)/gains on disposal of investments	(210)	(292)
- Investments at FVTPL	(210)	(292)
- Subsidiary	-	-
Unrealised (losses)/gains on investments	-	(22)
- Investments at FVTPL	-	(22)
- Loans at FVTPL	-	-
Income from Loans	-	-
Total	(210)	(314)

7 Other income

	(Unaudited) Six months ended 30 June 2019 \$'000	(Unaudited) Six months ended 30 June 2018 \$'000
Tax payable reversal*	-	499
Sundry	-	130
Total	-	629

* This relates to a provision dating back to 2011 which is no longer payable and written back into the income statement within the period ended 30 June 2018.

8 Other Administrative expenses

	(Unaudited) Six months ended 30 June 2019 \$'000	(Audited) Year ended 31 December 2018 \$'000
Recurring expenses:	(515)	(826)
- Directors fees	(103)	(205)
- Audit fees	(25)	(62)
- Depreciation expenses	(5)	(15)
- Amortisation expenses	-	(1)
- Other	(382)	(543)
Non-recurring expenses*	(201)	(818)
Total	(716)	(1,644)

* Non recurring expenses include professional fees of an ad-hoc nature and previous advisor fees.

9 Directors remuneration

Directors' remuneration for the six month period ended 30 June 2019 and the number of options held were as follows:

Name	Directors fee US\$'000	Share-based payment* US\$'000	30 June 2019 Number of options
Hiroshi Funaki**	38	-	-
Philip Peter Scales**	25	-	-
John Chapman**	40	-	-
	103	-	-

Directors' remuneration for the six month period ended 30 June 2018 and the number of options held were as follows:

Name	Directors fee US\$'000	Share-based payment* US\$'000	30 June 2018 Number of options
Mr. Niklas Ponnert**	-	-	4,500,000
Hiroshi Funaki**	38	-	-
Philip Peter Scales**	25	-	-
John Chapman**	45	-	-
	108	-	4,500,000

* Share-based payment refers to expenses arising from the Company's share option scheme

** Mr. Lionel de Saint-Exupery and Ms. Shonaid Jemmett Page resigned as non-executive directors of the Company in October 2017. Mr. Hiroshi Funaki was appointed as director of the Company in September 2017, and Mr. Philip Peter Scales and Mr. John Chapman were appointed as directors of the Company in October 2017. Mr. Niklas Ponnert resigned as executive director of the Company in April 2018.

10 Finance Costs

	(Unaudited) Six months ended 30 June 2019 \$'000	(Unaudited) Six months ended 30 June 2018 \$'000
Interest expense on long term borrowing	-	335
Bank charges	-	(3)
Total	-	332

In April 2018, the Company repaid the US\$2.5 million loan that the Company entered into on 5 December 2016 by repaying the US\$2.5 million principal amount of the loan in full satisfaction of the obligation with no interest or penalty payments. Accrued interest of \$335,000 has been written back into the income statement in the period ended 30 June 2018.

11 Income Tax

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

	(Unaudited) Six months ended 30 June 2019 \$'000	(Audited) Year ended 31 December 2018 \$'000
Current tax		
Current year	-	-
Deferred tax		
Deferred income tax	-	-
Total income tax liability in the consolidated statement of financial position	-	-

12 Loss per share

	(Unaudited) 30 June 2019 US\$'000	(Unaudited) 30 June 2018 US\$'000	(Audited) 31 December 2018 US\$'000
Loss for the year attributable to ordinary shareholders of the parent as used in the calculation of basic loss per share	(187)	(131,747)	(1,578)
Weighted average number of ordinary shares	351,035,389	351,035,389	351,035,389
Basic loss per share of ordinary shares	(0.05) cents	(0.04) cents	(0.45) cents

Loss for the year attributable to redeemable preference shareholders of the parent as used in the calculation of basic loss per share	(746)	(526,988)	(6,312)
Weighted average number of redeemable preference shares	14,991,781	14,991,781	14,991,781
Basic loss per share of redeemable preference shares	(4.98) cents	(3.52) cents	(42.10) cents

13 Property, Plant and Equipment

	Vehicles \$'000
Cost	
At 1 January 2019	85
Additions	-
Disposals	-
At 30 June 2019	85
Accumulated depreciation	
At 1 January 2019	80
Charge for the period	5
At 30 June 2019	85
Net Book Value	
At 1 January 2019	5
At 30 June 2019	-

14 Investments in subsidiaries

Name	Country of incorporation	Proportion of ownership interest at 30 June 2019	Proportion of ownership interest at 30 June 2018
Ascend Ventures Ltd	Malaysia	100%	100%
Origo Resource Partners Ltd	Guernsey	100%	100%
PHI International Holding Ltd	Bermuda	100%	100%
PHI International (Bermuda) Holding Ltd*	Bermuda	100%	100%
Ascend (Beijing) Consulting Ltd**	China	100%	100%

* Owned by Origo Resources Partners Limited

** Owned by Ascend Ventures Limited

15 Investments at fair value through profit and loss

As at 30 June 2019 (Unaudited)

Name	Country of incorporation	Proportion of ownership interest	Cost US\$'000	Fair value US\$'000
China Rice Ltd	British Virgin Islands	32.1%	13,000	-
Moly World Ltd	British Virgin Islands	20.0%	10,000	-
Unipower Battery Ltd	Cayman Islands	16.5%	4,301	-
Gobi Coal & Energy Ltd	British Virgin Islands	10.8%	14,963	275
Staur Aqua AS	Norway	9.2%	719	-
Celadon Mining Ltd	British Virgin Islands	8.9%	13,069	1,129
Six Waves Inc	British Virgin Islands	1.1%	240	-
Fram Exploration AS	Norway	0.6%	1,223	-
Other quoted investments*			593	3
				1,407

As at 31 December 2018 (Audited)

Name	Country of incorporation	Proportion of ownership interest	Cost US\$'000	Fair value US\$'000
China Rice Ltd	British Virgin Islands	32.1%	13,000	-
Kincora Copper Ltd	Canada	30.9%	8,571	-
Moly World Ltd	British Virgin Islands	20.0%	10,000	-
Niutech Energy Ltd	British Virgin Islands	3.7%	2,654	2,120
Unipower Battery Ltd	Cayman Islands	16.5%	4,301	-
Gobi Coal & Energy Ltd	British Virgin Islands	7.5%	14,960	275
Staur Aqua AS	Norway	9.2%	719	-
Celadon Mining Ltd	British Virgin Islands	8.9%	13,069	1,129
Six Waves Inc	British Virgin Islands	1.1%	240	-
Marula Mines Ltd	South Africa	0.9%	250	-
Fram Exploration AS	Norway	0.6%	1,223	-
Other quoted investments*			593	3
				3,527

All investments measured at a fair value hierarchy level of 3 except:

* Measured at a fair value hierarchy level of 1

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

16 Loan Investments

As at 30 June 2019 (Unaudited) & 31 December 2018 (Audited)

Borrower	Loan rates %	Loan principal US\$'000	Loans due within one year US\$'000	Loans due after one year US\$'000	Fair value US\$'000
Staur Aqua AS	0-15	3,848	-	-	-
Total			-	-	-

The convertible loan issued to Staur Aqua was fully impaired in 2018.

The loan consists of a convertible credit agreement and is measured at fair value, in accordance with level 3 of the fair value hierarchy.

17 Financial guarantee Contracts

	(Unaudited) Six months ended 30 June 2019 \$'000	(Audited) Year ended 31 December 2018 \$'000
Financial guarantee contracts	435	435
Total	435	435

In July 2013, the Group entered into a guarantee agreement with IRCA Holdings Ltd and ABSA Bank Limited to guarantee the repayment of loan facilities of up to Rand 6,769,000 extended by ABSA Bank Limited to IRCA Holdings Ltd, which has applied for liquidation, so the Group recognised it as a liability. The payment request by ASA Bank related to this provision is expected at any time.

18 Short/Long Term Borrowings

On 2 December 2016, the Company entered into an unsecured loan agreement with an independent third party for an unsecured loan US\$2,500,000 (the "Facility"). The Facility carried a rate of return (payable at repayment) of the higher of 12% per annum (calculated on a non-compounding basis) and US\$1,250,000 (accrued on a day to day basis).

The Facility was repayable on the earlier of (i) 2 December 2020; and (ii) when the Company has distributed US\$6,000,000 to the Company's shareholders in accordance with articles 4.10 to 4.12 of the Company's Articles provided it has sufficient funds to repay the Facility. The Company was entitled at any time prepay the Facility, in whole or in part, without penalty.

The Company settled the loan in April 2018. The lender agreed to waive interest.

19 Other reserve

This mainly comprised of 57,000,000 (US\$50,688,000) redeemable zero dividend preference shares at no par value capitalised in September 2017.

20 Related party Transactions

Identification of related parties

The Group has a related party relationship with its subsidiaries, associates and key management personnel. The Company receives and pays certain debtors and creditors on behalf of its subsidiaries and the amounts are recharged to the entities. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

Transactions with key management personnel

The Group's key management personnel are the executive and non-executive directors as identified in Note 8.

Service receiving transactions

The following table provides the total amount of significant transactions and outstanding balances which have been entered into with related parties during the six month ended 30 June 2019 and 31 December 2018.

	(Unaudited) Six months ended 30 June 2019 \$'000	(Audited) Year ended 31 December 2018 \$'000
Amounts due to related parties		
Key management personnel:		
Hiroshi Funaki	-	(19)
Philip Peter Scales	-	(13)
John Chapman	(45)	(35)

21 Commitments and contingencies

There were no material contracted commitments or contingent assets or liabilities at 30 June 2019 (31 December 2018: none).

22 Subsequent events

After the reporting date, on 26 September 2019, the following dividends were proposed by the Board of directors.

\$0.00117 per Ordinary Share totalling \$419,734

\$0.02947 per Preference Share totalling \$1,679,790

The ex-dividend date will be 3 October 2019 and the Associated Record Date will be 4 October 2019. The Group will aim to pay the dividend on or around 31 October 2019.

The dividends have not been recognised as liabilities and there are no tax consequences.