

ADAMAS FINANCE ASIA LIMITED
("ADAM" or the "Company")

Receipt of US\$820,000 from Greater China Credit Fund

Adamas Finance Asia Limited is pleased to announce that the Greater China Credit Fund ("GCCF" or the "Fund"), into which it has invested US\$4 million, has returned investment capital of approximately US\$700,000 to the Company as a result of the Fund's exit from Project Media announced on 6 July 2016, and has also paid investment interest of US\$120,000 for Q2 2016.

GCCF was established by ADAM's investment adviser, Adamas Asset Management (HK) Limited ("Adamas"), to provide secured financing for operationally-strong growth companies in China. As such, the Fund addresses the trillion dollar funding gap that exists for SMEs across Greater China, capitalising on the inefficiencies of the "grey banking" finance industry. It uses a mix of debt, convertible instruments and structured or preferred equity to minimise investment risk. It is a closed-end structure targeting a return of 15%-18% net internal rate of return (IRR).

ADAM initially invested US\$1 million into GCCF in August 2013, and followed this with a further US\$3 million in March 2016.

GCCF invested US\$5.2 million in Project Media in January 2015, providing bridging finance to support the development of a media group quoted on the Hong Kong Stock Exchange, with equity in the business provided as collateral backing. As announced by the Company in July 2016, the borrower has now repaid in full both the principal and interest on the loan. With interest received, Project Media yielded a gross IRR of 22.2%.

Including the US\$120,000 interest now paid to ADAM for Q2 2016, the Company has to date received income distributions from GCCF totalling US\$481,000.

Following the additional return of capital from Project Media, the Company remains invested in GCCF in the amount of US\$3.15 million.

ADAM Chairman John Croft said: "Following our recent interim results, this new cash distribution represents another positive step forward for ADAM, and further underscores the long-term potential of our loan-financing and fund investment strategy. It also provides another example of the expertise of the Adamas advisory team in Hong Kong in realising strong returns through structured deals with Chinese growth companies that meet stringent due diligence standards."

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