



**ADAMAS**  
**FINANCE ASIA**

**ADAMAS FINANCE ASIA LIMITED**



Interim Report  
**2019**



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# Highlights

04 September 2019

## ADAMAS FINANCE ASIA LIMITED

("Adamas Finance Asia", "ADAM", the "Company" or the "Group")

### INTERIM CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

Adamas Finance Asia Limited (AIM: ADAM), a London quoted pan-Asian diversified investment vehicle, is pleased to announce its interim results for the six months ended 30 June 2019.

#### Financial Highlights:

- Total income increased to US\$1.25 million from interest payments and fair value adjustments (H1 2018: US\$0.05 million)
- Net loss of US\$0.16 million (H1 2018: US\$1.44 million)
- Consolidated loss per share (basic) of US\$0.18 cents (H1 2018: US\$1.77 cents)
- Consolidated NAV at 30 June 2019 increased 3.5% to US\$96.5 million/GBP78.6 million (31 December 2018: US\$93.0 million/GBP75.7 million)

#### Investment and Operational Highlights:

- New investment in Infinity Capital Group Limited
  - o First tranche of the Loan Facility funded on 31 January 2019 (US\$2.0 million)
  - o Successful Co-Investment in Infinity Capital Group Limited was announced on 15 July 2019
  - o Loan paying a coupon of 17.5% per annum in cash secured by real estate assets

# Highlights

- Proposed US\$5m investment in needle-free injector developer PharmaJet
- Proactive measures taken to improve liquidity of the shares including:
  - o Share Buyback programme was initiated by the Board to repurchase up to US\$500,000 ordinary shares with a maximum purchase price of US\$0.79 per share (GBP0.64 per share)
  - o Redenomination of ordinary shares into a Pounds Sterling quotation
  - o Increased availability of trading on a wide range of retail investor platforms
  - o Presentations at various investor events including the UK Investor Show, Mello Investment Trusts & Funds and ShareSoc Investor Seminar

## **Chairman of Adamas Finance Asia, John Croft, commented:**

“The results marked another period of major progress as the efforts of the investment manager’s re-structuring of the ADAM portfolio are starting to have a considerable effect on the Company’s income which has increased considerably on a year on year basis. When at an appropriate level, the Board has signaled its intention to leverage this increasing income stream for a dividend distribution to reward our shareholders.

We remain pleased with developments across our portfolio including Future Metal Holdings where production is expected to restart in the next reporting period. Meanwhile, our Investment Manager, Harmony Capital Investors Limited, continues to seek new attractive investment opportunities for the Company from a considerable pipeline drawn from their substantial network in the region.”

# Highlights

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## About Adamas Finance Asia

ADAM is a London quoted investment company focusing on delivering long-term income and capital growth to shareholders through a diverse portfolio of pan-Asian investments. It aims to provide uncorrelated returns through a combination of capital growth and dividend income from a broad spectrum of national geographies and asset classes from the Asian Small and Medium Enterprise (SME) sector.

The Company's Investment Manager, Harmony Capital, which has a dedicated team with real Asian expertise, is focused on the strategy of creating income and capital growth. Harmony Capital is sourcing predominantly private opportunities and has created a strong pipeline of income generating assets which include potential investments in industries such as healthcare, fintech, hospitality, IT and property across Asia.

# Chairman's Statement

In previous reports I have focused on the efforts that our Investment Manager, Harmony Capital, has been making to transition our investment portfolio to one that is predominately income producing but with the added potential for capital appreciation.

I am delighted to be able to report the significant progress that has been made in this regard is beginning to materially impact the revenue generated by the Company. Specifically, US\$1.25m of income emanating from the portfolio was reported in our accounts for the six month period to end June 2019 as compared to only \$52k in the same period last year, and \$364k in the whole of 2018. This increase in revenue was a major contributing factor in the significantly reduced loss for the period as compared to the same reporting period last year (US\$0.16m versus US\$1.44m).

As further progress is made in funding new investments from our diverse pipeline that meet our strict investment criteria, and as we bring other projects like Future Metal Holdings (FMH) into production, the income earned from the portfolio will grow quite quickly and enable your Board to begin regular dividend distributions to our shareholders.

At our largest asset by value in the portfolio, FMH, very good progress has been made in preparation for restarting production, targeted to begin during the last quarter of this year. More details on plans and prospects for this business will be provided in the near future, but your Board is confident that this project will begin to make a positive contribution to our results in 2020.

On 31 January 2019, we successfully funded the first tranche of our investment in Infinity Capital Group Limited ("ICG") through a senior secured loan note paying a 17.5% cash coupon and secured against their real estate assets. ICG develops premium residential projects in Hirafu Village, a world-class ski village in Niseko Japan, globally one of the most popular winter travel destinations. In addition, after the period end on 15th July 2019, we announced that a Hong Kong based family office had agreed to co-invest alongside us in the project. The participation of this attractive co-investor illustrates both the quality of our proprietary deals and the extensive pan-Asian network of our investment manager. Finally, I am pleased to report that on 30 August 2019, we funded the second tranche of our existing investment commitment to ICG.

# Chairman's Statement

During the period we also announced another proposed new investment in a medical devices company called PharmaJet. PharmaJet has developed and is marketing one of the leading needle-free injection solutions as a viable alternative to traditional needle-syringe delivery devices. PharmaJet's products have received United States FDA marketing clearance, the EU's CE Mark and World Health Organisation PQS certifications to deliver medications and vaccines and has an Asia wide distribution agreement with a leading distributor of medical products.

A summary of progress at all of our principal assets is shown immediately following this statement.

In our 2018 annual report I highlighted our concern over the continuing lack of liquidity in our stock and I mentioned that resolving this issue was a priority for your Board. With this in mind we announced a share buyback programme in February and in June announced that we had changed the denomination of the Company's shares into Sterling from US Dollars. Recently we also announced the appointment of Pello Capital as joint corporate broker with a remit to focus on widening our shareholder base, particularly among retail investors. Alongside this we plan to improve our communications through press coverage as well as social media channels to continue to raise our profile with the retail investment community. I am hopeful that these and other initiatives we are taking will result in a gradual improvement in liquidity.

Overall I am delighted with progress being made on all fronts to improve the company's financial performance and its profile in the broader investment community, and I anticipate we will be able to report further progress on these initiatives during the coming months.

# Chairman's Statement

The principal assets as at 30 June 2019 are detailed below:

Principal Assets	Effective Interest		Instrument type	Valuation	
	30 June 2019	31 December 2018		30 June 2019 US\$ million	31 December 2018 US\$ million
Fook Lam Moon Holdings	–	–	Convertible bond	26.9	26.5
Future Metal Holdings Limited	84.81%	84.81%	Structured equity	42.6	42.5
Meize Energy Industrial Holdings Ltd	7.9%	7.9%	Redeemable convertible preference shares	8.2	8.2
DocDoc Pte. Ltd.	–	–	Convertible bond	2.2	2.1
Infinity Capital Group			Interest bearing loan/ Equity	2.4	
GCCF/Others				5.3	4.9
CASIL			Receivable	3.7	
Cash				5.4	8.8
Total net asset value				<u>96.7</u>	<u>93.0</u>



# Chairman's Statement

## **Future Metal Holdings Limited ("FMH")**

FMH is a natural resources company whose primary asset is a large dolomite magnesium limestone mine in the province of Shanxi, China. FMH is in the process of restarting operations.

Harmony Capital regularly conducts site visits to the mine. They meet with the entire onshore team, equipment suppliers, staff from the nearby mines as well as local government officials in Xi County.

China Market Research Centre was engaged to conduct an in-depth research on the dolomite and wall rock markets in Xi County as well as the areas nearby.

The management team expects production to restart in late 2019.

As of 30 June 2019, including loan disbursements provided by the Company to FMH and its subsidiaries as well as accrued PIK interest (17% on the loan element), the estimated fair value of the project is US\$42.6 million.

## **DocDoc Pte Ltd. ("DocDoc")**

DocDoc is a Singapore-headquartered online network of over 23,000 doctors, 600 clinics and 100 hospitals serving a wide array of specialties. It uses artificial intelligence, cutting-edge clinical informatics and proprietary data to connect patients to doctors which fit their needs at an affordable price.

As of 30 June 2019, the carrying value of the Convertible Bond was USD\$2.2 million. An annual coupon of 8% (4.0% cash and 4% Payment-in-Kind) was converted to (8% Payment-in-Kind).

# Chairman's Statement

## **CASIL Clearing Limited ("CASIL")**

On 13 February 2019, ADAM announced that it had agreed to issue 6,108,017 ordinary shares of no par value in the capital of ADAM ("Ordinary Shares") to CASIL Clearing Limited ("CASIL"), a subsidiary of China Aerospace International Holdings Ltd in consideration for CASIL:

- (a) waiving a put-option which it held in relation to its shareholding in Future Metal Holdings Limited ("FMH") pursuant to which it had the right to require FMH to buy back the majority of its 6.8% shareholding in FMH (Buy Back Shares); and
- (b) transferring the Buy Back Shares as directed by ADAM.

The number of Ordinary Shares to be issued to CASIL is referable to the original agreed consideration by FMH for the Buy Back Shares of HK\$29,000,000 (around US\$3.7 million) under the put-option.

**John Croft**  
*Chairman*

# Condensed Consolidated Statement of Comprehensive Income

	Note	Six months ended		Year ended
		30 June 2019 Unaudited US\$'000	30 June 2018 Unaudited US\$'000	31 December 2018 Audited US\$'000
Realised gain/(loss) on disposal of investments		–	–	(4)
Fair value changes on financial assets at fair value through profit or loss		571	51	216
Administrative expenses		(1,405)	(1,489)	(3,861)
<b>Operating (loss)/gain</b>		<b>(834)</b>	<b>(1,438)</b>	<b>(3,649)</b>
Net finance income/(expense)		677	1	148
Other income		–	–	–
<b>(Loss)/Profit before taxation</b>		<b>(157)</b>	<b>(1,437)</b>	<b>(3,501)</b>
Taxation	5	–	–	–
<b>(Loss)/Profit for the period</b>		<b>(157)</b>	<b>(1,437)</b>	<b>(3,501)</b>
Total comprehensive (expense)/income for the period		(157)	(1,437)	(3,501)
<b>Profit/(Loss) per share</b>	7			
Basic		<u>(0.18) cents</u>	<u>(1.77) cents</u>	<u>(4.36) cents</u>
Diluted		<u>(0.18) cents</u>	<u>(1.74) cents</u>	<u>(4.36) cents</u>

The results above relate to continuing operations.

# Condensed Consolidated Statement of Financial Position

	Note	30 June 2019 Unaudited US\$'000	30 June 2018 Unaudited US\$'000	31 December 2018 Audited US\$'000
<b>Assets</b>				
Unquoted financial assets at fair value through profit or loss	8	58,119	80,560	55,519
Loans and other receivables	8	33,258	6,556	28,902
Cash and cash equivalents		5,375	9,786	8,828
<b>Total assets</b>		<u>96,752</u>	<u>96,902</u>	<u>93,249</u>
<b>Liabilities</b>				
Other payables and accruals		231	1,896	201
<b>Total liabilities</b>		<u>231</u>	<u>1,896</u>	<u>201</u>
<b>Net assets</b>		<u>96,521</u>	<u>95,006</u>	<u>93,048</u>
<b>Equity and reserves</b>				
Share capital	9	137,684	132,302	134,054
Share based payment reserve		2,555	4,201	2,555
Accumulated losses		(43,718)	(41,497)	(43,561)
<b>Total equity and reserves attributable to owners of the parent</b>		<u>96,521</u>	<u>95,006</u>	<u>93,048</u>

# Condensed Consolidated Statement of Changes in Equity

	Share capital US\$'000	Share based payment reserve US\$'000	Foreign translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Group balance at 1 January 2018	129,543	4,070	-	(40,060)	93,553
Loss for the period	-	-	-	(1,437)	(1,437)
<b>Other comprehensive income</b>					
Total comprehensive expense for the period	-	-	-	(1,437)	(1,437)
Issue of shares	2,759	-	-	-	2,759
Share-based payments	-	131	-	-	131
Group balance at 30 June 2018	132,302	4,201	-	(41,497)	95,006
Loss for the period	-	-	-	(2,064)	(2,064)
<b>Other comprehensive income</b>					
Total comprehensive income for the period	-	-	-	(2,064)	(2,064)
Issue of shares	1,752	-	-	-	1,752
Share-based payments	-	(1,646)	-	-	(1,646)
Group balance at 31 December 2018 and 1 January 2019	134,054	2,555	-	(43,561)	93,048
Loss for the period	-	-	-	(157)	(157)
<b>Other comprehensive income</b>					
Total comprehensive income for the period	-	-	-	(157)	(157)
Issue of shares	3,759	-	-	-	3,759
Share buy backs	(129)	-	-	-	(129)
Group balance at 30 June 2019	137,684	2,555	-	(43,718)	96,521

# Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June 2019 Unaudited US\$'000	30 June 2018 Unaudited US\$'000	Year ended 31 December 2018 Audited US\$'000
<b><i>Cash flow from operating activities</i></b>			
(Loss)/Profit before taxation	(157)	(1,437)	(3,501)
Adjustments for:			
Dividend income	–	–	–
Finance income	(677)	(1)	(148)
Exchange (gain)/loss	–	96	–
Fair value changes on unquoted financial assets at fair value through profit or loss	(571)	(51)	(216)
Realised (loss)/gain on disposal of investment	–	–	4
Share-based expenses	–	131	236
(Increase)/Decrease in other receivables	(3,259)	23	2,981
Increase/(Decrease) in other payables and accruals	34	14	(1,680)
<b>Net cash used in operating activities</b>	<b>(4,630)</b>	<b>(1,225)</b>	<b>(2,324)</b>
<b><i>Cash flow from investing activities</i></b>			
Finance income received	–	1	–
Purchase of unquoted financial assets at fair value through profit and loss	(2,453)	(2,000)	(2,065)
Loans granted	–	(207)	–
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,453)</b>	<b>(2,206)</b>	<b>(2,065)</b>
Issue of Shares	3,759		
Share buy backs	129		
<b>Net cash (used in)/generated from financing activities</b>	<b>3,630</b>	<b>–</b>	<b>–</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents during the period</b>	<b>(3,453)</b>	<b>(3,431)</b>	<b>(4,389)</b>
<b>Cash and cash equivalents and net debt at the beginning of the period</b>	<b>8,828</b>	<b>13,217</b>	<b>13,217</b>
<b>Cash &amp; cash equivalents and net debt at the end of the period</b>	<b>5,375</b>	<b>9,786</b>	<b>8,828</b>

# Notes to the Financial Information

## 1. CORPORATE INFORMATION

The Company is a limited company incorporated in the British Virgin Islands (“BVI”) under the BVI Business Companies Act 2004 on 18 January 2008. The address of the registered office is Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG 1110 and its principal place of business is 19/F., CMA Building, 64 Connaught Road Central, Central, Hong Kong.

The Company is quoted on the AIM Market of the London Stock Exchange (code: ADAM) and the Quotation Board of the Open Market of the Frankfurt Stock Exchange (code: 1CP1).

The principal activity of the Company is investment holding. The Company is principally engaged in investing primarily in unlisted assets in the areas of mining, power generation, health technology, telecommunications, media and technology (“TMT”), and financial services or listed assets driven by corporate events such as mergers and acquisitions, pre-IPO, or re-structuring of state-owned assets.

The condensed consolidated interim financial information was approved for issue on 4 September 2019.

# Notes to the Financial Information

## 2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

## 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost convention, as modified by revaluation of certain financial assets and financial liabilities at fair value through the income statement.

The accounting policies and methods of computation used in the condensed consolidated financial information for the six months ended 30 June 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2018 and are those the Group expects to apply into financial statements for the year ending 31 December 2019. There were no adjustments arising from, nor other impact on the Company’s financial statements as a result of the adoption of IFRS16 ‘Leases’ on 1 January 2019.

The seasonality or cyclicity of operations does not impact on the interim financial information.



# Notes to the Financial Information

## 4. SEGMENT INFORMATION

The operating segment has been determined and reviewed by the Board to be used to make strategic decisions. The Board considers there to be a single business segment, being that of investing activity.

The reportable operating segment derives its revenue primarily from debt investment in several companies and unquoted investments.

The Board assesses the performance of the operating segments based on a measure of adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA"). This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments.

The segment information provided to the Board for the reportable segments for the periods are as follows:

	Six months ended		Year ended
	30 June 2019 US\$'000	30 June 2018 US\$'000	31 December 2018 US\$'000
Realised gain/(loss) on disposal of investments	–	–	(4)
Fair value changes on financial assets at fair value through profit or loss	571	51	216
Financial income	677	1	148
Other income	–	–	–

# Notes to the Financial Information

## 4. SEGMENT INFORMATION (Continued)

The interest income including fair value changes on financial assets at fair value through profit or loss and financial income breakdown as follows:

	Six months ended		Year ended
	30 June	30 June	31 December
	2019	2018	2018
	US\$'000	US\$'000	US\$'000
<b>Unrealized gain/(loss) on unquoted investment</b>			
Investment Interest Income:			
– Future Metal Holdings Limited	300	55	155
– DocDoc Pte. Ltd.	83	47	129
– Infinity Capital Group	188	–	–
<b>Loan Interest Income</b>			
ADAM Interest Income:			
– Fook Lam Moon Holding	677	–	148

## 5. TAXATION

The Company is incorporated in the BVI and is not subject to any income tax.

## 6. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2019 (30 June 2018: Nil).

# Notes to the Financial Information

## 7. PROFIT/(LOSS) PER SHARE

The calculation of the basic and diluted profit/(loss) per share attributable to owners of the Group is based on the following:

		Six months ended		Year ended
		30 June	30 June	31 December
		2019	2018	2018
		US\$'000	US\$'000	US\$'000
			(Restated)	
<b>Numerator</b>				
Basic/Diluted: Net profit/(loss)		(157)	(1,437)	(3,501)
			<b>Number of shares</b>	
		'000	'000	'000
<b>Denominator</b>				
Basic:	Weighted average shares	86,581	81,064	80,228
	Effect of diluted securities:			
	Incentive fee-50% in ordinary shares			
	(Note 11 (iii))	–	1,401	–
Diluted:	Adjusted weighted average shares	86,581	82,465	80,228
<b>Profit/(Loss) per share</b>				
	Basic	(0.18) cents	(1.77) cents	(4.36) cents
	Diluted	(0.18) cents	(1.74) cents	(4.36) cents

For the six months ended 30 June 2019 and 2018, the warrants issued to the Investment Manager are anti-dilutive and therefore there is no impact on the weighted average shares in issue.

## Notes to the Financial Information

### 8. UNQUOTED FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2019 US\$'000	30 June 2018 US\$'000	31 December 2018 US\$'000
At the beginning of the period	55,519	75,639	75,639
Fair value changes through profit and loss	571	51	216
Additions	2,453	4,870	4,825
Asset disposal/swap	(424)	–	(25,161)
At the end of the period	<u>58,119</u>	<u>80,560</u>	<u>55,519</u>

### LOANS AND OTHER RECEIVABLES

	30 June 2019 US\$'000	30 June 2018 US\$'000	31 December 2018 US\$'000
At the beginning of the period	28,902	6,579	6,579
Additions	3,932	–	–
Disposals	–	(23)	(2,838)
Asset disposal/swap	424	–	25,161
At the end of the period	<u>33,258</u>	<u>6,556</u>	<u>28,902</u>

# Notes to the Financial Information

## 9. SHARE CAPITAL

	Number of Shares	Amount US\$'000
Authorised, called-up and fully paid ordinary shares of no par value each at 30 June 2018	81,064,373	132,302
Share issuance – Incentive fee to Investment Manager in November 2018	1,400,832	1,752
Authorised, called-up and fully paid ordinary shares of no par value each at 31 December 2018	82,465,205	134,054
Share issuance – to CASIL in Feb 2019 (ii)	<u>6,108,017</u>	<u>3,695</u>
Share issuance – to a minority shareholder of Future Metal Holdings Limited	<u>159,847</u>	<u>64</u>
Share buybacks between 1 January 2019 to 30 June 2019 (iii)	<u>–</u>	<u>(129)</u>
Authorised, called-up and fully paid ordinary shares of no par value each at 30 June 2019	<u><u>88,733,069</u></u>	<u><u>137,684</u></u>

- (i) Under the BVI corporate laws and regulations, there is no concept of “share premium”, and all proceeds from the sale of no par value equity shares is deemed to be share capital of the Company.
- (ii) On 14 Feb 2019, the Company issued 6,108,017 ordinary shares of no par value in the capital of ADAM (“Ordinary Shares”) to CASIL Clearing Limited (“CASIL”), a subsidiary of China Aerospace International Holdings Ltd in consideration for CASIL After the acquisition, waiving a put-option which it held in relation to its shareholding in Future Metal Holdings Limited (“FMH”) pursuant to which it had the right to require FMH to buy back the majority of its 6.8% shareholding in FMH (Buy Back Shares) and transferring the Buy Back Shares as directed by ADAM.

# Notes to the Financial Information

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1, 2 or 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from inputs that are not based on observable market data.

	As at 30 June 2019 US\$'000	As at 30 June 2018 US\$'000	As at 31 December 2018 US\$'000
<b>Level 3</b>			
Unquoted financial assets at fair value through profit or loss (Note 8)	58,119	80,560	55,519
	<u>58,119</u>	<u>80,560</u>	<u>55,519</u>

There is no transfer between levels in the current period. Carrying values of all financial assets and liabilities are approximate to fair values. The value of level 3 investments has been determined using the yield capitalisation (discounted cash flow) method.

# Notes to the Financial Information

## 11. RELATED PARTY TRANSACTIONS

During the period under review, the Group entered into the following transactions with related parties and connected parties:

	Notes	30 June 2019 US\$'000	30 June 2018 US\$'000	31 December 2018 US\$'000
Remuneration payable to Directors		74	91	180
Amounts due to Directors	(i)			
– John Croft		–	–	–
– Charles Stuart Crocker		–	–	–
– Wong Yiu Kit, Ernest (Resigned on 3 June 2019)		–	–	–
– Hugh Viscount Trenchard		–	2	–
Adamas Global Alternative Investment Management Inc. Management fee		–	–	–
Amount due from Adamas Global Alternative Investment Management Inc.		–	423	–
Harmony Capital Management fee	(ii)	907	834	1,650
Incentive fee		–	–	–
Fair value of warrants issued under the equity compensation scheme for Harmony Capital		2	131	236
Amount due to Harmony Capital		–	1,734	18
Fortune Disposal of interest in Global Pharm		–	–	1,745
Amount due from Fortune		–	3,000	–

- (i) The amounts due thereto are unsecured, interest free and have no fixed term of repayment. There are no other contracts of significance in which any director has or had a material interest during the current period.

# Notes to the Financial Information

## 11. RELATED PARTY TRANSACTIONS (Continued)

- (ii) Harmony Capital has been appointed as the Investment Manager of the Group. The management fee, which was calculated and paid bi-annually in advance calculated at a rate of 0.875% of the net asset value of the Company's portfolio of assets at 30 June and 31 December in each calendar year.

Harmony Capital is entitled to receive an incentive fee from the Company in the event that the audited net asset value for each year is (1) equal to or greater than the audited net asset value for the last year in relation to which an incentive fee became payable ("High Water Mark"); and (2) in excess of 105% of the audited net asset value as at the last calendar year end ("the Hurdle"). Subject to the High Water Mark and Hurdle being exceeded in respect of any calendar year, the incentive fee will be equal to 20% of the difference between the current year end NAV and the previous year end NAV. 50% of incentive fee shall be paid in cash and the remaining 50% of incentive fee shall be paid by ordinary shares.

- (iii) On 25 February 2019 the Company announced the approval of a share buyback programme to repurchase ordinary shares up to an aggregate value of US\$500,000, to commence on 25 February 2019 and due to be completed by the end of 2019 with an ordinary shares purchased under the programme to be held in treasury. Between 25 February 2019 and 30 June 2019 the Company bought back an aggregate of 836,804 ordinary shares at an average price of \$0.12 per ordinary share. All shares subject to the buy back programme are held in treasury.



# Notes to the Financial Information

## 12. EVENTS AFTER THE REPORTING PERIOD

- Hong Kong Mining Holdings Ltd investment restructured and relaunched as Future Metal Holdings Limited
- Production at Future Metal Holdings remains anticipated to restart during H2
- Fortune Insight Limited (“Fortune Insight”): The Company previously reported that it had been led to believe that Fortune Insight would subscribe to a placement of its shares. Given the delay of over a year for this to occur, the Company is now of the view that this transaction is unlikely to complete although it would welcome Fortune Insight’s participation should it manage to raise the funds required.
- DocDoc Pte Ltd closed its institutional capital raise of US\$13.0 million with the round led by ADAM
- On 16 July 2019 the Company purchased 80,000 ordinary shares of no par value in the capital of the Company for an aggregate purchase price of GBP30,400 (the “Shares”) (being a price of GBP0.38 per ordinary share). The shares will be held in treasury.
- ADAM funded the second tranche of its existing investment commitment to Infinity Capital Group Limited

## 13. COPIES OF THE INTERIM REPORT

The interim report is available for download from [www.adamasfinance.com](http://www.adamasfinance.com).



**ADAMAS FINANCE ASIA LIMITED**