

Origo Sino-India PLC

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER '08



Directors

Wang Chao Yong, Executive Chairman
Chris Andre Rynning, Chief Executive Officer
Karl Niklas Ponnert, Chief Financial Officer
Christopher Martin Jemmett, Non Executive Director
Dipankar Basu, Non Executive Director

Country of incorporation of parent company

Isle of Man

Legal form

Public limited company

Secretary

Sandra Georgeson

Company number

116102C

Auditors

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

Nominated adviser

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

Solicitors to the company

Charles Russell LLP
8-10 New Fetter Lane
London, EC4A 1RS

Public relations advisers

Aura Financial LLP
Babmaes House
2 Babmaes Street
St James's London SW1Y 6HD

Broker

Liberum Capital Ltd.
City Point, 10th Floor
One Ropemaker Street
London EC2Y 9HT

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Revenues reached **£2.8 million**
(2007: £0.9 million)

Total investments of £4.7 million in three new portfolio companies

Net asset value increased to **£38.4 million**
(2007: £25.8 million)

Follow on investments of £0.6 million in existing portfolio companies

Net asset value per share increased to **39p**
(2007: 37p)

Operating loss of £2.9 million
(2007: £1.9 million)

Ending cash position of **£13.1 million**

Net loss of £4.8 million
(2007 Net profit: £11.4 million)

Chairman's Statement

I am pleased to present the annual report and consolidated financial statements of Origo Sino-India Plc (the "Company"), and its subsidiaries (together the "Group") for the period ended 31 December 2008. In our second year as an AIM listed company, we have continued to make good operational and strategic progress despite worldwide financial turmoil. I expect our focus on China and India to further strengthen our relative position in the market as the global economic order is rebalanced.

We successfully launched our asset management consulting practice through the IPO of our first co-investment Fund, Origo Resource Partners Ltd ("ORP"), at the end of 2007. In 2008, ORP made a number of investments, providing co-investment opportunities and a new revenue stream to the Group. We also successfully raised £17.1 million via a placing to GLG Partners LP in April 2008, substantially improving our capital position.

2008 saw the extension of our market research capabilities, which we believe will provide the Group not only with an additional revenue stream, but will also strengthen our ability to identify promising investment opportunities while providing support to our portfolio companies.

The uncertain economic climate has necessitated a more cautious approach to our investment strategy. We have focused our efforts and financial resources on our existing portfolio companies to ensure they are well placed to develop in the current economic climate. However, the low levels of gearing applied across the Group's investments have shielded the portfolio from the immediate effects of the credit crunch, although we have reduced the carrying value of a number of investments to reflect weakening trading and declining ratings in the wake of the financial crisis.

We enter 2009 confident in our strategy of selectively investing in value accretive opportunities in China and India. Our financial position remains strong, providing us with the confidence to continue to invest in and grow the range of services we provide and to strengthen the companies in our portfolio at a time when many of our competitors are contracting or scaling back investments.

I would like to thank the rest of the Board and our employees for their continued hard work throughout the year and I am confident that, despite the uncertainties facing the world economy, we will continue to grow and develop the business of the Group in 2009.



Wang Chao Yong
Executive Chairman

Chief Executive's Statement

We achieved a creditable performance in 2008 despite the significant economic uncertainty that developed in the second half of the year. This was reflected in significant growth in revenues and assets under management and a strengthened balance sheet.

Investments and divestments

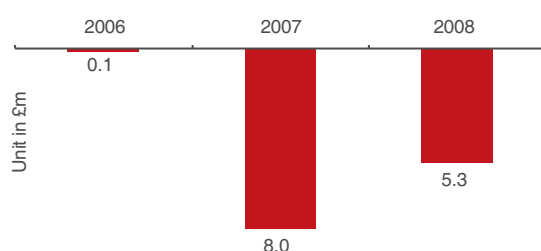
We made three investments in new portfolio companies in the year, totalling £4.7 million, two of which were co-investments with ORP. We believe these new investments offer further diversification to the portfolio and exposure for the Group to three attractive sectors.

New investments (2008)

Time of initial investment	Company	Business activity	Investment (£ million)
February	E-Bill (China) Holding Ltd.	Electronic payment services	1.0
July	Halosource, Inc.	Water treatment	1.5
September	Primary Holdings Intl Trust	Soft-commodities	2.2

In aggregate, total investments amounted to £5.3 million, down from £8.0 million in 2007, reflecting a slowdown in our investment activities in line with the general market trend.

Investment activities



With the unprecedented turmoil in capital markets, exit opportunities were limited in 2008, and the Group did not conclude any divestments in the period. As our targeted average holding period is 2-3 years, we would not expect the Group to enter into a divestment phase until 2010 at the earliest, by which time a majority of analysts expect the global economy to have recovered and possibly returned to moderate growth.

In early 2009, however, we disposed of our holding in Fomento International Ltd. ("FIL"). The stake (acquired at a cost of USD 4 million, or £2 million at the prevailing exchange rate) was sold back to FIL for a total cash consideration of USD 4 million (£2.9 million). In sterling terms, the transaction reflected a 45% uplift on cost. Given the state of commodity markets, and the decline in the values of junior mining stocks in particular, we believe this was a favorable outcome.

Divestment (2009)

Time of divestment	Company	Cost of investment	Proceeds	Gain/loss on cost
February	FIL	£2.0 m	£2.9 m	£0.9 m

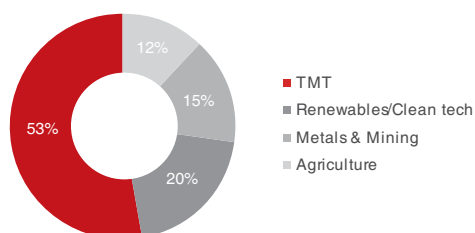
In May 2009, Primary Holdings International Trust agreed to merge with R.M. Williams Agricultural Holdings Pty Ltd. ("RMWAH"). As a result of the merger, the Group's shareholding in PHI was exchanged into an approximately 8% shareholding in RMWAH.

Portfolio

At the end of the year, the Group's portfolio comprised 15 holdings.

The portfolio is almost equally balanced between technology, media and telecom ("TMT") investments (53% of the portfolio by value) and natural resources related holdings (47% by value). Our natural resources investments can be further subdivided into metals & mining (15%), renewable/clean technology (20%), and agriculture (12%). Following the sale of our stake in FIL the focus of the portfolio has been reweighted slightly towards the TMT sector.

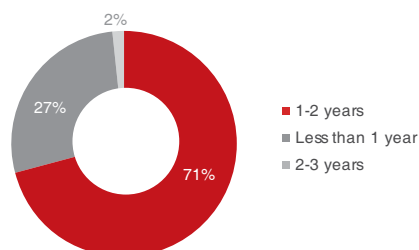
Portfolio at fair value – by sector*



*including carrying value of associates at 31 December 2008

The portfolio comprises both early-stage ventures and more mature, expansion stage companies. However, the portfolio as a whole is still in the early stage of the investment cycle. In terms of value, 27% of invested capital was committed in the last 12 months; 71% of the portfolio has been held for 12 to 24 months, and only 2% of the portfolio has been invested for longer than 2 years.

Portfolio at fair value – by holding period*



*including carrying value of associates at 31 December 2008

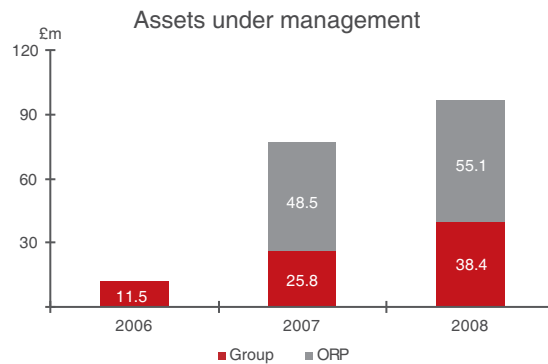
We have carefully reviewed the value of the Group's investments in light of the worldwide deflation of asset values across a broad spectrum of asset classes. Whilst we have taken significant write-downs on specific holdings, I am pleased to report that the value of our portfolio companies overall has largely been maintained. This has been achieved through careful deal structuring including the use of preference shares, which has protected the overall value of our investments in spite of falling equity prices. We have also benefited from favourable foreign exchange movements, in particular the decline of the Sterling against the US dollar. There are two notable exceptions: the value of our common stock holdings in Roshini International Bio-Energy Corporation ("RIBEC") and Rising Technology Corporation Ltd. ("Rising") have been written down substantially due to weakening trading of these two companies, re-ratings of their respective peer-groups, and, in the case of RIBEC, delays in procuring required expansion funding.

Assets under management

We have been successful in continuing to grow the value of assets under management, a key strategic objective of the Group. Assets under management comprise assets on the Group's own balance-sheet, from which we seek to generate a return on capital, as well as assets managed on behalf of third parties in return for fees.

At the end of the period, net assets on the Group's own balance sheet amounted to £38.4 million, up 49% from 2007 (£25.8 million). Third party funds, represented by our consulting engagement with Origo Resource Partners Limited ("ORP"), totalled US\$ 79.7 million (£55.1 million equivalent), down from US\$ 91.6 million at the end of the first reporting period (30 June 2008).

In sterling terms, assets under management as at 31 December 2008, comprising the net assets of both the Group and ORP, equalled £93.5 million.



Profit and Loss

Revenues increased by more than 200% to £2.8 million, up from £0.9 million in 2007, reflecting new income streams following our entry into the fund consulting and research services business segments. Growth in revenues shows the robustness of our increasingly diverse business model.

Administration costs rose from £2.4 million in 2007 to £4 million because of ongoing investment in people and infrastructure required to support our new ventures. Due to the worsening economic climate in the first half of the year, we were forced to put a number of growth initiatives on hold, in particular the launch of new fund products.

As a result, our operating loss increased to £2.9 million (2007: £1.9 million). A significant proportion of this loss (£1.3 million) relates to non-cash items resulting from recognising the fair value of equity-settled benefits. To put this into perspective, the cash element of our operating loss (£1.5 million) was equivalent to 4% of our net assets.

We recognised £3.4 million of losses resulting from the reduction in the carrying value of certain portfolio holdings; we do not expect these movements in fair value to translate into an equal reduction in future cash-flows to be derived from these assets.

Post net gains from foreign exchange movement and finance income, the Group posted a loss before and after tax of £4.8 million (2007: profit of £11.4 million)

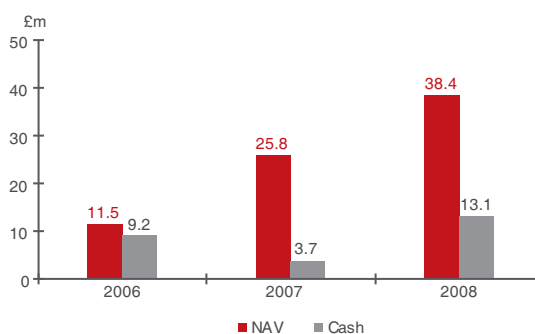
Balance Sheet

The Directors valuation of the portfolio at 31st December 2008 was £22.7 million (2007: £20.8 million). This value was calculated having taken into account new investments at a cost of £5.3 million, and a net decrease in the fair value of total investments on the balance sheet amounting to £3.2 million.

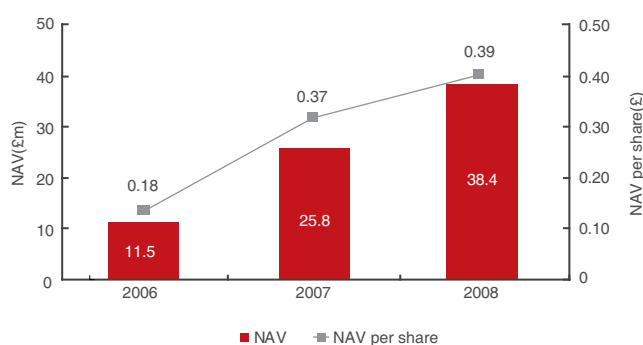
In April 2008 we completed a secondary fundraising, issuing 28,286,499 new ordinary shares to GLG Partners LP at an average placing price per share of approximately 60.4p. The placing raised a total of £17.1 million and thus substantially strengthened our balance sheet.

At 31st December 2008 net assets were £38.4 million, compared to £25.8 million at 31st December 2007 and net assets per share were 39p compared to 37p at 31st December 2007.

Net assets / cash

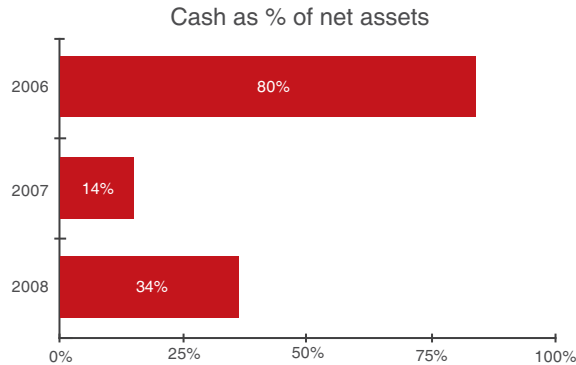


Net assets / net assets per share



The increase in net assets per share over the 12 months to 31 December 2008 of 5% compares with a decline of 33% in the FTSE All-Share Index over the same period (Dec 31 2007: FTA 3286 / Dec 31 2008: FTA 2209.)

Cash and cash equivalents at the end of the period totalled £13.1 million, representing 34% of our net assets. This ratio is significantly higher than in 2007 (2007: 14%), despite the total value of our portfolio of investments having increased. We believe that holding a higher proportion of our assets in cash provides the Group with the buffer and flexibility required to steer through the present financial climate.



Outlook

We are optimistic about the Group's prospects for the year ahead and will continue to seek to expand our advisory business, in particular our asset management practice, although present market conditions provide a challenge to new fund-raising efforts.



Despite prevailing uncertainties about the health of the global economy, we remain optimistic about the Chinese economy, which we expect to grow in excess of 8% in 2009. We also remain generally positive about India, although a comparatively less attractive outlook for this country may prompt us to focus more on opportunities in China for the remainder of the current year.



As for our capital allocation strategy, we intend to ensure we maintain sufficient cash for the portfolio, while selectively taking advantage of investment opportunities as they arise. In line with our previously announced strategy and the additional capital at our disposal, we will primarily seek to invest in expansion stage, profitable businesses.

We believe that there is significant value upside in our portfolio, and our key priority remains to continue to work closely with our existing investee companies and fellow stakeholders in order to sustain and grow the value of our portfolio holdings in anticipation of a broader market recovery.

Chris Andre Rynning
Chief Executive Officer

Portfolio Overview*



	 E-Bill (CHINA) Holding Ltd.	 Halosource, Inc.
Abbreviation	E-Bill	Halosource
Market	China	US/China/India
Industry sector	TMT	Clean tech
Segment	E-payment services	Water purification
Date of investment	2008-2-29	2008-7-11
Cost of investment (£m)	1.02	1.51
Instrument	Preferred Stock	Preferred Stock and Warrants
Equity interest	7.1%	4.8%
Fair value (£m)	1.38	2.08
% of net assets	3.6%	5.4%
Basis of valuation	Price of last investment	Price of last investment
Business description	E-Bill is a profitable, fast growing company providing point of sale payment solutions to Chinese consumers.	Halosource is a clean technology group focusing on water and anti microbial fabric treatment. Halosource's flagship product, HaloPure®, offers a solution to simple, safe and complete purification of drinking water in point of use systems.



	 Fans Media Co. Ltd.	 Inveritas Global Holdings Ltd.**
Abbreviation	Fans Media	IGH
Market	China	Africa/China/India
Industry sector	TMT	Metals & Mining
Segment	Web services	Mining services
Date of investment	2007-3-31	2007-11-20
Cost of investment (£m)	1.20	0.51
Instrument	Preferred Stock	Common Stock
Equity interest	14.3%	17.3%
Fair value (£m)	1.63	0.69
% of net assets	4.2%	1.8%
Basis of valuation	Price of last investment	Price of last investment
Business description	Fans Media is one of China's leading web 2.0 portals, linking stars with their online audiences.	IGH is a provider of Safety, Health, Environment, Risk and Quality ("SHERQ") products and services.

* Comprising the eight largest holdings of the Group in terms of fair value at 31 December 2008 (excluding FIL)

** Rebranded in 2009 to IRCA Holdings Ltd.

Portfolio Overview

	 Primary Holdings International Trust*	 Possibility Space Incorporated
Abbreviation	PHI	PSI
Market	Australia	China/US
Industry sector	Agriculture	TMT
Segment	Soft-commodities	Online gaming
Date of investment	2008-9-2	2007-2-20
Cost of investment (£m)	2.19	0.90
Instrument	Preferred Stock and Warrants	Common stock plus convertible loans
Equity interest	9.8%	9.5%
Fair value (£m)	2.77	1.23
% of net assets	7.2%	3.2%
Basis of valuation	Price of last investment	Price of last investment
Business description	PHI's strategy is to acquire prime, under-utilised farmland, and develop a diversified, integrated group of properties capable of supplying a full range of premium soft commodities for export to China (and wider Asia).	PSI develops next generation online games at low cost and network system requirements, allowing for both free play and higher margins for game operators.

	 Roshini International Bio-Energy Corporation	 Rising Technology Corporation Ltd.
Abbreviation	RIBEC	Rising
Market	India	China
Industry sector	Alternative Energy	TMT
Segment	Biofuels feed-stock	Security software
Date of investment	2007-8-18	2007-1-11
Cost of investment (£m)	--	3.56
Instrument	Common Stock	Common Stock
Equity interest	15.9%	2.0%
Fair value (£m)	2.48	7.33
% of net assets	6.5%	19.1%
Basis of valuation	Price of last investment (less adjustment for impairments)	Comparables
Business description	RIBEC is a bio-energy company headquartered in Hyderabad, India. RIBEC manages plantations of Pongamia – a non-edible, tree-borne bio-fuel feedstock.	Rising is China's leading provider of anti-virus software and solutions for both the consumer and enterprise segment.

* As of May 2009 R.M.Williams Agricultural Holdings Pty Ltd.

Investment Policy Statement

Origo Sino-India Plc (“Origo”) and its subsidiaries (together “the Group”) invest in private companies across various sectors of the Chinese and Indian economies, and in companies and assets with connections to these two markets, with Origo’s objective being to provide shareholders with above market returns, primarily through capital appreciation.

In terms of stage, Origo generally pursues three kinds of opportunities: (i) investments in pre-IPO opportunities, where the Group can add value through providing assistance in relation to restructuring, international expansion and the listing on a domestic or foreign stock exchange; (ii) profitable, expansion stage companies requiring financing to meet working capital requirements, expansion capital and/or as capital to finance merger and acquisition opportunities; and (iii) selected earlier-stage companies, which demonstrate compelling prospects for fast-growth and paths to profitability.

At its present level of capitalisation, the Group is unlikely to commit in excess of USD 10 million to any single investee company. For early-stage opportunities, initial commitments may be less than USD 1 million. While Origo does not have any set gearing policy (although it does not expect to be highly geared at a Group level), investee companies, directly or indirectly, may themselves have outstanding borrowings.

While the Group primarily invests in privately owned companies, it may, in its total discretion, hold or invest in publicly traded shares, quasi-equity and/or debt instruments, including convertible or non-convertible debt securities coupled with warrants and/or options, which may or may not represent shareholding or management control.

Origo seeks to be an active investor. To the extent possible, minority investments are structured so as to ensure adequate minority protection rights, including but not limited to board participation (via a board director/observer), membership of supervisory, audit and oversight committees, as well as specific veto rights over key corporate decisions. In addition, the Group generally dedicates at least one other Origo nominee who, together with the board director/observer, is responsible for assisting the investee company on matters such as building and augmenting the management team, implementing relevant corporate governance and financial control procedures, defining and executing a growth and financing strategy, introducing suitable partners and business opportunities and matters related to future fund-raising, acquisitions or exit considerations.

The holding period for investments is expected to vary depending on the type of investment, the particular circumstances of the relevant investee company, and the intended exit route. The holding period for pre-IPO and expansion stage investments is targeted at between 9 and 24 months and for earlier stage investments at between 24 and 48 months.

Sustainability

We do not see a conflict between achieving our financial goals and social and environmental responsibility.

The rapid economic development of India and China has played a significant role in lifting a large number of their combined population of 2.5 billion out of poverty. As an investor in both countries, Origo believes it has made a small but positive contribution to this process.

It is vital that Origo retains its reputation as a responsible investor, both with potential investee companies and government authorities, in order to ensure continued access to investment opportunities. Therefore, in everything we do, we seek to further our reputation as a good corporate citizen that behaves responsibly and complies with all legal and regulatory requirements.

Whilst commercial considerations remain paramount, before making any investment decision Origo considers the social and environmental impacts of the business in which we are investing. Whilst neither Origo nor ORP have a specific preference toward green or sustainable companies, we note that a number of our portfolio companies such as RIBEC, Halosource and IGH provide commercial solutions to environmental and social problems.

Directors' Report

Report of the Directors for the period ended 31 December 2008

The Directors present their report together with the audited financial statements for the year ended 31 December 2008.

Results and dividends

The result of the Group for the period is set out on page 14 and shows a loss for the year of £4,792,000 (2007: profit of £11,394,000). The limited trading history of the Group neither justifies nor allows the payment of a dividend. The Directors are therefore not able to recommend the payment of a dividend (2007: £nil). The retained loss of the year of £4,792,000 (2007: profit of £11,394,000) has been transferred to reserves.

Principal activities, review of business and future developments

The strategy of the Group is to invest in and provide consultancy services to fast growing, profitable private companies across various sectors of the Chinese and Indian economies. The review of business and future developments is covered in the Chairman's Statement and Chief Executive's Statement.

Directors

	At 31 December 2008	
	Options	Ordinary shares
Mr. Wang Chao Yong	4,000,000	1,047,500
Mr. Chris Rynning	1,000,000	12,125,000
Mr. Niklas Ponnert	2,800,000	400,000
Mr. Christopher Jemmett	100,000	50,000
Mr. Dipankar Basu	100,000	50,000
Mr. Stockton Birthisel*	-	25,000

* Resigned from the Board on 5 June 2009.

Directors' responsibilities in respect of the financial statements

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

As far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware.

Financial statements are published on the Group's website in accordance with legislation in the Isle of Man governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Each of the Directors has taken all the steps they ought to have taken individually as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with S12(2) of the Isle of Man Companies Act 1982 Ernst & Young LLC have expressed their willingness to continue in office and a resolution to reappoint Ernst & Young LLC will be proposed at the forthcoming Annual General Meeting.

By order of the Board
Sandra Georgeson
Company Secretary
10 June 2009

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF Origo Sino-India Plc

We have audited the Group and parent company financial statements (the "financial statements") of Origo Sino-India Plc for the year ended 31 December 2008, which comprise the consolidated income statement, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement, company cash flow statement and related notes 1 to 24. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, pursuant to Section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 Company and the Company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable Isle of Man law and appropriate accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts 1931 to 2004. We also report if, in our opinion, the Group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the Group is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, Chief Executive's Statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of affairs of the Group and the Company as at 31 December 2008 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Acts 1931 to 2004.


Chartered Accountants
Isle of Man
10 June 2009

Origo Sino-India Plc**Consolidated income statement**

For the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Revenue	2	2,773	902
Cost of sales	2	(1,551)	(355)
Gross profit		1,222	547
Distribution costs		(34)	(39)
Share-based payments	3	(1,329)	(901)
Other administrative expenses	3	(2,716)	(1,478)
Total administrative expenses	3	(4,045)	(2,379)
Loss from operations		(2,857)	(1,871)
Investment (loss)/income	7	(3,388)	12,856
Including:			
- Share of losses of associates		(157)	-
- Realised gain on disposal of an associate		-	172
Foreign exchange gain		974	-
Finance income	8	500	418
Finance costs	8	(21)	(13)
Other income		-	4
(Loss)/profit before and after tax		(4,792)	11,394
Attributable to:			
- Equity holders of the parent		(4,672)	11,394
- Minority interests		(120)	-
		(4,792)	11,394
Basic and diluted (loss)/earnings per share	10	(5.29)p	16.48p

The notes to these financial statements are on pages 21-49.

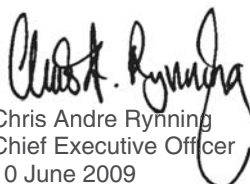
Origo Sino-India Plc**Consolidated balance sheet**
At 31 December 2008

Assets	Note	2008 £'000	2007 £'000
Non-current assets			
Property, plant and equipment (PPE)	11	41	21
Intangible assets		12	-
Investments at fair value through profit or loss	13	21,856	20,537
Loan investments	15	684	126
Available for sale investments	17	126	130
Investments in associates	14	61	52
Other investments		6	4
		22,786	20,870
Current assets			
Inventories		35	13
Trade and other receivables	16	2,913	1,517
Cash and bank balances		13,133	3,659
		16,081	5,189
Total assets		38,867	26,059
Current liabilities			
Trade and other payables	18	427	225
Total liabilities		427	225
Total net assets		38,440	25,834
Equity attributable to equity holders of the parent			
Issued capital	19	9	7
Share premium		31,502	15,105
Share-based payment reserve		3,273	1,944
Retained earnings		(676)	3,996
Warrant reserve		4,738	4,738
Translation reserve		(249)	44
Other reserve		(37)	-
		38,560	25,834
Minority interests		(120)	-
Total equity		38,440	25,834
Total equity and liabilities		38,867	26,059

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



Wang Chao Yong
Chairman
10 June 2009



Chris Andre Rynning
Chief Executive Officer
10 June 2009



Karl Niklas Ponnert
Chief Financial Officer
10 June 2009

The notes to these financial statements are on pages 21-49.

Origo Sino-India Plc**Company balance sheet**
At 31 December 2008

Assets	Note	2008 £'000	2007 £'000
Non-current assets			
Investments at fair value through profit or loss		18,840	20,356
Loan investments		1,157	330
Investments in subsidiaries	12	27	27
		20,024	20,713
Current assets			
Trade and other receivables	16	7,541	2,300
Cash and bank balances		13,000	3,476
		20,541	5,776
Total assets		40,565	26,489
Current liabilities			
Trade and other payables	18	454	160
Total liabilities		454	160
Total net assets		40,111	26,329
Equity attributable to equity holders of the parent			
Issued capital	19	9	7
Share premium		31,502	15,105
Share-based payment reserve		3,273	1,944
Retained earnings		589	4,535
Warrant reserve		4,738	4,738
Total equity		40,111	26,329
Total equity and liabilities		40,565	26,489

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



Wang Chao Yong
Chairman
10 June 2009



Chris Andre Rynning
Chief Executive Officer
10 June 2009



Karl Niklas Ponnert
Chief Financial Officer
10 June 2009

The notes to these financial statements are on pages 21-49.

Origo Sino-India Plc**Consolidated statement of changes in equity**
For the year ended 31 December 2008**Attributable to equity holders of the parent**

	Issued capital £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Warrant reserve £'000	Other reserve £'000	Translation reserve £'000	Total £'000	Minority interests £'000	Total equity £'000
At 1 January 2007	7	13,071	1,043	(7,398)	4,738	-	-	11,461	-	11,461
Proceeds from share issues	-	2,034	-	-	-	-	-	2,034	-	2,034
Share-based payment expense	-	-	901	-	-	-	-	901	-	901
Profit for the year	-	-	-	11,394	-	-	-	11,394	-	11,394
Foreign currency translation	-	-	-	-	-	-	44	44	-	44
At 31 December 2007	7	15,105	1,944	3,996	4,738	-	44	25,834	-	25,834
Net losses on available for sale investments	-	-	-	-	-	(37)	-	(37)	-	(37)
Proceeds from share issue	2	16,397	-	-	-	-	-	16,399	-	16,399
Share-based payment expense	-	-	1,329	-	-	-	-	1,329	-	1,329
Minority interests	-	-	-	-	-	-	-	-	(120)	(120)
Loss for the year	-	-	-	(4,672)	-	-	-	(4,672)	-	(4,672)
Foreign currency translation	-	-	-	-	-	-	(293)	(293)	-	(293)
At 31 December 2008	9	31,502	3,273	(676)	4,738	(37)	(249)	38,560	(120)	38,440

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
Warrant reserve	Fair value of warrants as measured at grant date and spread over the period which the warrant holders become entitled to the warrants
Other reserve	Equity created to recognise fair value change of available for sale investments
Transaction reserve	Equity created to recognise foreign currency statement transaction difference

Origo Sino-India Plc**Company statement of changes in equity**

For the year ended 31 December 2008

	Issued capital £'000	Share premium £'000	Share- based payment reserve £'000	Retained earnings £'000	Warrant reserve £'000	Total equity £'000
At 1 January 2007	7	13,071	1,043	(7,129)	4,738	11,730
Proceeds on share issues for cash	-	2,034	-	-	-	2,034
Share-based payment expense	-	-	901	-	-	901
Profit for the year	-	-	-	11,664	-	11,664
At 31 December 2007	7	15,105	1,944	4,535	4,738	26,329
Proceeds on share issues for cash	2	16,397	-	-	-	16,399
Share-based payment expense	-	-	1,329	-	-	1,329
Loss for the year	-	-	-	(3,946)	-	(3,946)
At 31 December 2008	9	31,502	3,273	589	4,738	40,111

Origo Sino-India Plc**Consolidated cash flow statement**
For the year ended 31 December 2008

	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
(Loss)/profit before and after tax	(4,792)	11,394
Adjustments for:		
Depreciation	9	3
Share-based payment	1,329	901
Loss/(gain) on fair value changes of FVTPL	3,231	(12,684)
Gains on disposal of an associate	-	(172)
Share of losses of associates	157	-
Foreign exchange gain	(95)	-
Finance income	(465)	(418)
Operating loss before changes in working capital and provisions	(626)	(976)
Increase in trade and other receivables	(1,869)	(1,382)
Increase/(decrease) in trade and other payables	202	(655)
Increase in inventories	(18)	(13)
Net cash outflow from operations	(2,311)	(3,026)
Investing activities		
Purchases of property, plant and equipment	(19)	(12)
Increase in intangible assets	(12)	-
Investments of financial instruments	(5,179)	(5,761)
Finance income received	465	418
Net cash flows used in investing activities	(4,745)	(5,355)
Financing activities		
Issue of ordinary shares	16,399	2,865
Increase/(decrease) in cash and cash equivalents	9,343	(5,516)
Net foreign exchange difference	131	-
Cash and cash equivalents at beginning of year	3,659	9,175
Cash and cash equivalents at end of year	13,133	3,659

Origo Sino-India Plc**Company cash flow statement**

For the year ended 31 December 2008

	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
(Loss)/profit before and after tax	(3,946)	11,664
Adjustments for:		
Share-based payments	1,329	901
Loss/(gain) from fair value changes of FVTPL	3,231	(12,684)
Foreign exchange loss	26	-
Finance income	(464)	(417)
Operating profit/(loss) before changes in working capital and provisions	176	(536)
Increase in trade and other receivables	(4,502)	(1,761)
Increase/(decrease) in trade and other payables	250	(585)
Net cash outflow from operations	(4,076)	(2,882)
Investing activities		
Cash paid for set-up of subsidiaries	-	(25)
Investments of financial instruments	(3,263)	(5,968)
Finance income received	464	417
Net cash flows used in investing activities	(2,799)	(5,576)
Financing activities		
Issue of ordinary shares	16,399	2,865
Increase/(decrease) in cash and cash equivalents	9,524	(5,593)
Cash and cash equivalents at beginning of year	3,476	9,069
Cash and cash equivalents at end of year	13,000	3,476

Notes to the financial statements

1 Accounting policies

1.1 Corporate information

The consolidated and company financial statements of Origo Sino-India Plc ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2008 were authorised for issue in accordance with a resolution of the directors on 10, June 2009. 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 1 Circular Road, Douglas, Isle of Man IM99 3NZ. The principal activities of the Group are described in Note 6.

1.2 Basis of preparation

Both Group and Company financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") pursuant to the requirements of section 3 of the Isle of Man Society of Chartered Accountants and the Association of Chartered Certified Accountants Statement of Recommended Practice.

The principal accounting policies applied in the preparation of the consolidated and company 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 2008 and all values are rounded to the nearest £'000 except where indicated.
- (b) The consolidated and company financial information has been prepared under the historical cost convention except for certain financial instruments, which are 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) Minority 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 income statement and within equity in the consolidated balance sheet, 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 requiring estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Share-based payments and equity-settled transactions

The Group has applied the requirements of IFRS 2 share-based payment in these 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 income statement on a straight-line basis over the

Notes to the financial statements (Continued)

1 Accounting policies (Continued)

1.3 Significant accounting judgements, estimates and assumptions (Continued)

(a) Share-based payments and equity-settled transactions (Continued)

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

(b) 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 Guidelines (the "Guidelines"). Valuation methodologies mainly include price of recent investments, earnings multiple, 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.

(c) Impairment of assets

The carrying amounts of non-current assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in administrative expenses in the income statement.

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is possible, for the cash-generating unit.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in the income statement.

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.

1.4 Summary of significant accounting policies

(a) Basis of consolidation

• Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from the consideration from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries according to

Notes to the financial statements (Continued)**1 Accounting policies (Continued)****1.4 Summary of significant accounting policies (Continued)****(a) Basis of consolidation (Continued)**

- **Subsidiaries (Continued)**

IFRS 3 by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill acquired in a business combination will not be amortised. Instead, the Group will test it for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired in accordance with IAS 36. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

- **Transactions with minority interests**

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the net assets of the subsidiary.

(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. 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 income statement, and its share of post-acquisition movements in reserves is 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.

Notes to the financial statements (Continued)

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies (Continued)

(c) 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 British Sterling, which is the Group's presentational 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 income statement.

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 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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- ii income and expenses for each income statement 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 as a separate component of equity.

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.

(d) Financial assets

The Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Notes to the financial statements (Continued)**1 Accounting policies (Continued)****1.4 Summary of significant accounting policies (Continued)****(d) Financial assets (Continued)**

- **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 related derivatives.

Recognition/Derecognition:

Regular acquisitions and disposals of investments are recognised on the 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. Realised gains and losses on fair value through profit or loss assets sold are calculated as the difference between the sales proceeds and cost. 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 income statement. 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 income statement in the period in which they arise.

Interest income from financial assets at fair value through profit or loss is recognised in the income statement within other income using the effective interest method. Dividend income from investments at fair value through profit or loss is recognised in the income statement 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 balance sheet date. The quoted market price used for financial assets held by the Company 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 International Private Equity and Venture Capital Valuation Guidelines (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 multiple: When valuing investments on a multiple basis, the Company 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 Company;

Notes to the financial statements (Continued)

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies (Continued)

(d) Financial assets (Continued)

- **Investment at fair value through profit or loss (Continued)**

Fair value estimation (Continued)

- 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 Company;
 - iii deduct from the enterprise value all amounts relating to financial instruments ranking ahead of the highest ranking instrument of the Company in a liquidation and taking into account the effect of any instrument that may dilute the Company'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 10% 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) 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 Company has primarily relied on such metrics to validate the outcome produced by other valuation techniques.
- (IV) Available market prices: Instruments quoted on an active stock market will be valued at their bid prices on the reporting date.

As recommended by the Guidelines, the Group generally does not adopt net asset value or discounted cash-flow methodologies for assessing the fair value of its investments, unless such methodologies results in a more accurate estimate of fair value.

- **Loans and receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise principally through the provision of goods and services to customers (trade debtors), but also incorporate other types of contractual monetary asset. At each balance sheet date subsequent to initial recognition, they are carried at amortised cost using the effective interest rate method less any identified impairment losses.

- **Available for sale investments**

Non-derivative financial assets not included in the above categories are classified as available for sale investments and comprise the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly-controlled entities. Investments that do not have a quoted market price and whose fair value cannot be reliably measured are held at cost. Where investments are carried at fair value, any changes are recognised directly in equity. Where a decline in the fair value of an available for sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the income statement.

Notes to the financial statements (Continued)**1 Accounting policies (Continued)****1.4 Summary of significant accounting policies (Continued)****(e) Financial liabilities**

Financial liabilities comprise trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost.

(f) Cash and cash equivalents

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 balance sheets, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

(g) 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"). Advisors receive equity-settled options in relation to the Company's admission to trading on the AIM. The cost of equity-settled transactions 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 21.

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.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market 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.

(h) Leased assets

Where a significant portion of the risks and rewards incidental to ownership is retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

Notes to the financial statements (Continued)

1 Accounting policies (Continued)

1.4 Summary of significant accounting policies (Continued)

(i) Income taxes

Income taxes for the year comprise current tax and deferred 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 balance sheet date.

Deferred income tax is provided using the liability method on all temporary differences at the balance sheet 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 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 income 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 income 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 income tax assets is reviewed at each balance sheet 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 income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet 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 income 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 balance sheet 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 income statement except when a tax exemption has been granted.

(j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of sales taxes, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

- **Sales of goods – wholesale**

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and ability to collect the related receivables is reasonable assured.

Notes to the financial statements (Continued)**1 Accounting policies (Continued)****1.4 Summary of significant accounting policies (Continued)****(j) Revenue recognition (Continued)**

- **Sales of goods – retail**

Sales of goods are recognised when a Group entity sells a product to the customer. Retail sales are usually in the form of cash or through a credit card transaction. The recorded revenue includes credit card fees payable for the transaction. Such fees are included in distribution costs. It is the Group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

- **Sales of services**

Sales of services include fund consulting and consulting services which are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **Interest income**

Interest income is recognised on a time proportion basis using the effective interest method and includes bank interests and interests from debt securities.

(k) 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.

(l) Segment reporting

The Group's primary reporting format for reporting segment information is by geographical segment based on the location of assets. The Group's secondary reporting format is by business segment based on the nature of its business.

Notes to the financial statements (Continued)**1 Accounting policies (Continued)****1.4 Summary of significant accounting policies (Continued)****(m) Impact of issued but not yet effective International Financial Reporting Standards**

The Group has not applied the following new and revised IFRSs and IFRIC interpretations that have been issued but are not yet effective, in these financial statements.

IFRS 1 and IAS 27 Amendments	First-time Adoption of IFRSs and Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ¹
IFRS 2 Amendments	Share-based Payment - Vesting Conditions and Cancellations ¹
IFRS 7 Amendments	Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments ¹
IFRS 8	Operating Segments ¹
IAS 1 (Revised)	Presentation of Financial Statements ¹
IAS 23 (Revised)	Borrowing Costs ¹
IAS 32 and IAS 1 Amendments	Financial Instruments: Presentation and Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation ¹
IAS 39 Amendments	Financial Instruments: Recognition and Measurement - Eligible Hedged Items ²
IFRIC 9 and IAS 39 Amendments	Embedded Derivatives ³
IFRIC 16	Hedges of a Net Investment in a Foreign Operation ⁴
IFRIC 17	Distribution of Non-cash Assets to Owners ²

Apart from the above, the IASB has issued *Improvements to IFRSs** which sets out amendments to a number of IFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to IFRS 5 which is effective for annual periods on or after 1 July 2009, the amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods ending on or after 30 June 2009

⁴ Effective for annual periods beginning on or after 1 October 2008

* Improvements to IFRSs contain amendments to IFRS 5, IFRS 7, IAS 1, IAS 8, IAS 10, IAS 16, IAS 18, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 34, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs and interpretations upon initial application.

The Group has early applied the following new and revised IFRSs and IFRIC interpretations that have been issued but are not yet effective, in these financial statements.

Notes to the financial statements (Continued)**1 Accounting policies (Continued)****1.4 Summary of significant accounting policies (Continued)****(m) Impact of issued but not yet effective International Financial Reporting Standards (continued)**

IFRS 3 and IAS 27 (Revised)	Business Combinations and Consolidated and Separate Financial Statements ¹
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¹ Effective for annual periods beginning on or after 1 July 2009

The principal effects of adopting these new and revised IFRSs are as follows:

Total of comprehensive income has been attributed to minority interests even if this results in the minority interests having a deficit balance. However, the Group has not restated any profit or loss attributing for the reporting periods before the amendment was applied in accordance with Amendment to IAS 27 made in 2008.

(n) Company Income statement

In accordance with S3(3)(b)(ii) of the Companies Act 1982, the Company is exempt from the requirements to present its own income statement. Of the loss before taxation, £3,946,000 (2007: profit of £11,664,000) has been retained by the Company.

Notes to the financial statements (Continued)**2 Revenue and cost of sales**

	2008	2007
	£'000	£'000
Revenue		
Consulting services	1,955	663
Fund consulting	466	-
Furniture trading	352	239
Total	2,773	902
Cost of sales		
Consulting services	1,256	145
Furniture trading	265	200
Business tax	30	10
Total	1,551	355

3 Administrative expenses

	2008	2007
	£'000	£'000
Employee expense	1,178	760
Professional fees	796	372
Including:		
-Audit fees	82	131
Share-based payments	1,329	901
Depreciation expense	9	3
Others	733	343
Total	4,045	2,379

Notes to the financial statements (Continued)**4 Information regarding directors and employees**

	Year ended 31 December 2008	Year ended 31 December 2007
Average number of employees of the Group	Number	Number
Management	2	3
Investment and transaction team	12	6
Finance and accounting	8	5
Administration and HR	6	5
Design and IT	2	2
Trading sales	13	5
	43	26
The aggregate payroll costs of these employees were as follows:	£'000	£'000
Wages and salaries	1,129	747
Share-based payments	1,329	901
Social security costs	49	13
	2,507	1,661

Notes to the financial statements (Continued)**5 Directors' remuneration**

	2008 £'000	2007 £'000
Directors' emoluments	471	508
Share-based payment expense	1,114	807
	1,585	1,315

Directors' remuneration for the year 2008 and the number of options held were as follows:

Name	Salaries £'000	Director Fee £'000	Share-based payment * £'000	Total £'000	2008 Number of options
Mr. Wang Chao Yong	75	-	313	388	4,000,000
Mr. Chris A Rynning	150	-	78	228	1,000,000
Mr. Niklas Ponnert	123	-	707	830	2,800,000
Mr. Vinay Ganga **	47	-	-	47	-
Mr. Christopher Jemmett	-	38	8	46	100,000
Mr. Dipankar Basu	-	38	8	46	100,000
	395	76	1,114	1,585	8,000,000

Directors' remuneration for the year 2007 and the number of options held were as follows:

Name	Salaries £'000	Director Fee £'000	Share-based payment £'000	Total £'000	2007 Number of options
Mr. Wang Chao Yong	76	-	477	553	4,000,000
Mr. Chris A Rynning	140	-	118	258	1,000,000
Mr. Lou Lin ***	56	-	-	56	-
Mr. Niklas Ponnert	71	-	95	166	800,000
Mr. Vinay Ganga	115	-	95	210	800,000
Mr. Christopher Jemmett	-	25	11	36	100,000
Mr. Dipankar Basu	-	25	11	36	100,000
	458	50	807	1,315	6,800,000

* Share-based payment refers to expenses arising from the Company's share option plan (note 21).

** Mr. Vinay Ganga resigned in June 2008 with options of 800,000 forfeited.

*** Mr. Lou Lin resigned in September 2007 and Mr. Niklas Ponnert assumed the position of CFO and Director.

Notes to the financial statements (Continued)**6 Segment information**

The Group's primary reporting format for reporting segment information is by geographical segment based on the location of assets. The segments are defined as Isle of Man, Mauritius, Malaysia, China and others.

The Group mainly had four business segments based on the nature of its business which were fund consulting, consulting services, private equity investment and furniture trading in 2008. The Group had a three business segments based on the nature of business which were private equity investment, consulting services and furniture trading in 2007.

For the year ended 31 December 2008.

	Isle of Man £'000	Mauritius £'000	Malaysia £'000	China £'000	Others £'000	Total £'000
Revenue						
External	2,196	-	-	225	352	2,773
Finance income	499	-	-	1	-	500
Total revenue	2,695	-	-	226	352	3,273
Expenses						
Cost of sales	(1,105)	-	-	(175)	(271)	(1,551)
Operation expenses	(1,631)	(14)	(97)	(541)	(467)	(2,750)
Share-based payments	(1,329)	-	-	-	-	(1,329)
Finance costs	(16)	-	(1)	-	(4)	(21)
Other						
Investment loss	(3,231)	-	(157)	-	-	(3,388)
Foreign exchange gain/(loss)	991	-	-	(16)	(1)	974
Total loss before and after tax	(3,626)	(14)	(255)	(506)	(391)	(4,792)
Balance sheet						
Assets	35,062	13	455	388	2,949	38,867
(Liabilities)	(344)	(4)	(24)	(35)	(20)	(427)
Net assets	34,718	9	431	353	2,929	38,440

Notes to the financial statements (Continued)**6 Segment information (Continued)**

For the year ended 31 December 2008

	Private equity investment £'000	Fund consulting £'000	Consulting services £'000	Furniture trading £'000	Total £'000
Revenue					
External	-	466	1,955	352	2,773
Finance income	499	-	1	-	500
Total revenue	499	466	1,956	352	3,273
Expenses					
Cost of sales	(363)	(205)	(718)	(265)	(1,551)
Operation expenses	(1,345)	(472)	(472)	(461)	(2,750)
Share-based payments	(732)	(355)	(242)	-	(1,329)
Finance costs	(17)	-	-	(4)	(21)
Other					
Investment loss	(3,388)	-	-	-	(3,388)
Foreign exchange gain/(loss)	965	10	-	(1)	974
Total (loss)/profit before and after tax	(4,381)	(556)	524	(379)	(4,792)
Balance sheet					
Assets	38,474	36	177	180	38,867
(Liabilities)	(112)	-	(295)	(20)	(427)
Net assets	38,362	36	(118)	160	38,440

For the year ended 31 December 2007

	Isle of Man £'000	Mauritius £'000	Malaysia £'000	China £'000	Others £'000	Total £'000
Revenue						
External	469	-	1	193	239	902
Finance income	417	-	-	1	-	418
Total revenue	886	-	1	194	239	1,320
Expenses						
Cost of sales	(35)	-	(1)	(119)	(200)	(355)
Operation expenses	(1,008)	(18)	(104)	(219)	(168)	(1,517)
Share-based payments	(901)	-	-	-	-	(901)
Finance costs	(6)	-	(2)	(2)	(3)	(13)
Other						
Investment income	12,684	-	172	-	-	12,856
Other income	-	-	4	-	-	4
Total profit/(loss) before and after tax	11,620	(18)	70	(146)	(132)	11,394
Balance sheet						
Assets	25,216	12	474	197	160	26,059
(Liabilities)	(161)	(6)	(21)	(35)	(2)	(225)
Net assets	25,055	6	453	162	158	25,834

Notes to the financial statements (Continued)**6 Segment information (Continued)**

For the year ended 31 December 2007

	Private equity investment £'000	Consulting services £'000	Furniture trading £'000	Total £'000
Revenue				
External	-	663	239	902
Finance income	397	21	-	418
Total revenue	397	684	239	1,320
Expenses				
Cost of sales	-	(155)	(200)	(355)
Operation expenses	(1,283)	(68)	(166)	(1,517)
Share-based payments	(856)	(45)	-	(901)
Finance costs	(9)	(1)	(3)	(13)
Other				
Investment income	12,856	-	-	12,856
Other income	4	-	-	4
Total profit/(loss) before and after tax	11,109	415	(130)	11,394
Balance sheet				
Assets	24,605	1,295	159	26,059
(Liabilities)	(212)	(11)	(2)	(225)
Net assets	24,393	1,284	157	25,834

7 Investment (loss)/income

	2008 £'000	2007 £'000
Unrealised gains or losses on fair value changes of FVTPL using estimation techniques*	(3,231)	12,684
Share of losses of associates	(157)	-
Realised gain on disposal of an associate	-	172
Total	(3,388)	12,856

* FVTPL refers to fair value through profit or loss

Notes to the financial statements (Continued)**8 Finance income and costs**

	2008	2007
	£'000	£'000
Finance income		
Bank interest	500	418
	500	418
Finance costs		
Bank charges	(21)	(13)
	(21)	(13)

9 Tax expense

No provision for current tax was made for the year as the subsidiaries had no assessable profit. 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. As the Company is quoted on the Alternative Investment Market it is outside the scope of the Distributable Profits Charge.

The Attribution Regime for Individuals, ("ARI"), will replace the Distributable Profits Charge for accounting periods beginning on or after 6 April 2008. This will impact the Company for the accounting period ended 31 December 2009 and thereafter, however the Company will fall outside the scope of the ARI on the basis that it is quoted on the AIM market.

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

	2008	2007
	£'000	£'000
(Loss)/profit before tax	(4,792)	11,394
Expected tax charge based on the Isle of Man statutory income tax rate of 0%	-	-
Tax effect of non-deductible expenses	-	-
Tax effect of unutilised tax losses	-	-
Total tax charge	-	-

10 Earnings/(loss) per share

	2008	2007
	£'000	£'000
Numerator		
(Loss)/profit for the year	(4,792)	11,394
(Loss)/earnings used in basic and diluted loss or earnings per share	(4,792)	11,394
	2008	2007
	Number of	Number of
	shares	shares
Denominator		
Weighted average number of shares used in basic EPS/(LPS)	90,514,895	69,149,922
Weighted average number of shares used in diluted EPS/(LPS)	90,514,895	69,149,922
Basic and diluted EPS/(LPS)	(5.29)p	16.48p

Notes to the financial statements (Continued)**11 Property, plant and equipment**

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2007	5	10	15
Additions	3	9	12
At 31 December 2007	8	19	27
Additions	8	11	19
Exchange difference	3	11	14
At 31 December 2008	19	41	60
Accumulated depreciation			
At 1 January 2007	1	2	3
Charge for the year 2007	-	3	3
At 31 December 2007	1	5	6
Charge for the year 2008	3	6	9
Exchange difference	1	3	4
At 31 December 2008	5	14	19
Net book value			
At 31 December 2007	7	14	21
At 31 December 2008	14	27	41

12 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
Ascend Ventures Ltd	Malaysia	100%
Origo Sino-India Mauritius Ltd	Mauritius	100%
PHI International Holding Ltd	Bermuda	100%
Ascend (Beijing) Consulting Ltd	China	100%(Owned by Ascend Ventures Ltd)
Global Art Ventures Ltd	British Virgin Islands	80.1% (Owned by Ascend Ventures Ltd)
ISAK International Holding Ltd	British Virgin Islands	71.2% (Owned by Ascend Ventures Ltd)

Notes to the financial statements (Continued)**13 Investments at fair value through profits or loss**

For the year ended 31 December 2008

Name	Country of incorporation	Proportion of ownership interest	Cost £'000	Fair value £'000
Inveritas Global Holdings Ltd (Formerly SHERQ Ltd)	British Virgin Islands	17.3%	510	692
Roshini International Bio-Energy Corporation	British Virgin Islands	15.9%	-	2,477
Fans Media Co., Ltd	British Virgin Islands	14.3%	1,200	1,632
Primary Holding International Trust	Australia	9.8%	2,186	2,767
Possibility Space Incorporated	USA	9.5%	510	692
E-Bill (China) Holding Ltd	Cayman Islands	7.1%	1,018	1,384
Bach Technology AS	Norway	4.6%	31	42
Halosource Inc	USA	4.8%	1,513	2,075
Fomento International Ltd	British Virgin Islands	3.0%	2,038	2,767
Rising Technology Corporation Ltd	British Virgin Islands	2.0%	3,564	7,328
Total			12,570	21,856

All investments at fair value through profit and loss amounting to £21.9 million (cost: £12.6 million) are held by the Company except for an investment of £249,000 (cost: £183,000) in Fans Media Co., Ltd held by Ascend Ventures Ltd and an investment of £2.8 million (cost: £2.2 million) in Primary Holding International Trust held through PHI International Holding Ltd.

For the year ended 31 December 2007

Name	Country of incorporation	Proportion of ownership interest	Cost £'000	Fair value £'000
SHERQ Ltd	British Virgin Islands	25.0%	510	510
Roshini International Bio-Energy Corporation	British Virgin Islands	19.8%	-	8,016
Fans Media Co., Ltd	British Virgin Islands	15.9%	1,200	1,200
Possibility Space Incorporated	USA	9.5%	510	510
Bach Technology AS	Norway	6.3%	31	31
Fomento International Ltd	British Virgin Islands	3.0%	2,038	2,038
Rising Technology Corporation Ltd	British Virgin Islands	2.0%	3,564	8,232
Total			7,853	20,537

All investments at fair value through profit and loss amounting to £20.5 million (cost: £7.9 million) were held by the Company except for an investment of £181,000 (cost: £183,000) in Fans Media Co., Ltd held by Ascend Ventures Ltd.

Notes to the financial statements (Continued)**14 Investments in associates**

The following entities meet the definition of an associate and have been accounted for in the consolidated financial statements as at 31 December 2008 on an equity basis:

Name	Country of incorporation	Proportion of voting rights held
Dragon Ports Ltd ("DP") *	British Virgin Islands	45% (Owned by Ascend Ventures Ltd)
OS Consulting Ltd ("OS")	Malaysia	19.9% (Owned by Ascend Ventures Ltd)

* Spiced Bits Ltd merged into Dragon Ports Ltd through a share swap in June 2008.

Aggregated amounts relating to associates are as follows:

	2008(DP)	2008(OS)
	£'000	£'000
Total assets	890	370
Total liabilities	410	87
Revenues	390	-
Loss	(376)	(32)

The following entities meet the definition of an associate and were accounted for in the consolidated financial statements as at 31 December 2007 on an equity basis:

Name	Country of incorporation	Proportion of voting rights held
Dragon Ports Ltd ("DP")	British Virgin Islands	32.9% (Owned by Ascend Ventures Ltd)
Spiced Bits Ltd ("SB")	British Virgin Islands	31.6% (Owned by Ascend Ventures Ltd)
OS Consulting Ltd ("OS")	Malaysia	21.2% (Owned by Ascend Ventures Ltd)

Aggregated amounts relating to associates are as follows:

	2007(DP)	2007(SB)	2007(OS)
	£'000	£'000	£'000
Total assets	135	38	233
Total liabilities	33	145	11
Revenues	174	90	-
Profit/(loss)	14	(109)	(12)

Notes to the financial statements (Continued)**15 Loan investments**

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

For the year ended 31 December 2008

Borrower	Loan principal £'000	Fair value £'000
Dragon Ports Ltd	112	148
Possibility Space Incorporated	395	536
Total	507	684

For the year ended 31 December 2007

Borrower	Loan principal £'000	Fair value £'000
Spiced Bits Ltd	50	50
China Silvertone Investment Co. Ltd	76	76
Total	126	126

Notes to the financial statements (Continued)**16 Trade and other receivables**

	2008 £'000	Group 2007 £'000	2008 £'000	Company 2007 £'000
Trade debtors	205	311	85	107
Other debtors	2,577	1,188	7,362	2,184
Prepayments	131	18	94	9
Total	2,913	1,517	7,541	2,300
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Other debtors				
Origo Resource Partners Ltd (equity investment in Staur) *	-	163	-	163
Origo Resource Partners Ltd (convertible credit to RIBEC) *	-	521	-	521
Others	2,577	504	7,362	1,500
	2,577	1,188	7,362	2,184

* An equity holding of 4.8% in Staur Aqua AS and a USD 1 million convertible note extended to Roshini International Bio Energy Corporation were assigned to Origo Resource Partners Ltd in late of 2007, with related receivables collected in February and April 2008, respectively.

	0-30 days £'000	31-60 days £'000	61-90 days £'000	91-180 days £'000	181-365 days £'000	Over 365 days £'000	Total £'000
Aging for the Group							
Trade debtors	101	9	9	56	29	1	205
Other debtors	2,024	58	445	35	-	15	2,577
Other	131	-	-	-	-	-	131
Total	2,256	67	454	91	29	16	2,913
Percentage	77%	2%	16%	3%	1%	1%	100%

All items are neither past due nor impaired.

17 Other financial assets

	2008 £'000	2007 £'000
Available for sale investments	126	130
Total	126	130

* Available for sale investments comprise a 0.26% shareholding in Cafe.com SA belonging to Ascend Ventures Ltd whose fair value is assessed at price of recent investment.

Notes to the financial statements (Continued)**18 Trade and other payables – current**

	2008 £'000	Group 2007 £'000	2008 £'000	Company 2007 £'000
Trade payables	18	-	-	-
Other payables	409	225	454	160
Total	427	225	454	160

19 Issued capital

Authorised	Number of shares	2008 £'000	Number of shares	2007 £'000
Ordinary shares of £ 0.0001 each	500,000,000	50	500,000,000	50
Issued and fully paid	Number of shares	£'000	Number of shares	£'000
At beginning of the year	69,261,378	7	65,193,238	7
Issued on 11 January 2007 for investment in Rising Technology Corporation Ltd*	-	-	4,068,140	-
Issued on 1 April 2008 on placing for cash**	28,286,499	2	-	-
At end of the year	97,547,877	9	69,261,378	7
Warrants				
At beginning and end of year***	25,673,238	-	25,673,238	-
Exercised during the year	-	-	-	-
At end of the year	25,673,238	-	25,673,238	-

* On 11 January 2007, the Company entered into an agreement with ChinaEquity International Holding Company Ltd to acquire a 2% ownership of Rising Technology Corporation Ltd in consolidation for USD 3,000,000 in cash and 4,068,140 ordinary shares of the Company. The price of the consideration shares was calculated at 50p per share at an exchange rate of USD 1.9665 per pound sterling, with 4,068,140 shares being issued and allotted by the Company

** 28,286,499 new ordinary shares were issued to GLG Partners LP ("GLG Funds") on 1 April 2008 at an average placing price per share of approximately 60.4p.

*** On Admission to AIM on 21 December 2006, the Company issued 25,673,238 warrants entitling each warrant holder to exercise warrants held at six monthly intervals during the period of 3 years from the date of Admission, or subject to certain exception where a surplus would be available for distribution among the holders of ordinary shares, on the winding up of the Company. No warrants have been exercised since issuance.

Notes to the financial statements (Continued)**20 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

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 income statement 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 entirely by shareholders' funds with investment needs being met ahead of planned investments.

Currency risk

Foreign exchange risk arises where the Group and the Company make investments denominated in a foreign currency. Investments of the Group and the Company are primarily denominated in US dollars, whereas the reporting currency of both entities is British Sterling. Accordingly, the Group and the Company are exposed to the US dollar/sterling exchange rate risk.

The following table demonstrates the sensitivity of the Group's profit/(loss) 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/sterling exchange rate, with all other variables held constant.

	Increase/ (decrease) in US dollar rate	Effect on profit/(loss) before tax £'000
2008	+5%	(1,190)
	-5%	1,315
2007	+5%	(236)
	-5%	261

Credit risk

The Group and the Company are 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 which amounted to £684,000. The credit risk exposure is managed on an asset-specific basis by management.

Notes to the financial statements (Continued)**21 Share option scheme**

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 2008 and 31 December 2007.

	2008 No.	2008 WAEP	2007 No.	2007 WAEP
Outstanding at 1 January	8,251,932	50p	9,051,932	50p
Granted during the year	3,750,000	59.85p	-	-
Forfeited during the year	(1,050,000)	(52.35)p	(800,000)	50p
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	10,951,932	53.15p	8,251,932	50p
Exercisable at 31 December	3,943,591		651,932	

In March 2008, 3,750,000 of equity-settled share options were granted to certain directors and employees under the Company's share option scheme. The exercise price of the options granted is 59.85p. The fair value of the options is estimated at the date of grant using the Black-Scholes model. The contractual life of each option granted is 10 years. The fair value of options granted during the year ended 31 December 2008 was estimated on the date of grant using the following assumptions:

Weighted average share price at grant date (pence)	62
Exercise price (pence)	59.85
Expected weighted average mature life (years)	5
Expected volatility (%)	75.85
Expected dividend growth rate (%)	-
Risk-free interest rate (%)	5

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 21 December 2006 to 29 February 2008. The Company did not enter into any share-based transactions with parties other than employees during 2008 and 2007, except as described above. All newly granted options have been valued on the same basis.

In June 2008, Mr. Vinay Ganga, who previously served as the Chief Legal Counsel and a Managing Director of Origo Sino-India Plc, resigned from the Company with his 800,000 share options being forfeited as a result.

Outstanding options include 6,800,000 and 3,500,000 equity-settled options granted on 6 October 2006 and 13 March 2008 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 weighted average fair value of options is £ 0.2560 and weighted average remaining contractual life for employee equity-settled options granted on 6 October 2006 outstanding as at 31 December 2008 is 7.83 years (2007: 8.83 years).

The weighted average fair value of options is £ 0.4083 and weighted average remaining contractual life for employee equity-settled options granted on 13 March 2008 outstanding as at 31 December 2008 is 9.80 years.

The weighted average remaining contractual life for nominated adviser equity-settled options outstanding as at 31 December 2008 is 0.97 years (2007: 1.97 years).

The range of exercise prices for options outstanding at the end of the year was 50p-59.35p (2007: 50p)

Notes to the financial statements (Continued)**22 Related party transactions***Identification of related parties*

The Group has a related party relationship with its subsidiaries, 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. Other than as disclosed above, in the Directors' report and in note 5, there were no other significant transactions with key management personnel in the period.

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 2008 and 31 December 2007.

	2008 £'000	2007 £'000
Amounts owed by related parties*		
ChinaEquity International Holding Company Ltd **	365	306
Origo Resource Partners Ltd ***	30	684
OS Consulting Ltd	73	9
Origo Advisers Ltd ****	8	1
Sales to related parties		
GLG Partners LP *****	1,320	-
Origo Resource Partners Ltd	466	46
Origo Advisers Ltd	466	46
Purchases from related parties		
Li Yi Fei *****	585	-

* The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. In the opinion of the directors, the Company will demand the amounts within 12 months from the balance sheet date. Accordingly, the amounts are shown as current.

** Mr. Wang is the Executive Chairman of Origo-Sino India Plc and Chairman of ChinaEquity International Holding Company Ltd.

*** The Company provides consultancy services to Origo Resource Partners Ltd ("ORP") through a sub-consultancy arrangement with Origo Advisers Ltd, a company controlled by entities whose ultimate beneficiaries include two Directors of the Company (Mr. Rynning and Mr. Ponnert) Mr. Rynning and Mr. Ponnert also serve on the Board of ORP. The amounts disclosed for 2007 pertain to consideration paid for the assignment to ORP of certain interests in Roshini International Bio-Energy Corporation and Staur Aqua AS.

**** Amounts disclosed relate to services provided.

Notes to the financial statements (Continued)**22 Related party transactions (Continued)**

**** Funds managed by GLG Partners LP ("GLG") controlled 29.6% of the outstanding share capital of the Company as at 31 December 2008. The Company provides research and analysis services to GLG under a consultancy agreement. The amounts of transactions and outstanding balances relate to research services provided.

***** Ms. Li Yi Fei is the spouse of Wang Chao Yong, the Executive Chairman of the Company. Li Yi Fei provides research and analysis services to the Company in relation to the consultancy agreement with GLG.

23 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 2008 and 31 December 2007.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes trade and other payables less cash and bank balances. Capital includes equity attributable to equity holders of the parent company. The gearing ratios as at the balance sheet dates were as follows:

	2008	2007
	£'000	£'000
Trade and other payables	427	225
Less: Cash and bank balances	(13,133)	(3,659)
Net debt	(12,706)	(3,434)
Equity attributable to equity holders of the parent	38,560	25,834
Capital	38,560	25,834
Capital and net debt	25,854	22,400
Gearing ratio	(-49%)	(-15%)

Notes to the financial statements (Continued)**24 Post balance sheet transactions**

- In February 2009, the Company announced the sale of its 3% stake in Fomento International Ltd ("FIL"), an intended consolidation vehicle for international iron ore assets. The stake (cost of £2.0 million) was sold back to FIL for a total cash consideration of USD 4 million (£2.9 million).
- In February 2009, the Company entered into convertible loan agreements to extend USD 1.5 million to Inveritas Global Holdings Ltd (formerly SHERQ Ltd).
- In May 2009, the Company announced the merger of Primary Holdings International Trust ("PHI"), and R.M.Williams Agricultural Holdings Pty Ltd. ("RMWAH"), a new venture formed by R.M.Williams Pty Ltd. The Company exchanged its holding of 4,662,006 convertible preference units in PHI equivalent to 9.8 percent of the voting rights of PHI, for 6,843,006 ordinary shares in RMWAH, equivalent to around 8 percent of the voting rights of RMWAH.



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PO Box 166, 4th Floor, 1 Circular Road, Douglas, Isle of Man, IM99 3NZ