

# Interim Report 2023



29 September 2023

## JADE ROAD INVESTMENTS LIMITED

("Jade Road Investments", "JADE", the "Company" or the "Group")

### INTERIM CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

Jade Road Investments Limited (AIM: JADE), the London quoted pan-Asian diversified investment vehicle focused on providing shareholders with attractive uncorrelated, risk-adjusted long-term returns, is pleased to announce its interim results for the six months ended 30 June 2023.

#### FINANCIAL HIGHLIGHTS:

- Total income decreased to US\$0.59 million and was derived from interest income as dividend income from investees, as opposed to interest income from Jade's own cash (H1 2022: US\$1.56 million).
- Net loss of \$1.4 million (H1 2022: US\$1.02 million profit).
- Consolidated basic/diluted loss per share of US\$0.75 cents (H1 2022: profit per share US\$0.88 cents).
- Consolidated NAV at 30 June 2023 increased by 3% to US\$15.46 million/GBP 12.69 million (31 December 2022: US\$15.13 million/GBP 12.4 million).
- NAV per share at 30 June 2023 US\$0.05 (GBP 0.04) (31 December 2022: US\$0.13/GBP 0.11).
- Period end cash position of US\$0.1 million (31 December 2022: US\$0.3 million).

#### INVESTMENT AND OPERATIONAL HIGHLIGHTS:

- Future Metal Holdings Limited ("**Future Metal**")
  - Pursuant to its latest Investment Policy, the Company has been actively seeking divestment opportunities for this asset.
  - In August 2023, the Quarry successfully renewed its mining licence for another two years, which extended the validity period to August 2025. As the Quarry's mining zone covers secondary forestland for public welfare and farming land, the mining zone is narrowed down from 2.3 square kilometres to 1.7 square kilometres. However, the mineral reserves of the Quarry have not been negatively impacted.

- As of the release of this interim report, the Company is finalising the share purchase agreement and other transaction documents with the local buyer.
- Meize Energy Industries Holdings Limited ("**Meize**")
  - The Company is seeking a full divestment concerning the remaining Series B preferred shares it holds after the successful completion of the partial divestment in August 2022.
  - As of Q2 2023, as customer contracts were secured, Meize's Xinjiang Plant produced 840 wind turbines and its Inner Mongolia Plant produced 360 wind turbines.
  - Based on Meize's management team's estimation, the total output value of Meize would amount to USD21.0MM by the end of 2023.
- DocDoc Pte Ltd ("**DocDoc**")
  - DocDoc is an asset-light and intellectual property-heavy pan-Asian insurance fintech company.
  - DocDoc's management team aims to generate SGD5MM from gross insurance premiums in Singapore by the end of 2023, which would be first revenues for the business.
- Outlook:
  - Future investments will be made in asset backed income-generating investments as the Company disposes of all of its legacy Asia-based assets and your Board hopes to be able to make further announcements on this in the near future.

## HIGHLIGHTS

### FOR FURTHER INFORMATION, PLEASE CONTACT:

|   |                      |
|---|----------------------|
| <b>Jade Road Investments Limited</b><br>John Croft                                | +44 (0) 778 531 5588 |
| <b>WH Ireland Limited – Nominated Adviser</b><br>James Joyce<br>Andrew de Andrade | +44 (0) 20 7220 1666 |
| <b>Hybridan LLP – Corporate Broker</b><br>Claire Noyce                            | +44 (0) 203 764 2341 |
| <b>Lionsgate Communications – Communications Adviser</b><br>Jonathan Charles      | +44 (0) 779 189 2509 |

### ABOUT JADE ROAD INVESTMENTS

Jade Road Investments Limited is quoted on the AIM Market of the London Stock Exchange and is committed to providing shareholders with attractive uncorrelated, risk-adjusted long-term returns from a combination of realising sustainable capital growth and delivering dividend income.

The Company is focused on asset-backed and revenue-generating investment opportunities which will provide more certainty when predicting future cash flow. This allows the Company to plan an appropriate dividend policy in due course. It is believed that this will allow for the optimal delivery of shareholder value in the form of the payment of a safe, consistent dividend yield at an attractive spread to other yielding options, while growing the underlying capital base of the Company.

The Company's investment manager, Harmony Global Partners Limited ("**Harmony Capital**"), will advise the Board and the Company on the orderly disposal of the legacy portfolios and advise on any proposed new investments to be made in accordance with the Company's new Investment Policy recently approved by shareholders.

Harmony Capital shall, subject to the overall supervision and control of the Board, also undertake general administrative, investor relations, marketing, portfolio management and risk management functions for the Company.

## CHAIRMAN'S STATEMENT

As mentioned in my statement in our 2022 Annual Results, 2023 is a year of ongoing transition for the Company as it moves away from its previous focus on Asia to a more geographically diverse investment strategy characterised by investing in a portfolio of high yielding assets with a low correlation to most markets or major asset classes.

In February of this year, the Company announced the completion of an equity fundraise which was underwritten in its entirety by Heirloom Investment Management LLC ("HIM"). The gross placing amount for this fundraise was \$1,750,000.

In line with its new amended investment strategy, the Company then announced in April that it had invested USD500,000 in Heirloom Investment Fund SPC – Heirloom Fixed Return Fund SP, managed by HIM.

The new fund is geographically diverse with low correlation to most markets or major asset classes, such as equities, fixed income and real estate. Current themes include asset-backed lending, equipment leasing, agriculture (farm business), niche real estate (US single family rental), infrastructure, litigation finance and music royalties.

An important element of transitioning the Company away from its previous Asian focus is to actively seek buyers for its legacy assets. In order to support this, the remuneration fee structure for the Company's Investment Manager Harmony Capital has been changed to comprise of a sharply reduced fixed annual management fee of US\$350k, alongside an incentive fee structure for asset disposals. Incentive fees in this regard are only payable after a minimum value of disposed assets of US\$6m has been reached.

Progress on asset disposals has inevitably been slow, given their common characteristics of being essentially private equity in nature. However, the Investment Management team have been working closely with all our major assets with a view to finding suitable exits, and I am hopeful that announcements on some core asset disposals can be made during this year.

An equity fundraise of \$1,050,000 was also completed in September 2023 with new shares placed at a significant premium to the Company's then share price.

Finally, on behalf of the board, I would like to extend my thanks to all of our shareholders for your continued support.

### The principal assets as of 30 June 2023 are detailed below:

| Principal assets                     | Effective interest % | Instrument type                          | Valuation at 31 December 2022 |               | Cash receipts | Equity investment/ other movement | Fair value adjustment | Provision | Valuation at 30 June 2023 |
|--------------------------------------|----------------------|--|-------------------------------|---------------|---------------|-----------------------------------|-----------------------|-----------|---------------------------|
|                                      |                      |  | US\$ million                  | Credit income |               |                                   |                       |           |                           |
| Future Metal Holdings Limited        | 84.8                 | Structured Equity                        | 5.3                           | 0.3           | -             | -                                 | -                     | (0.3)     | 5.3                       |
| Meize Energy Industrial Holdings Ltd | 6.3                  | Redeemable convertible preference shares | 8.8                           | -             | -             | -                                 | -                     | -         | 8.8                       |
| DocDoc Pte Ltd                       | -                    | Convertible Bond                         | 2.8                           | 0.1           | -             | -                                 | -                     | (0.1)     | 2.8                       |
| Infinity Capital Group               | -                    | Secured Loan Notes                       | 1.4                           | 0.2           | -             | -                                 | -                     | (0.2)     | 1.4                       |
| Heirloom Investments                 | -                    |  | -                             | -             | 0.5           | -                                 | -                     | -         | 0.5                       |
| Project Nicklaus                     | -                    |  | 1.8                           | -             | -             | -                                 | (0.1)                 | -         | 1.7                       |
| Corporate debt                       | -                    |  | (3.9)                         | -             | -             | -                                 | -                     | -         | (3.9)                     |
| Other liabilities                    | -                    |  | (1.4)                         | -             | -             | 0.2                               | -                     | -         | (1.2)                     |
| Cash                                 | -                    |  | 0.3                           | -             | 1.7           | (1.9)                             | -                     | -         | 0.1                       |
| <b>Total Net Asset Value</b>         |                      |  | 15.1                          | 0.6           | 2.2           | (1.7)                             | (0.1)                 | (0.6)     | 15.5                      |

### FUTURE METAL HOLDINGS LIMITED ("FMH")

Our largest asset by value is the dolomite quarry project ("**Quarry**") in China, Future Metal Holdings Limited ("**FMHL**"), which was previously known as Hong Kong Mining Holdings. The Company has an 85% shareholding in FMHL.

JADE has been exploring the option of a partial or full exit of this investment by actively engaging with interested parties on the ground in the Shanxi Province as well as with brokers in Mainland China, Hong Kong and Singapore.

Including loan disbursements provided by the Company to FMHL and its subsidiaries and accrued PIK interest, the estimated fair value of the Company's investment is US\$5.3 million as of 30 June 2023. Due to the potential exit of this investment, in order to be prudent, the company has decided to apply a 100% provision against the income expected from FMHL.

### MEIZE ENERGY INDUSTRIES HOLDINGS LIMITED ("MEIZE")

Swift Wealth Investments Limited, a 100% (2019: 100%) owned subsidiary of the Company incorporated in the British Virgin Islands, held a 7.2% stake in Meize through a redeemable preference share structure.

Meize is a privately owned company that designs and manufactures blades for both onshore and offshore wind turbines.

In June 2022, the Company entered into a share purchase agreement for 112,500 shares of the Series B Preferred Equity in Meize for consideration of USD1.2 million. The transaction price implies a valuation of USD10.0 million for the Company's investment in Meize.

The partial divestment was completed by the end of August 2022. The Company held approximately 6.3% interest in Meize post this divestment.

As of 30 June 2023, the Company's interest in Meize had a fair value of US\$8.8 million based on an implied valuation following the divestment of 112,500 shares.

### 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 specialities. It uses artificial intelligence, cutting-edge clinical informatics, and proprietary data to connect patients to doctors which fit their needs at an affordable price.

DocDoc pivoted its business model to become a "Neo Insurer" and attempts to partner with insurance companies to enhance their policy offerings. DocDoc is working to offer fully-digitised insurance products to consumers or businesses, exclusively through digital channels, with end-to-end digital service delivery. These offerings will include quoting, binding, issuing of policies, documentation, proof of insurance, electronic billing, payment and real time policy management all digitally.

As of 30 June 2023, the carrying value of the Convertible Bond was US\$2.8 million. An annual coupon of 8% (4.0% cash and 4% Payment-in-Kind) was converted to 8% Payment-in-Kind).

In order to be prudent, the company has decided to apply a 100% provision to the income expected from DocDoc.

### INFINITY CAPITAL GROUP LIMITED ("ICG")

Ultimate Prosperity Limited, a 100% owned subsidiary of the Company incorporated in the British Virgin Islands, holds a Secured Loan to ICG.

ICG develops premium residential projects in Hirafu Village, a world-class ski village in Niseko, Japan – one of the most popular winter travel destinations in the world.

As the COVID-19 pandemic continues to impact Japan and the Hokkaido region, ICG has been working closely with the local management to monitor the domestic property market and the local market's response to the pandemic, including construction project planning and potential movements in property prices.

As of 30 June 2023, the carrying value of the Secured Loan was US\$1.4 million. The Company has decided to escalate its efforts to ensure an exit from this position including taking legal action while also pursuing consensual avenues. Due to the planned exit of this investment, in order to be prudent, the company has decided to apply a 100% provision against the income expected from ICG.



**John Croft**  
Chairman

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   |      | Six months ended                        |   | Year ended                                |
|---|------|---|---|---|
|   | Note | 30 June<br>2023<br>Unaudited<br>US\$000 | 30 June<br>2022<br>Unaudited<br>US\$000 | 31 December<br>2022<br>Audited<br>US\$000 |
| Income from unquoted financial assets   |      | 588                                     | 580                                     | 1,174                                     |
| Finance income from loans   |      | –                                       | 679                                     | 1,359                                     |
| Gain on disposal  |      | –                                       | 300                                     | 300                                       |
| <b>Gross portfolio income</b>   | 4    | <b>588</b>                              | 1,559                                   | 2,833                                     |
| Fair value changes on financial assets at fair value through profit or (loss) |      | (101)                                   | 737                                     | (47,409)                                  |
| Investment provisions   | 4    | (588)                                   | (3)                                     | (6,003)                                   |
| <b>Net portfolio income/(loss)</b>  | 4    | <b>(101)</b>                            | 2,293                                   | (50,579)                                  |
| Management fees   | 13   | (376)                                   | (674)                                   | (1,200)                                   |
| Incentive fees  |      | –                                       | –                                       | 158                                       |
| Administrative expenses   |      | (639)                                   | (344)                                   | (763)                                     |
| <b>Operating profit/(loss)</b>  |      | <b>(1,116)</b>                          | 1,275                                   | (52,384)                                  |
| Finance expense   |      | (273)                                   | (259)                                   | (520)                                     |
| <b>Profit/(loss) before taxation</b>  |      | <b>(1,389)</b>                          | 1,016                                   | (52,904)                                  |
| Taxation  | 5    | –                                       | –                                       | –   |
| <b>Profit/(loss) and total comprehensive expense for the period</b>           |      | <b>(1,389)</b>                          | 1,016                                   | (52,904)                                  |
| <b>Earnings per share</b>   | 7    |   |   |   |
| Basic   |      | <b>(0.75) cents</b>                     | 0.88 cents                              | (45.89) cents                             |
| Diluted   |      | <b>(0.75) cents</b>                     | 0.76 cents                              | (45.89) cents                             |

The results above relate to continuing operations.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | Note | 30 June<br>2023<br>Unaudited<br>US\$000 | 30 June<br>2022<br>Unaudited<br>US\$000 | 31 December<br>2022<br>Audited<br>US\$000 |
|---|------|---|---|---|
| <b>Assets</b>   |      |   |   |   |
| Unquoted financial assets at fair value through profit or loss        | 8    | 18,708                                  | 67,344                                  | 18,227                                    |
| Loans and other receivables   | 9    | 1,721                                   | 6,347                                   | 1,769                                     |
| Cash and cash equivalents   |      | 100                                     | 437                                     | 321                                       |
| <b>Total assets</b>   |      | <b>20,529</b>                           | 74,128                                  | 20,317                                    |
| <b>Liabilities</b>  |      |   |   |   |
| Other payables and accruals   |      | 1,209                                   | 1,257                                   | 1,334                                     |
| <b>Current liabilities</b>  |      | <b>1,209</b>                            | 1,257                                   | 1,334                                     |
| Loans & borrowings  | 10   | 3,873                                   | 3,827                                   | 3,859                                     |
| <b>Total liabilities</b>  |      | <b>5,082</b>                            | 5,084                                   | 5,193                                     |
| <b>Net assets</b>   |      | <b>15,447</b>                           | 69,044                                  | 15,124                                    |
| <b>Equity and reserves</b>  |      |   |   |   |
| Share capital   | 11   | 150,615                                 | 148,903                                 | 148,903                                   |
| Treasury share reserve  | 11   | (615)                                   | (615)                                   | (615)                                     |
| Share based payment reserve   |      | 2,936                                   | 2,936                                   | 2,936                                     |
| Accumulated losses  |      | (137,489)                               | (82,180)                                | (136,100)                                 |
| <b>Total equity and reserves attributable to owners of the parent</b> |      | <b>15,447</b>                           | 69,044                                  | 15,124                                    |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|  | <b>Share<br/>capital</b><br>US\$000 | <b>Treasury<br/>share<br/>reserve</b><br>US\$'000 | <b>Share based<br/>payment<br/>reserve</b><br>US\$000 | <b>Accumulated<br/>losses</b><br>US\$000 | <b>Total</b><br>US\$000 |
|--|-------------------------------------|---|---|--|-------------------------|
| Group balance at 1 January 2022                      | 148,903                             | (615)   | 2,936   | (83,196)                                 | 68,028                  |
| Profit for the period                                | –                                   | –   | –   | 1,016                                    | 1,016                   |
| Other comprehensive income                           | –                                   | –   | –   | –  | –                       |
| Total comprehensive income for the period            | –                                   | –   | –   | 1,016                                    | 1,016                   |
| Group balance at 30 June 2022                        | 148,903                             | (615)   | 2,936   | (82,180)                                 | 69,044                  |
| Loss for the period                                  | –                                   | –   | –   | (53,920)                                 | (53,920)                |
| Other comprehensive income                           | –                                   | –   | –   | –  | –                       |
| Total comprehensive income for the period            | –                                   | –   | –   | (53,920)                                 | (53,920)                |
| Group balance at 31 December 2022 and 1 January 2023 | 148,903                             | (615)   | 2,936   | (136,100)                                | 15,124                  |
| Loss and total comprehensive expense for the period  | –                                   | –   | –   | (1,389)                                  | (1,389)                 |
| Total comprehensive income for the period            | –                                   | –   | –   | (1,389)                                  | (1,389)                 |
| Issue of shares net of issue costs                   | 1,712                               | –   | –   | 1,712                                    | (1,389)                 |
| Group balance at 30 June 2023                        | 150,615                             | (615)   | 2,936   | (137,489)                                | 15,447                  |



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|  | Six months ended                        |   | Year ended                                 |
|--|---|---|--|
|  | 30-Jun<br>2023<br>Unaudited<br>US\$'000 | 30-Jun<br>2022<br>Unaudited<br>US\$'000 | 31 December<br>2022<br>Audited<br>US\$'000 |
| <i>Cash flow from operating activities</i>   |   |   |  |
| (Loss)/Profit before taxation  | (1,389)                                 | 1,016                                   | (52,904)                                   |
| Adjustments for:   |   |   |  |
| Finance income   | –                                       | (679)                                   | (1,359)                                    |
| Finance expense  | 273                                     | 259                                     | 520  |
| Exchange loss  | 84                                      | 29                                      | 83   |
| Fair value changes on unquoted financial assets at fair value through profit or loss | 19                                      | (2,043)                                 | 47,074                                     |
| Share-based expenses   | –                                       | –                                       | –  |
| Fair value changes on loans and receivables at fair value through profit or loss     | –                                       | 679                                     | 5,059                                      |
| Realised (gain) on disposal of investments   | –                                       | (300)                                   | (300)                                      |
| Increase/(Decrease) in other receivables   | (35)                                    | (21)                                    | 28   |
| Increase/(Decrease) in other payables and accruals                                   | (127)                                   | 247                                     | 325  |
| <b>Net cash used in operating activities</b>   | <b>(1,175)</b>                          | <b>(812)</b>                            | <b>(1,477)</b>                             |
| <i>Cash flow from investing activities</i>   |   |   |  |
| Sale proceeds of unquoted financial assets at fair value through profit or loss      | –                                       | 400                                     | 1,200                                      |
| Purchase of unquoted financial assets at fair value through profit and loss          | (500)                                   | –                                       | –  |
| <b>Net cash generated from investing activities</b>                                  | <b>(500)</b>                            | <b>400</b>                              | <b>1,200</b>                               |
| Issue of Shares  | 1,712                                   | –                                       | –  |
| Payment of interest on loans and borrowings  | (259)                                   | –                                       | (228)                                      |
| <b>Net cash generated used in financing activities</b>                               | <b>1,453</b>                            | <b>–</b>                                | <b>(228)</b>                               |
| <b>Net (decrease) in cash &amp; cash equivalents during the period</b>               | <b>(222)</b>                            | <b>(412)</b>                            | <b>(505)</b>                               |
| <b>Cash and cash equivalents and net debt at the beginning of the period</b>         | <b>321</b>                              | <b>848</b>                              | <b>848</b>                                 |
| <b>Foreign exchange on cash balances</b>   | <b>1</b>                                | <b>1</b>                                | <b>(22)</b>                                |
| <b>Cash &amp; cash equivalents and net debt at the end of the period</b>             | <b>100</b>                              | <b>437</b>                              | <b>321</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: JADE) 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 29 September 2023.

## 2. BASIS OF PREPARATION

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

## 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost convention, as modified by the 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 2023 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2022 and are those the Group expects to apply into financial statements for the year ending 31 December 2023. There was no impact on the Company’s accounting policies as a result of any new or amended standards which became applicable for the current accounting period.

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

## NOTES TO THE FINANCIAL INFORMATION

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

|  | <b>Six months ended</b> | Year ended |             |
|--|-------------------------|------------|-------------|
|  | <b>30 June</b>          | 30 June    | 31 December |
|  | <b>2023</b>             | 2022       | 2022        |
|  | <b>US\$000</b>          | US\$000    | US\$000     |
| Income on unquoted financial assets  | <b>588</b>              | 580        | 1,174       |
| Financial income on loans & receivables  | –                       | 679        | 1,359       |
| Gain on disposal   | –                       | 300        | 300         |
| <b>Gross portfolio income</b>  | <b>588</b>              | 1,559      | 2,833       |
| Expected credit loss provision   | <b>(588)</b>            | (3)        | (6,003)     |
| Foreign exchange   | <b>(101)</b>            | (84)       | (113)       |
| Equity fair value adjustments  | –                       | 821        | (47,296)    |
| <b>Portfolio income through profit or loss</b>                                     | <b>(101)</b>            | 2,293      | (50,579)    |
| Net assets:  |                         |            |             |
| FMHL   | <b>5,252</b>            | 50,666     | 5,270       |
| Meize  | <b>8,800</b>            | 8,801      | 8,801       |
| Other  | –                       | –          | –           |
| DocDoc   | <b>2,806</b>            | 2,696      | 2,806       |
| ICG  | <b>1,335</b>            | 1,515      | 1,335       |
| Infinity TNP   | –                       | 3,650      | –           |
| Heirloom Investment Fund   | <b>500</b>              | –          | –           |
| Other  | <b>15</b>               | 16         | 15          |
| <b>Unquoted assets at fair value through profit or loss</b>                        | <b>18,708</b>           | 67,344     | 18,227      |
| Loans and other receivables at fair value through the profit or loss (third party) | <b>1,721</b>            | 6,347      | 1,769       |
| Cash   | <b>100</b>              | 437        | 321         |
| Liabilities  | <b>(5,082)</b>          | (5,084)    | (5,193)     |
| <b>Net assets</b>  | <b>15,447</b>           | 69,044     | 15,124      |

The impact of fair value changes on the investments in the portfolio are as follows:

|  | <b>Six months ended</b> |         | Year ended  |
|--|-------------------------|---------|-------------|
|  | <b>30 June</b>          | 30 June | 31 December |
|  | <b>2023</b>             | 2022    | 2022        |
|  | <b>US\$000</b>          | US\$000 | US\$000     |
| Income on unquoted financial assets through profit or loss                         | <b>588</b>              | 580     | 1,174       |
| Equity fair value adjustments:   |                         |         |             |
| – FMHL   | –                       |         | (45,146)    |
| – Meize  | –                       | 1,500   | 1,500       |
| – DocDoc   | –                       | –       | –           |
| – Infinity Capital Group   | –                       | –       | –           |
| – Infinity TNP   | –                       | –       | (3,650)     |
|  | –                       | 1,500   | (47,296)    |
| Realised Gain  | –                       | –       | 300         |
| Expected credit loss provision:  |                         |         |             |
| – ICG  | <b>(112)</b>            | (3)     | (363)       |
| – FMHL   | <b>(300)</b>            | –       | (581)       |
| – DocDco   | <b>(176)</b>            | –       | –           |
| Foreign exchange on unquoted financial assets at fair value through profit or loss | <b>(19)</b>             | (34)    | (8)         |
| Total fair value changes on financial assets at fair value through profit or loss  | <b>(19)</b>             | 2,043   | (46,774)    |

## 5. TAXATION

The Company is incorporated in the BVI and Hong Kong. The Company is not subject to any income tax in the BVI. The Company does not engage in any business activities or generate income in Hong Kong; therefore it is not subject to taxation in Hong Kong.

## 6. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2023 (30 June 2022: Nil).

## 7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Group is based on the following:

|                    |                                  | <b>Six months ended</b> | Year ended |             |
|--------------------|----------------------------------|-------------------------|------------|-------------|
|                    |                                  | <b>30 June</b>          | 30 June    | 31 December |
|                    |                                  | <b>2023</b>             | 2022       | 2022        |
|                    |                                  | <b>US\$000</b>          | US\$000    | US\$000     |
| <b>Numerator</b>   |                                  |                         |            |             |
| Basic/Diluted:     | Net (loss)/profit                | <b>(1,389)</b>          | 1,016      | (52,904)    |
|                    |                                  |                         |            |             |
|                    |                                  | <b>Number of shares</b> |            |             |
|                    |                                  | '000                    | '000       | '000        |
| <b>Denominator</b> |                                  |                         |            |             |
| Basic:             | Weighted average shares          | <b>185,008</b>          | 115,278    | 115,278     |
|                    | Dilutive effect of warrants      | –                       | 17,568     | –           |
| Diluted:           | Adjusted weighted average shares | <b>185,008</b>          | 132,846    | 115,278     |
| Earnings per share |                                  |                         |            |             |
|                    | Basic (cents)                    | <b>(0.75)</b>           | 0.88       | (45.89)     |
|                    | Diluted (cents)                  | <b>(0.75)</b>           | 0.76       | (45.89)     |

For the year ended 31 December 2022 and the period ending 30 June 2023, the warrants issued to the Investment Manager were anti-dilutive and therefore there is no impact on the weighted average shares in issue. 1,002,333 warrants were issued during the current period ending 30 June 2023.

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

|  | <b>30 June</b> | 30 June | 31 December |
|--|----------------|---------|-------------|
|  | <b>2023</b>    | 2022    | 2022        |
|  | <b>US\$000</b> | US\$000 | US\$000     |
| At the beginning of the period                         | <b>18,227</b>  | 66,202  | 66,202      |
| Fair value changes through profit and loss             | <b>569</b>     | 2,045   | (46,131)    |
| Expected credit loss provision through profit and loss | <b>(588)</b>   | (3)     | (944)       |
| Realised gain  | –              | –       | 300         |
| Disposals  | –              | (900)   | (1,200)     |
| Additional investment                                  | <b>500</b>     | –       | –           |
| At the end of the period                               | <b>18,708</b>  | 67,344  | 18,227      |

On 5 April 2023, the Company invested \$500,000 in Heirloom Investment Fund SPC which provides a diversified portfolio of asset backed and/or income producing investments target to deliver a risk-adjusted return over the long term across geographically diverse assets. The investment is expected to provide a fixed yield of 6% per annum, contingent on the performance of the underlying investments.

## 9. LOANS AND OTHER RECEIVABLES AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | <b>30 June<br/>2023<br/>US\$000</b> | 30 June<br>2022<br>US\$000 | 31 December<br>2022<br>US\$000 |
|--|-------------------------------------|----------------------------|--------------------------------|
| At the beginning of the period                         | <b>1,769</b>                        | 5,556                      | 5,556                          |
| Additions – Meize consideration                        | –                                   | 800                        | –                              |
| Fair value changes through profit and loss             | <b>(48)</b>                         | (688)                      | (87)                           |
| Expected credit loss provision through profit and loss | –                                   | –                          | (5,059)                        |
| Finance income on loans                                | –                                   | 679                        | 1,359                          |
| At the end of the period                               | <b>1,721</b>                        | 6,347                      | 1,769                          |

  

|                                    | <b>30 June<br/>2023<br/>US\$000</b> | 30 June<br>2022<br>US\$000 | 31 December<br>2022<br>US\$000 |
|------------------------------------|-------------------------------------|----------------------------|--------------------------------|
| Due in respect of Meize divestment | –                                   | 800                        | –                              |
| Other receivables                  | <b>1,721</b>                        | 5,547                      | 1,769                          |
| Total loans and borrowings         | <b>1,721</b>                        | 6,347                      | 1,769                          |

Loans represent the Convertible Bond issued by Fook Lam Moon Holdings plus accrued interest. The Group has assessed the recoverability of Loans in accordance with its policy, and at year-end 31 December 21 applied a 100% provision against this investment such that the carrying value of the Convertible Bond was US\$0.0m. The circumstances remain unchanged as at 30 June 2023. No bond interest receivable has been recognised during the period.

The breakdown of Loans is as follows:

|   | <b>30 June<br/>2023<br/>US\$000</b> | 30 June<br>2022<br>US\$000 | 31 December<br>2022<br>US\$000 |
|---|-------------------------------------|----------------------------|--------------------------------|
| Loan principal                            | <b>26,500</b>                       | 26,500                     | 26,500                         |
| Accrued PIK interest                      | <b>2,248</b>                        | 1,966                      | 2,248                          |
| Accrued interest payable in cash          | <b>3,070</b>                        | 2,672                      | 3,070                          |
| Fair Value Adjustments – Principal        | <b>(26,500)</b>                     | (26,500)                   | (26,500)                       |
| Fair Value Adjustments – Accrued Interest | <b>(5,318)</b>                      | (4,638)                    | (5,318)                        |
| Net loans receivable                      | –                                   | –                          | –                              |

**10. LOANS AND BORROWINGS**

|                            | <b>30 June<br/>2023<br/>US\$000</b> | 30 June<br>2022<br>US\$000 | 31 December<br>2022<br>US\$000 |
|----------------------------|-------------------------------------|----------------------------|--------------------------------|
| Corporate debt             | <b>3,873</b>                        | 3,827                      | 3,859                          |
| Total loans and borrowings | <b>3,873</b>                        | 3,827                      | 3,859                          |

The movement in loans and borrowings is as follows:

|                               | <b>30 June<br/>2023<br/>US\$000</b> | 30 June<br>2022<br>US\$000 | 31 December<br>2022<br>US\$000 |
|-------------------------------|-------------------------------------|----------------------------|--------------------------------|
| Opening balance               | <b>3,859</b>                        | 3,568                      | 3,568                          |
| Borrowing costs amortised     | –                                   | 31                         | 52                             |
| Interest expense accrued      | <b>273</b>                          | 228                        | 467                            |
| Payment of interest liability | <b>(259)</b>                        | –                          | (228)                          |
| Closing balance               | <b>3,873</b>                        | 3,827                      | 3,859                          |

**11. SHARE CAPITAL**

|  | <b>Number of<br/>Shares</b> | <b>Amount<br/>US\$000</b> |
|--|-----------------------------|---------------------------|
| Issued share capital excluding treasury shares<br>at 31 December 2022  | 115,277,869                 | 148,288                   |
| Shares issues in the period  | 201,996,350                 | 1,712                     |
| Issued share capital excluding treasury shares at 30 June 2023   | 317,274,219                 | 150,000                   |
| Consisting of:   |                             |                           |
| Authorised, called-up and fully paid ordinary shares of no-par value<br>each at 30 June 2023                                   | 319,922,023                 | 150,615                   |
| Authorised, called-up and fully paid ordinary shares of no-par value<br>held as treasury shares by the Company at 30 June 2023 | (2,647,804)                 | (615)                     |

- (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 are deemed to be share capital of the Company.

## 12. FINANCIAL INSTRUMENTS

### Financial assets

|   | <b>As at<br/>30 June<br/>2023<br/>US\$'000</b> | As at<br>30 June<br>2022<br>US\$'000 | As at<br>31 December<br>2022<br>US\$'000 |
|---|--|--------------------------------------|--|
| Unquoted financial assets at fair value     | <b>18,708</b>                                  | 67,344                               | 18,227                                   |
| Other receivables at fair value             | <b>1,659</b>                                   | 6,291                                | 1,738                                    |
| Cash and cash equivalents at amortised cost | <b>100</b>                                     | 437                                  | 321                                      |
| Financial assets                            | <b>20,467</b>                                  | 74,073                               | 20,286                                   |

### Financial liabilities

|   | <b>As at<br/>30 June<br/>2023<br/>US\$'000</b> | As at<br>30 June<br>2022<br>US\$'000 | As at<br>31 December<br>2022<br>US\$'000 |
|---|--|--------------------------------------|--|
| Other payables and accruals at amortised cost | <b>1,209</b>                                   | 1,257                                | 1,334                                    |
| Corporate debt at amortised cost              | <b>3,873</b>                                   | 3,827                                | 3,859                                    |
| Financial liabilities                         | <b>5,082</b>                                   | 5,084                                | 5,193                                    |

The corporate debt reached maturity in October 2022. The Company has not yet realized sufficient funds from its current program of legacy asset disposals to redeem these bonds. In December 2022 the Company agreed an extended maturity of the loan notes issued to 31 December 2023 and an increased interest rate of 15% from December 2022. The interest rate payable on the principal amount of the loan notes will increase to 16% per annum where US\$1.8m or more of the principal amount remains outstanding by 30 June 2023. The interest payment due on 30 June 2023 was not made and the Company agreed with bondholders to increase the interest rate between 1 July 2023 and 14 August 2023 to 18%. As the interest payment was not made by 14 August 2023, the interest rate will continue at 18% until such payment is made.

### 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:

|   | <b>As at<br/>30 June<br/>2023<br/>US\$000</b> | As at<br>30 June<br>2022<br>US\$000 | As at<br>31 December<br>2022<br>US\$000 |
|---|---|-------------------------------------|---|
| <b>Level 3</b>                          |   |                                     |   |
| Unquoted financial assets at fair value | <b>18,708</b>                                 | 67,344                              | 18,227                                  |
| Other receivables at fair value         | <b>1,721</b>                                  | 6,291                               | 1,769                                   |
|   | <b>20,429</b>                                 | 73,635                              | 19,996                                  |



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.

### 13. RELATED PARTY TRANSACTIONS

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

|  | Note | 30 June<br>2023<br>US\$000 | 30 June<br>2022<br>US\$000 | 31 December<br>2022<br>US\$000 |
|--|------|----------------------------|----------------------------|--------------------------------|
| Remuneration payable to Directors              |      | 183                        | 117                        | 260                            |
| Harmony Capital<br>Management fee              | (i)  | 376                        | 674                        | 1,200                          |
| Incentive fee                                  |      | –                          | –                          | (158)                          |
| Amount due to Harmony Capital<br>at period end |      | 910                        | 1,089                      | 1,234                          |

- (i) Harmony Capital has been appointed as the Investment Manager of the Group. In prior years the management fee 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. A new management fee was agreed in April 2023 reducing the annual management fee to \$350,000 per annum and amending the incentive structure to encourage an orderly realization of value from the Company's existing portfolio.

### 14. EVENTS AFTER THE REPORTING PERIOD

On 26 July 2023 agreement was reached with the bondholders to waive rights to accelerate the US\$10,000,000 12.5% fixed secured bond instrument resulting from the non-payment of interest due on Friday 14 July 2023. Interest will accrue on the bonds at an interest rate between 1 July 2023 and 14 August 2023 to 18%. As the interest payment was not made by 14 August 2023, the interest rate will continue at 18% until such payment is made.

### 15. COPIES OF THE INTERIM REPORT

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

