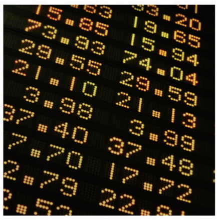
ADAMAS
FINANCE ASIA

ADAMAS FINANCE ASIA LIMITED




2014 ANNUAL REPORT

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Company Information

Directors	Mr. John Croft – *Non-executive Chairman* Mr. Conor MacNamara – *Non-executive Director* Mr. Wong Yiu Kit, Ernest – *Non-executive Director*
Investment Manager	Adamas Global Alternative Investment Management Inc. Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Key Personnel of Investment Manager	Mr. Paul Lincoln Heffner – *Co-founder, Managing Partner and Chief Executive Officer* Mr. Lau Wang Chi, Barry – *Co-founder, Managing Partner and Chief Investment Officer* Mr. Lau Pak Hong – *Partner, Chief Financial Officer and Chief Operating Officer* Mr. Mark Hibbs – *Partner and Chief Investment Officer*
Registered Office	Commence House, Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands VG1110
Company Secretary	Codan Trust Company (B.V.I.) Ltd. Commence House, Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands VG1110
Principal Place of Business	1810, 18/F, Tai Yau Building 181 Johnston Road Wanchai, Hong Kong
Registrars	Computershare Investor Services (BVI) Limited Woodbourne Hall PO Box 3162 Road Town, Tortola British Virgin Islands
Depositary Interest Registrars	Computer Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZY
Registered Agent	Codan Trust Company (B.V.I.) Limited Commence House, Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands VG1110

Nominated Adviser	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Broker	Edmond de Rothschild Securities (UK) Limited (appointed on 1 Apr 2015) 4 Carlton Gardens London SW1Y 5AA
Auditors	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Legal Advisers ***(as to English law)***	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Legal Advisers ***(as to Hong Kong law)***	Pinsent Masons 50th Floor, Central Plaza 18 Harbour Road Hong Kong
Legal Advisers ***(as to BVI law)***	Conyers Dill & Pearman Romasco Place, Wickhams Cay 1 PO Box 3140 Road Town, Tortola British Virgin Islands VG1110
Public Relations Consultants	First City Public Relations (part of the Tavistock Group) (London Office) 8th Floor, 131 Finsbury Pavement London EC2A 1NT (HK Office) 2nd Floor 625 King's Road North Point Hong Kong SAR
Website	www.adamasfinance.com
Stock Code	AIM: ADAM Frankfurt: 1CP1

Chairman's Statement

On behalf of the Directors, I am pleased to present the final results of the Company for the twelve months to 31 December 2014. The year started with a reverse takeover (RTO) which involved a US$87 million asset injection along with fundamental changes to the Company's Investing Policy.

Through the RTO, the Company acquired a portfolio of assets which, together with the existing assets, now comprise a suite of predominantly private equity investments. Also, through the RTO, Adamas Global Alternative Investment Management Inc., an affiliate of Adamas Asset Management (HK) Limited ("Adamas"), was appointed as the Company's investment manager and the Directors and Adamas started working on the disposal of all of the legacy assets, either via redemptions, IPOs or trade sales. As realisations are made, resulting cash will be recycled into income-generating assets in accordance with the Investing Policy. This is a major shift in strategy for the Company, and the Board expects its full realisation to take some time, but overall, it was a year of promising progress towards that objective.

With these changes firmly in mind, I am able to report that while the Company again sustained a pre-tax loss for the year, the loss narrowed sharply from 2013, falling to US$0.5 million, reflecting a net increase in the fair value of portfolio assets, offset by increased operating costs associated with the increase in the scale of the Company's activities. The loss per share narrowed dramatically to US cents 0.34, down from US cents 15.7 for 2013 (Note 21).

Within the portfolio there have been some valuation changes in some of the individual assets which are covered in the Directors' report that follows. In summary, the valuation now attached to Fortel reflects a write down of US$5.8 million offset primarily by a net profit of US$3.1 million on the disposal of our holding in Global Pharm Holdings Group, Inc. and an upward revaluation of our investment in China iEducation of US$2 million. Additionally our listed Malaysian share portfolio showed a book profit of US$1.3 million at the end of the year.

As the Board continues implementing its planned divestment of legacy assets, increasing amounts of cash will become available for re-investment. As an important step towards that goal, following the year end the Company gained approval from shareholders for a change to its Investing Policy, allowing investment to be made into funds such as the Greater China Credit Fund (GCCF) and the BRJ China Credit Fund, both of which have a track record of regular cash distributions.

ADAM is quoted on AIM against a backdrop of deep scepticism over China following a series of market failures and scandals. The Directors believe that the expertise and local knowledge of the Adamas team provides the Company with access to quality financing opportunities in Greater China. As an example and as announced in October 2014, the Company received a 15% dividend distribution from a small investment of US$1 million made a year earlier in Adamas' GCCF. Adamas now has more than US$620 million under management and has shown a consistent track record in providing credit finance for well managed and high-growth SMEs in China. The Adamas team has shown with marked consistency how with proper due diligence, legal safeguards and hands-on participation, it is possible to realise solid, consistent returns from Chinese investments. Adamas funds have, to date, provided finance to 55 SMEs within China. There have been 45 successful exits, and only five delays in repayments of principal or interest. In every one of those five cases, all of the outstanding amounts were subsequently settled in full either ahead of court action or as a result of judicial decisions.

It is this impressive track record of high-yield returns resulting from Adamas's meticulous planning and understanding of the lending environment in China that I believe provides solid ground for confidence in the ADAM strategy. Adamas further strengthened its own team during the course of 2014 with the appointment of two London-based advisers with long and deep experience of the Asian investment market – Andrew Main and Hugh Trenchard. Following the year end, ADAM also announced the appointment as its broker of Edmond de Rothschild Securities (EdR), which has a successful track record of working with Emerging Market Funds. We look forward to working with the team at EdR to improve ADAM's profile amongst the investor community.

Since the Company will have not substantially implemented its Investing Policy within 18 months of the admission of its shares to AIM (admission being 21 February 2014), it will seek the consent of the Shareholders for the Investing Policy to be extended at the annual general meeting of the Company.

In summary, looking back on 2014 I believe that we have established a sound platform on which to deliver the transformation in the underlying portfolio to one that ultimately will be entirely income generating and which will thereby enable us to begin to deliver attractive returns to our shareholders.

John Croft
Chairman of the Board

18 June 2015

Adamas Asset Management and the Private Credit Market in China

The China Banking Regulatory Commission ("CBRC") has continued to emphasise the importance of micro and small enterprises by stating three points of guidance to financial institutions in the first quarter of 2015, being: 1) the growth rate of total loans made to micro and small enterprises should not be less than other types of enterprises; 2) the number of loan accounts maintained by micro and small enterprises should not be less than last year; and 3) the loan application approval rate to micro and small enterprises should not be lower than last year. Although the outstanding loans to micro and small enterprises increased by 14.9% in 2014 and the balance represented 23.9% of all outstanding loans, the supply is still far short of the demand. According to China's Ministry of Industry and Technology, small and medium enterprises ("SMEs") represent 99% of the total number of domestic enterprises, are responsible for 80% of national employment, drive 60% of its GDP and generate more than 50% of national tax revenue. It is estimated that the funding gap not met by traditional financial institutions is over US$3-5 trillion. In 2014, The People's Bank of China began interest rate cuts and reducing the required reserve rate for banks for the first time since 2012 in light of the voracious liquidity shortage.

We have seen the tremendous growth in the demand for non-bank financing (or sometimes referred to as shadow banking) channels in 2014. For example, peer-to-peer lending ("P2P") is an online financing platform that matches any regular internet users (lenders) with borrowers and yields can be over 15%. Many of these P2P lending platforms are, poorly managed, often highly opaque and difficult to due diligence. There were over 900 newly launched P2P lending platforms in 2014, but in the same year 275 platforms were closed down, most of which were due to fraud and capital shortage.

Meanwhile, China continues to progress to a clear recognition of the function and importance of badly needed foreign investment capital. Among other recent advances, in 2014, China State Administration of Foreign Exchange ("SAFE") issued a notice and operating guidelines that simplified the process for Mainland companies to use onshore assets as collateral when raising funds offshore. For example, no registration or approval with SAFE is required for the creation of outward security for offshore lending if certain criteria are met, which used to be a lengthy process that deterred many borrowers and lenders from using this structure. The experiences of Adamas to date have shown that in the arena of cross-border lending, China has made solid progress towards promised legal reform.

Adamas has recognised the opportunity niche in the Chinese corporate lending market and has over the past five and a half years successfully provided growth capital to growing SMEs by structuring collateralised lending loans backed by solid, accessible collateral. Adamas likes to say its investment policy is industry agnostic, but it favours the consumption story attached to an emerging middle class set to grow to over US$500 million within the next decade. Anybody who has travelled to China's major cities will have witnessed first-hand the desire for higher living standards and improved quality of life. Adamas has provided structured debt for several well-run growth companies in the leisure and health sectors, with several successful exits. Deal flow in this sector is plentiful and it will be the continued focus for Adamas in the coming year.

2014 was a remarkable year for Adamas. It was the winner of the "2014 Lender of the Year (Asia-Pacific) Award" by Private Debt Investor, knocking last year's winner KKR Asset Management off the top spot. Since the first close of the Adamas managed Greater China Credit Fund ("GCCF") in 2013, GCCF exited two deals in 2014 and it has made net cash distribution of 15-16% to its investors.

Adamas has also signed an agreement in February 2015 with Ping An Group, one of the most respected Chinese private financial institutions with over RMB3 trillion in assets under management, to co-manage a US$500 million lending vehicle. The typical loan will range from US$30 million to US$150 million, over 12 to 36 months and is planned to generate gross internal rates of return of 15-18% over the life of the fund.

We expect the demand for non-bank financing to remain strong in 2015 despite the Chinese government's monetary easing policies. There is still huge room for Adamas to grow as we provide SMEs with higher flexibility than traditional banks in China while offering professional due diligence, deal structuring, and collateral assessment to safeguard our investors' capital. On top of bringing growth capital to solid enterprises, Adamas also actively monitors and assists borrowers' business by leveraging our global network and knowledge of the capital markets instead of remaining as a passive lender. We emphasise the importance of both pre-closing investment process and post-funding proactive asset and risk management at asset level, portfolio level and operational level. Adamas seeks for its capital to generate more than monetary return to our investors, but also create sustainable value to the investee and society as a whole.

Biographies of Directors and Senior Management

Board of Directors

Mr. John Croft *(aged 62), Non-executive Chairman*
Mr. Croft is an experienced director of AIM-quoted companies and has previously worked in executive and non-executive capacities with a number of fast growth companies in the technology and financial services sectors. He is also currently Non-Executive Chairman of Fusionex International PLC (AIM: FXI) and a Non-Executive Director of Goal Group Limited, a leading class action service provider and tax reclamation services specialist. He previously held senior director level positions in Racal Electronics and NCR Corporation, following an early career in banking with HSBC and Grindlays Bank.

Mr. Conor MacNamara *(aged 49), Non-executive Director*
Mr. MacNamara is an experienced investment banker with significant experience in asset management and structuring alternative investment products throughout Asia. He has spent over 25 years in the Japanese and Asian markets, holding senior positions at a number of institutions including been Partner at Adamas Asset Management, Executive Director and Asia Co-Head of Structured Credit & Alternatives at ABN AMRO, RBS Global Banking, Gen Re Securities and RBC Dominion Securities. He has a Bachelor of Commerce degree (B.Comm, Hons) and a Masters of Business Studies degree (MBS, Hons) from University College Dublin (UCD) in Ireland.

Mr. Wong Yiu Kit, Ernest *(aged 47), Non-executive Director*
Mr. Wong has over 20 years of experience in venture capital, corporate finance, business development, legal, IT, financial and general management. He has worked for the Hong Kong Applied Science and Technology Research Institute Company Limited, Vertex Management, Guangdong Investment Ltd, Transpac Capital and Andersen Consulting. He has a BBA (University of Hong Kong) and a MSc in investment management (University of Science & Technology, Hong Kong) and a MSc in Electronic Engineering (Chinese University of Hong Kong). Mr. Wong's professional qualifications include: FCCA, FCPA, CFA, ACA and MHKSI.

Key Personnel of Investment Manager, Adamas Global Alternative Investment Management Inc. ("Adamas Asset Management")

Mr. Paul Lincoln Heffner
Mr. Heffner has extensive experience in asset management, investments, and entrepreneurial ventures. He is a co-founder, Managing Partner and Chief Executive Officer of Adamas Asset Management. Prior to forming Adamas Asset Management, Mr. Heffner was a Partner and Chief Investment Officer of Ajia Partners and the founder of its fund of funds business. He was also a Managing Director for a major family office in Hong Kong responsible for all technology, media and communication investments, including hedge funds, private equity funds and direct investments. Mr. Heffner was previously an Associate Director with Morgan Stanley Private Wealth Management in Hong Kong and New York and has 20 years of investment experience in Hong Kong. He obtained an MBA from Columbia Business School and graduated with Honours in Asia Studies from Trinity College in Hartford, Connecticut. Mr. Heffner also serves as a Non-Executive Director of New Times Energy Corporation Limited (166.HK).

Mr. Lau Wang Chi, Barry
Mr. Lau is a co-founder, Managing Partner and Chief Investment Officer of Adamas Asset Management. Prior to the founding of Adamas Asset Management, he was Head of Fund Derivatives Asia at BNP Paribas focused on structured collateralised lending on hedge fund assets. The portfolio of collateralised loans he originated, executed and managed was around US$1 billion. Prior to BNP Paribas, he was Head of Fund Derivatives Asia at ABN AMRO focused on writing dynamic guarantees by structuring derivative instruments on hedge funds. He was formerly a lawyer at Clifford Chance LLP, London, focused on private equity and hedge fund establishments and investments. Mr. Lau obtained a law degree from University College London.

Mr. Lau Pak Hong

Mr. Lau is a Partner, Chief Financial Officer and Chief Operating Officer of Adamas Asset Management. Prior to joining Adamas Asset Management, Mr. Lau was the Operations Director for Samena Capital and Vision Investment Management. He was in charge of the operational due diligence on hedge fund managers before investment. He was previously the Chief Operations Officer for TPG-Axon Capital (HK) Limited, the Hong Kong office of the U.S.-based hedge fund manager. His primary responsibility was to set up the Hong Kong operation and assumed responsibility for setting up the operational and IT infrastructure and was the principal architect in formulating compliance policies and risk management systems. From 2002 to 2004, Mr. Lau was a tax consultant in Deloitte & Touche's Financial Services Tax Practice in New York. His clients included multi-billion dollar, U.S.-based hedge funds and private equity funds. He had also spent seven years as Head of Operations and Finance for two Hong Kong-based alternative investment managers. Mr. Lau has an MBA and Master of Science in Taxation from Fordham University in New York.

Mr. Mark Hibbs

Mr. Hibbs is a Partner, Chief Investment Officer (Asset Allocation Group) of Adamas Asset Management. Prior to joining Adamas Asset Management, Mr. Hibbs was a Managing Director at Ajia Partners Fund of Funds Group, responsible for the portfolio management of the Ajia Partners Japan Opportunity Fund (now known as Adamas Japan Opportunity Fund) and also for manager research for the Ajia Partners Asian Opportunity Fund's Japan focused sub-portfolio. Prior to joining Ajia Partners Fund of Funds Group, Mr. Hibbs was a Managing Director of the PFC Financial Intermediaries Group (PFC) for Ajia Partners, responsible for all aspects involved in bringing Japan-focused hedge fund startups to market and overseeing the execution process upon launch completion. Prior to joining Ajia Partners, Mr. Hibbs was a country director for Towry Law (Henderson Group) in Japan with responsibility for the firm's Institutional Business working with and advising local broker partners to structure and market alternative investment strategies and hedge fund linked notes. Mr. Hibbs studied B.Eng (Hons) Mechanical Engineering in Kingston University (Surrey). He is fluent in Japanese and has been working in Japan for both the Private and Public Sectors since 1991. Mr. Hibbs is a regular speaker at Japanese Hedge Fund and Alternative Investor conferences in Japan in addition to being the main panel organizer for Japan Hedge Fund Strategy discussions. Mr. Hibbs currently resides in Hong Kong.

Directors' Report

The board ("the Board") of directors ("the Directors") are pleased to present their report on the affairs of the Company and its subsidiaries (collectively referred to as "the Group"), together with the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company was incorporated with limited liability under the laws of the British Virgin Islands ("BVI"). The Company's shares were admitted to the AIM Market ("AIM") of the London Stock Exchange on 19 October 2009 and on the Quotation Board of the Open Market of the Frankfurt Stock Exchange on 6 December 2012. Formerly known as China Private Equity Investment Holdings Limited, the Company changed its name to Adamas Finance Asia Limited on 18 February 2014 immediately following a reverse takeover (RTO). During the course of 2014, the Group began implementing a key strategic shift of focus, planning to dispose of its entire asset portfolio to realise cash for investment in revenue-generating assets.

RESULTS AND DIVIDENDS

The loss on ordinary activities of the Group for the year ended 31 December 2014 after taxation was US$545,000 (2013 restated: loss US$1.7 million).

The Directors are not recommending the payment of a dividend for the year.

REVIEW OF THE BUSINESS

The Group's audited total comprehensive expense for the year ended 31 December 2014 amounted US$589,000 (2013 restated expense: US$1,728,000), largely as a result of the cost of the asset injection arising from the RTO. The Group's audited net asset value as at 31 December 2014 stood at US$118.9 million (2013 restated: US$25.5 million) equivalent to US$0.62 per share (2013 restated: US$0.20).

The narrowed loss for the year largely reflected a net increase in fair value on financial assets of US$2.0 million. Administrative expenses rose to US$3.3 million (2013 restated: US$1.7 million). The main reason for this increase was the costs associated with the RTO which totalled US$1.1 million. Net finance and dividend income rose to US$629,000 (2013 restated: US$202,000). Measured over the course of the year, separately from the value increases achieved directly as a result of the RTO asset injections, the Company's asset portfolio showed an increase in fair value of US$1.9 million (2013 restated: US$0.9 million decrease). The improvement reflects a number of valuation adjustments for portfolio assets which are detailed below along with a brief update on progress for each:

1. Fortel Technology Holdings Limited ("Fortel"). Fortel has been trading satisfactorily with year on year revenue and profit increases in the last two years. The company is having audits for the last three years completed in advance of seeking a listing on Hong Kong's junior market. The Directors of ADAM commissioned an independent valuation of Fortel and have decided to take a cautious view in the light of the uncertainties over the timing and achievable valuation at IPO and have therefore recommended a write down in value equivalent to US$5.8 million.

2. China iEducation Holdings Limited ("China iEducation"). China iEducation, develops and distributes digital education content to elementary and middle schools in China, and is projecting continued growth in its business. An independent valuation was commissioned at the year end and based on the revised numbers the Directors have agreed to an increase in the book valuation of US$2.0 million.

3. Changtai Jinhongbang Real Estate Development Co. Limited ("CJRE"). CJRE is a luxury resort and residential development project in Fujian Province, Eastern China. CJRE is making good progress with the sale of luxury villas, and a highway linking the resort directly with the regional centre of Xiamen has now been opened. Adamas is actively seeking potential buyers for the holding in this project.

4. Hong Kong Mining Holdings Limited ("HKMH"). HKMH is a resources company whose primary asset is a large dolomite magnesium limestone mine in the province of Shanxi, China. HKMH is currently preparing for a Hong Kong Main Board IPO. Since year end ADAM has agreed to extend its put option in return for being issued with 90,000 additional shares taking its holding from 5.68% to 10.95% in advance of the IPO.

5. Meize Energy Industries Holding Limited ("Meize"). Meize is a wind turbine manufacturer based in Beijing with operations in Inner Mongolia and Ningxiain which enjoyed a very successful 2014 and carried a strong order book into 2015. Revenues achieved in 2014 were approximately six times those generated in 2013. Adamas is actively seeking buyers for the stake in this business.

6. Global Pharm Holdings Group, Inc ("Global Pharm"). Global Pharm is involved in the production and distribution of pharmaceuticals, Traditional Chinese Medicines and ginseng. Just before the year end, the Company announced an agreement to dispose of its interest in Global Pharm for US$25 million. A gain of US$3.1 million was booked for the year on the disposal. Although the initial payment in settlement was received on time, subsequent payments that were scheduled have not been received on time. However, Adamas is in discussions with the purchaser and they are committed to repaying the facility along with penalties for late payment. Two further payments of US$750,000 each were received in May and June, and we are anticipating receiving additional payments in due course. Security in the form of pledged shares has also been provided.

7. Malaysian Listed Securities ("Malaysian"). At year end, the book value of the portfolio of Malaysian listed securities showed an increase of US$ 1.3 million.

EVENTS AFTER THE REPORTING PERIOD

The events after the reporting period are set out in Note 23 of the financial statements.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served during the year and up to the date of this report were as follows:

Mr. John Croft *(re-designated from Executive Director to Non-executive Director on 18 February 2014)*
Mr. Wong Yiu Kit, Ernest *(re-designated from Executive Director to Non-executive Director on 18 February 2014)*
Mr. Conor MacNamara

The Director retiring by rotation is Mr. John Croft, who, being eligible, offers himself for re-election at the Company's forthcoming annual general meeting. Mr. Conor MacNamara is subject to re-appointment, being eligible, offers himself for re-appointment at the annual general meeting.

With the exception of the related party transactions stated in Note 20 to the Financial Statements, there were no other significant contracts, other than Executive Directors' contracts of service, in which any Director had a material interest. The Directors who held office as at 31 December 2014 had no beneficial interests in any of the shares of the Company and Group companies other than as follows:

	Number of ordinary shares of no par value as at 31 December			
	2014		2013	
	Direct	Indirect	Direct	Indirect
Mr. John Croft	**10,294**	**26,833**	7,059	18,400

SUBSTANTIAL SHAREHOLDINGS IN THE COMPANY

As far as the Company is aware, the following persons are interested in 3% or more of the issued share capital of the Company:

Shareholder	**Number of Ordinary shares**	**Percentage of Issued share capital**
Elypsis Solutions Limited	162,609,374	84.71%

The percentage of shares not in public hands (as defined in the AIM Rules for Companies) is 84.98%.

The Directors have not been made aware of any other beneficial shareholdings of 3% or more of the issued share capital of the Company as of the date of this report.

FINANCIAL INSTRUMENTS

The Group's use of financial instruments is described in Note 10 and Note 18.

FINANCIAL RISK MANAGEMENT OBJECTIVES

Management has adopted certain policies on financial risk management with the objective of ensuring that appropriate funding strategies are adopted to meet the Group's short-term and long-term funding requirements, taking into consideration the cost of funding, gearing levels and cash flow projections. The policies are also set to ensure that appropriate strategies are adopted to manage related interest and currency risk funding; and to ensure that credit risks on receivables are properly managed. In addition, Note 18 to the financial statements include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk, interest rate risk, liquidity risk, price risk and currency risk.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Group seeks to maintain good terms with all of its trading partners. In particular, it is the Group's policy to agree appropriate terms and conditions for its transactions with suppliers and, provided the supplier has complied with its obligations, to abide by the terms of payment agreed.

SHARE CAPITAL

The Company has a single class of shares which is divided into ordinary shares of no par value.

At 31 December 2014, the number of ordinary shares in issue was 191,942,420. Details of movements in the issued share capital during the year are set out in Note 17 to the financial statements.

DIRECTORS' INDEMNITY

The Company's Articles of Association provide, subject to the provisions of BVI legislation, an indemnity for Directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Directors.

EMPLOYEE INFORMATION

As at 31 December 2014, the Group had nil (2013: 6) employees excluding Directors. In 2013, the group had 6 employees through its wholly owned subsidiary and was disposed in the year of 2014.

CHARITABLE DONATIONS

The Group has not made any charitable donation during the year (2013: Nil).

ANNUAL GENERAL MEETING

The Company's forthcoming annual general meeting ("Annual General Meeting") will be held on Friday, 24 July 2015 at 5:00 p.m. (Hong Kong time) at 1810, 18/F, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong. The notice of the Annual General Meeting is enclosed with the financial statements.

GOING CONCERN

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

A resolution to re-appoint Crowe Clark Whitehill LLP as the Company's auditors will be proposed at the Annual General Meeting.

On behalf of the Board

John Croft
Non-executive Chairman

18 June 2015

Corporate Governance Statement

THE BOARD

The Board is committed to raising the standard of corporate governance within the Group in order to enhance the transparency in disclosure of material information. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

COMPOSITION OF THE BOARD

The composition of the Board as at the date of this report is as follows:

Mr. John Croft *(Chair of the Senior Management)*
Mr. Conor MacNamara *(Senior Management)*
Mr. Wong Yiu Kit, Ernest *(Senior Management)*

The Board meets regularly throughout the year. The Board reviews financial performance, regulatory compliance and will consider any matters of significance to the Group including corporate activity.

INTERNAL CONTROL

The Board is responsible for overseeing the Group's system of internal controls. To facilitate the effectiveness and efficiency of operations and to ensure compliance with relevant laws and regulations, the Group has sound internal control systems which are also indispensable for mitigating the Group's risk exposure. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives.

The Group is committed to identifying, monitoring and managing risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with proper approval process, a sound cash management system and periodic review of the Group's performance by the audit committee and the Board.

AUDIT COMMITTEE

The audit committee comprised Mr. John Croft (Chair) and Mr. Wong Yiu Kit, Ernest as well as Mr. Conor MacNamara throughout the year under review. The audit committee, inter alia, determines and examines matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditor and, in consultation with the auditor, the scope of the audit. It receives and reviews reports from management and the Group's auditor relating to the half year and annual accounts and the accounting and the internal control systems in use throughout the Group, in addition to ensuring that the Group complies with the AIM Rules for companies. The audit committee met twice during the year and will meet at least twice a year in the future.

REMUNERATION COMMITTEE

The remuneration committee comprised Mr. John Croft (Chair) and Mr. Ernest Wong and as well as Mr. Conor MacNamara (since he was appointed after RTO) throughout the year under review. It reviews the performance of the executive Directors and determines their remuneration and the basis of their service agreements with due regard to the interests of the shareholders. The remuneration committee also determines the payment of any bonuses to Directors and any grant of options to Directors and employees, under any share option scheme adopted by the Group.

The remuneration committee reviews and makes recommendations in respect of the Directors' remuneration and benefits packages, including staff incentivisation and the terms of their appointment. The remuneration committee also makes recommendations to the Board concerning the allocation of incentivisation payments to employees and the grant of options to Directors and employees.

INVESTMENT COMMITTEE

The investment committee comprised Mr. John Croft (Chair), and Mr. Wong Yiu Kit, Ernest (since he was appointed after RTO) as well as Mr. Conor MacNamara (since he was appointed after RTO) throughout the year under review. The investment committee decides whether or not to proceed with any investment opportunity. It is also responsible for reviewing existing investments and deciding on divestment issues. The investment committee also needs to approve any investment in a company where any Director is already interested, subject to provisions of the AIM Rules for Companies and applicable law and regulations.

RELATIONS WITH SHAREHOLDERS

The Group values the views of its shareholders and recognises their interest in the Group's strategy and performance. The shareholders are encouraged to participate in annual general meetings where the Board will present a review of the results and comments on current business activities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements for each financial period. These non-statutory financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and are presented in accordance with AIM requirements. The financial statements are required by IFRSs to present fairly the financial position and performance of the Company and the Group. In preparing these financial statements the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements prepared by the Company comply with the requirements of applicable law and regulations. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

Independent Auditor's Report to the Members of Adamas Finance Asia Limited

We have audited the non-statutory financial statements of Adamas Finance Asia Limited for the year ended 31 December 2014, which comprise the consolidated and parent company statements of financial position, the consolidated and parent company statements of comprehensive income, the consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for the year then ended, and related notes. These financial statements have been prepared under the group's accounting policies set out therein.

The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This report is made solely to the company's members as a body. 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 auditor's report and for no other purpose. To the fullest extent permitted by English law, we do not accept or assume responsibility to anyone other than 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information, which comprise the Directors' Report to identify any information that is apparently incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our audit.

OPINION

In our opinion:

- the non-statutory financial statements give a true and fair view of the state of the consolidated and parent company's affairs as at 31 December 2014, and of their results for the year then ended; and

- the non-statutory financial statements have been properly prepared in accordance with IFRS.

Crowe Clark Whitehill LLP
Registered Auditor

18 June 2015

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 US$'000	2013 (Restated) US$'000
Realised gain on disposal of investments		**238**	548
Fair value changes on financial assets at fair value through profit or loss	3	**1,889**	(870)
Administrative expenses		**(3,330)**	(1,738)
Operating loss	5	**(1,203)**	(2,060)
Finance income	6	**424**	223
Finance expense		**(119)**	(21)
Dividend income		**324**	–
Other income		**29**	137
Loss before taxation		**(545)**	(1,721)
Taxation	8	**–**	–
Loss for the year		**(545)**	(1,721)
Other comprehensive expense:			
Items that will or may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(44)**	(7)
Total comprehensive expense for the year		**(589)**	(1,728)
Loss per share			
Basic	21	**0.34 cents**	15.7 cents
Diluted	21	**0.34 cents**	15.7 cents

The results reflected above relate to continuing operations.

The accompanying notes on pages 23 to 52 are an integral part of these financial statements.

Company Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 US$'000	2013 (Restated) US$'000
Realised gain on disposal of investments		**–**	548
Fair value changes on financial assets at fair value through profit or loss	3	**1,965**	(946)
Administrative expenses		**(7,584)**	(736)
Operating loss	5	**(5,619)**	(1,134)
Finance income	6	**424**	223
Finance expense		**(119)**	–
Dividend income		**324**	–
Other income		**3**	–
Loss before taxation		**(4,987)**	(911)
Taxation	8	**–**	–
Loss for the year		**(4,987)**	(911)
Other comprehensive expense:			
Items that will or may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(34)**	(7)
Total comprehensive expense for the year		**(5,021)**	(918)

The results reflected above relate to continuing operations.

The accompanying notes on pages 23 to 52 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	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 2013 (Restated)	31,572	2	51	(8,451)	23,174
Loss for the year	–	–	–	(1,721)	(1,721)
Other comprehensive income					
Exchange differences arising on translation of foreign operations	–	–	(7)	–	(7)
Total comprehensive expense for the year	–	–	(7)	(1,721)	(1,728)
Issue of shares	4,000	–	–	–	4,000
Issue of options	–	29	–	–	29
Group balance at 31 December 2013 and 1 January 2014 (Restated)	35,572	31	44	(10,172)	25,475
Loss for the year	–	–	–	(545)	(545)
Other comprehensive income					
Exchange differences arising on translation of foreign operations	–	–	(44)	–	(44)
Total comprehensive expense for the year	–	–	(44)	(545)	(589)
Issue of shares	93,956	–	–	–	93,956
Share-based payments	–	11	–	–	11
Group balance at 31 December 2014	129,528	42	–	(10,717)	118,853

Company Statement of Changes in Equity

For the year ended 31 December 2014

	Share capital US$'000	Share based payment reserve US$'000	Foreign translation reserve US$'000	Accumulated losses US$'000	Total US$'000
Company balance at 1 January 2013 (Restated)	31,572	2	41	(4,674)	26,941
Loss for the year	–	–	–	(911)	(911)
Other comprehensive income					
Exchange differences arising on translation of foreign operations	–	–	(7)	–	(7)
Total comprehensive expense for the year	–	–	(7)	(911)	(918)
Issue of shares	4,000	–	–	–	4,000
Issue of options	–	29	–	–	29
Company balance at 31 December 2013 and 1 January 2014 (Restated)	35,572	31	34	(5,585)	30,052
Loss for the year	–	–	–	(4,987)	(4,987)
Other comprehensive income					
Exchange differences arising on translation of foreign operations	–	–	(34)	–	(34)
Total comprehensive expense for the year	–	–	(34)	(4,987)	(5,021)
Issue of shares	93,956	–	–	–	93,956
Share-based payments	–	11	–	–	11
Company balance at 31 December 2014	129,528	42	–	(10,572)	118,998

The following describes the nature and purpose of each reserve within owners' equity.

Share capital	Amount subscribed for share capital at no par value
Share based payment reserve	The share based payment reserve represents amounts in previous and the current periods, relating to share based payment transactions granted as options and under the Group's share option scheme (Note 19).
Foreign translation reserve	Foreign translation reserve comprises foreign exchange differences arising from the translation of the financial statements of the Company and its subsidiaries
Retained earnings/ (accumulated losses)	Represents the cumulative net gains and losses recognised in the income statement

The accompanying notes on pages 23 to 52 are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2014

	Notes	2014 US$'000	2013 (Restated) US$'000	2012 (Restated) US$'000
Assets				
Leasehold improvements, fixtures, fittings and equipment	9.1	**–**	75	7
Unquoted financial assets at fair value through profit or loss	10	**117,576**	22,637	20,133
Quoted financial assets at fair value through profit or loss	13	**–**	684	–
Loans and other receivables	12.1	**3,380**	1,864	3,023
Cash and cash equivalents		**492**	1,024	489
Total assets		**121,448**	26,284	23,652
Liabilities				
Loan payables and interest payables	14.1	**2,411**	–	–
Other payables and accruals	15.1	**184**	809	478
Total liabilities		**2,595**	809	478
Net assets		**118,853**	25,475	23,174
Equity and reserves				
Share capital	17	**129,528**	35,572	31,572
Share based payment reserve		**42**	31	2
Foreign translation reserve		**–**	44	51
Accumulated losses		**(10,717)**	(10,172)	(8,451)
Total equity and reserves attributable to owners of the parent		**118,853**	25,475	23,174

The financial statements were approved by the Board of Directors and authorised for issue on 18 June 2015 and signed on its behalf by:

John Croft
Director

The accompanying notes on pages 23 to 52 are an integral part of these financial statements.

Company Statement of Financial Position

As at 31 December 2014

	Notes	2014 US$'000	2013 (Restated) US$'000	2012 (Restated) US$'000
Assets				
Leasehold improvements, fixtures, fittings and equipment	9.2	**–**	3	4
Investment in subsidiaries	11	**–**	1	1
Unquoted financial assets at fair value through profit or loss	10	**117,576**	22,637	20,133
Loans and other receivables	12.2	**3,380**	1,775	3,008
Amount due from subsidiaries	11	**64**	5,097	3,729
Cash and cash equivalents		**482**	984	194
Total assets		**121,502**	30,497	27,069
Liabilities				
Loan payables and interest payables	14.2	**2,411**	–	–
Other payables and accruals	15.2	**93**	445	128
Total liabilities		**2,504**	445	128
Net assets		**118,998**	30,052	26,941
Equity and reserves				
Share capital	17	**129,528**	35,572	31,572
Share based payment reserve		**42**	31	2
Foreign translation reserve		**–**	34	41
Accumulated losses		**(10,572)**	(5,585)	(4,674)
Total equity and reserves		**118,998**	30,052	26,941

The financial statements were approved by the Board of Directors and authorised for issue on 18 June 2015 and signed on its behalf by:

John Croft
Director

The accompanying notes on pages 23 to 52 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2014

	2014 US$'000	2013 (Restated) US$'000
Cash flows from operating activities		
Loss before taxation	**(545)**	(1,721)
Adjustments for:		
Depreciation	**19**	58
Dividend income	**(324)**	–
Finance income	**(424)**	(223)
Finance expense	**119**	–
Loss on fixed asset disposal	**56**	–
Fair value changes on unquoted financial assets at fair value through profit or loss	**(1,965)**	946
Fair value changes on quoted financial assets at fair value through profit or loss	**76**	(76)
Realised gain on disposal of investments	**(238)**	(548)
Share-based expenses	**11**	29
Decrease in other receivables	**38**	82
(Decrease)/increase in other payables and accruals	**(625)**	331
Net cash used in operating activities	**(3,802)**	(1,122)
Cash flows from investing activities		
Acquisition of leasehold improvements, fixtures, fittings and equipment	**–**	(126)
Finance income received	**–**	223
Finance expense paid	**(108)**	–
Dividend income received	**275**	–
Sale proceeds of quoted financial assets at fair value through profit or loss	**846**	92
Purchase of quoted financial assets at fair value through profit or loss	**–**	(701)
Sale proceeds of unquoted financial assets at fair value through profit or loss	**–**	1,548
Purchase of unquoted financial assets at fair value through profit or loss	**(4,436)**	(4,450)
Loans granted	**(2,938)**	(3,564)
Proceeds from repayment of loan granted	**–**	4,639
Net cash used in investing activities	**(6,361)**	(2,339)
Cash flows from financing activities		
Loans borrowed	**2,400**	–
Net proceeds from issue of shares	**7,231**	4,000
Net cash generated from financing activities	**9,631**	4,000
Net (decrease)/increase in cash and cash equivalents	**(532)**	539
Cash and cash equivalent at the beginning of the year	**1,024**	489
Effect of foreign exchange	**–**	(4)
Cash and cash equivalent at the end of the year	**492**	1,024

The accompanying notes on pages 23 to 52 are an integral part of these financial statements.

Company Cash Flow Statement

For the year ended 31 December 2014

	2014 US$'000	2013 (Restated) US$'000
Cash flows from operating activities		
Loss before taxation	**(4,987)**	(911)
Adjustments for:		
Depreciation	**–**	1
Dividend income	**(324)**	–
Finance income	**(424)**	(223)
Finance expense	**119**	–
Loss on fixed asset disposal	**3**	–
Fair value changes on unquoted financial assets at fair value through profit or loss	**(1,965)**	946
Share-based expenses	**11**	29
Decrease/(increase) in amount due from subsidiaries	**5,033**	(1,370)
Loss on subsidiary disposal	**1**	–
(Increase)/decrease in other receivables	**(50)**	154
(Decrease)/increase in other payables and accruals	**(353)**	316
Net cash used in operating activities	**(2,936)**	(1,058)
Cash flows from investing activities		
Finance income received	**–**	223
Finance expense paid	**(108)**	–
Dividend income received	**275**	–
Sale proceeds from of unquoted financial assets at fair value through profit or loss	**–**	1,000
Purchase of unquoted financial assets at fair value through profit or loss	**(4,426)**	(4,450)
Loans granted	**(2,938)**	(3,564)
Proceeds from repayment of loan granted	**–**	4,639
Net cash used in investing activities	**(7,197)**	(2,152)
Cash flows from financing activities		
Loan borrowed	**2,400**	–
Net proceeds from issue of shares	**7,231**	4,000
Net cash generated from financing activities	**9,631**	4,000
Net (decrease)/increase in cash and cash equivalent	**(502)**	790
Cash and cash equivalent at the beginning of the year	**984**	194
Effect of foreign exchange	**–**	–
Cash and cash equivalent at the end of the year	**482**	984

The accompanying notes on pages 23 to 52 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2014

1. GENERAL 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, PO Box 3140, Road Town, Tortola, British Virgin Islands VG1110 and its principal place of business is 1810, 18/F, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.

The Company is quoted on AIM of the London Stock Exchange (code: ADAM); and with effect from 6 December 2012, the Company's ordinary shares have been included on the Quotation Board of the Open Market of the Frankfurt Stock Exchange (code: 1CP1).

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

2. ACCOUNTING POLICIES

a) Basis of Preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below.

The Company's and the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) as issued by the IASB. The financial statements have been prepared under the historical cost convention except for certain financial instruments that are measured at revalued amounts or fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

b) **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has the power over the investee;
- is expected, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating activities. Investments that are held as part of the Group's investment portfolio are carried in the balance sheet at fair value even though the Group may have significant influence over those companies. This treatment is permitted by IAS 28 – Investment in Associates, which requires investment held by venture organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognised in the statement of comprehensive income in the period of change. The Group has no interests in associates through which it carries on its business.

c) **Standards, amendments and interpretations to published standards not yet effective**

The Directors have considered those Standards and Interpretations that are in issue but not yet effective and which have not been applied in these Financial statements. The Directors do not expect these standards and interpretations to have a material impact on the future results of the Group.

d) **Change of accounting standards**

The consolidated 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.

IFRS 10, 11 and 12 are effective for the year ended 31 December 2014, therefore these standards have been adopted as part of the preparation of the results for the year ended 31 December 2014. The principal changes as a result of these standards arise from IFRS10, as well as "Investment Entities" (Amendments to IFRS 10, IFRS 12 and IAS 27).

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee. Some guidance included in IFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

Comparative amounts for 2013 and the related amounts as at 1 January 2013 have been restated in accordance with the relevant transitional provisions set out in IFRS 10. Under IFRS 10, companies are able to consider whether they are classed as an investment entity. An investment entity is an entity that:

a. obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

b. commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

c. measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether a company meets the definition of an investment entity, the following characteristics must be considered:

a. it has more than one investment;

b. it has more than one investor;

c. it has investors that are not related parties of the entity; and

d. it has ownership interests in the form of equity or similar interests.

The directors have considered the definition of an investment entity in IFRS 10 as well as the associated application guidance. The stated activity of the Company is to achieve capital appreciation by gaining securities of private and public companies. The directors considered that the Company met the definition of an investment entity on the following basis:

1. it has more than one investment;

2. it has more than one investor;

3. the investors in the Company are not related parties of the Company; and

4. the ownership interests in the investments are in the form of equity.

Investments held by designated investment entity are measured at fair value through profit or loss in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". Before the adoption of IFRS 10 the investments have been consolidated. This represents a change in accounting policy for the group and requires the previous audited period to be restated.

The investment details were set as Note 10, Note 13 and Note 18.

Impact of the application of IFRS 12
IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

The impact of this change on the consolidated statement and statement of financial position for the year ended 31 December 2013 are detailed below:

Consolidated Statement of Comprehensive Income	*31 December 2013 (as per previous accounting policy)*	*31 December 2013 (as per new accounting policy)*	
	US$'000	*US$'000*	*US$'000*
Realised gain on disposal of investments	548	548	–
Fair value changes on financial assets at fair value through profit or loss	(867)	(870)	(3)
Administrative expenses	(1,741)	(1,738)	3
Operating loss	(2,060)	(2,060)	–
Other income	137	137	–
Finance income	223	223	–
Finance expense	(21)	(21)	–
Loss before taxation	(1,721)	(1,721)	–
Taxation	–	–	–
Loss for the year	(1,721)	(1,721)	–
Other comprehensive expense:			
Items that will or may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations	(7)	(7)	–
Total comprehensive expense for the year	(1,728)	(1,728)	–
Loss per share			
Basic	1.57 cents	15.7 cents	–
Diluted	1.57 cents	15.7 cents	–

Consolidated Statement of Financial Position	31 December 2013 (as per previous accounting policy) US$'000	31 December 2013 (as per new accounting policy) US$'000	US$'000
Assets			
Leasehold improvements, fixtures, fittings and equipment	75	75	–
Unquoted financial assets at fair value through profit or loss	20,168	22,637	2,469
Quoted financial assets at fair value through profit or loss	3,182	684	(2,498)
Loans and other receivables	1,864	1,864	–
Cash and cash equivalents	1,344	1,024	(320)
Total assets	26,633	26,284	(349)
Liabilities			
Other payables and accruals	1,158	809	(349)
Total liabilities	1,158	809	(349)
Net assets	25,475	25,475	–
Equity and reserves			
Share capital	35,572	35,572	–
Share based payment reserve	31	31	–
Foreign translation reserve	44	44	–
Accumulated losses	(10,172)	(10,172)	–
Total equity and reserves	25,475	25,475	–

The impact of this change on the Company statement and statement of financial position for the year ended 31 December 2013 are detailed below:

Company Statement of Comprehensive Income	*31 December 2013 (as per previous accounting policy)* *US$'000*	*31 December 2013 (as per new accounting policy)* *US$'000*	*US$'000*
Realised gain on disposal of investments	548	548	–
Fair value changes on financial assets at fair value through profit or loss	39	(946)	(985)
Administrative expenses	(775)	(736)	39
Operating loss	(188)	(1,134)	(946)
Finance income	223	223	–
Profit/(loss) before taxation	35	(911)	(946)
Taxation	–	–	–
Profit/(loss) for the year	35	(911)	(946)
Other comprehensive expense:			
Items that will or may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations	(7)	(7)	–
Total comprehensive income/(expense) for the year	28	(918)	(946)

Company Statement of Financial Position	31 December 2013 (as per previous accounting policy) US$'000	31 December 2013 (as per new accounting policy) US$'000	US$'000
Assets			
Leasehold improvements, fixtures, fittings and equipment	3	3	–
Investment in subsidiaries	23,818	1	(23,817)
Unquoted financial assets at fair value through profit or loss	3,048	22,637	19,589
Loans and other receivables	1,775	1,775	–
Amount due from subsidiaries	–	5,097	5,097
Cash and cash equivalents	984	984	–
Total assets	29,628	30,497	869
Liabilities			
Other payables and accruals	445	445	–
Total liabilities	445	445	–
Net assets	29,183	30,052	869
Equity and reserves			
Share capital	35,572	35,572	–
Share based payment reserve	31	31	–
Foreign translation reserve	34	34	–
Accumulated losses	(6,454)	(5,585)	869
Total equity and reserves	29,183	30,052	869

e) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management and Board members. The senior management and Board members, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the senior management and Board members that make strategic decisions. The Group is principally engaged in investment business, the Directors consider there is only one business activity significant enough for disclosure. However, this activity consists of three entities which operate in two geographical locations, ie. BVI and Hong Kong. Each location represents a single cash generating unit.

f) **Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following basis:

- Dividend income is recognised when the Company's right to receive payment is established.

- Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

- Fair value changes on financial assets represents the overall changes in net assets from the investment portfolio net of deal-related costs but excluding exchange movements.

Other income comprised management recharges from the parent company to its subsidiary which are eliminated on consolidation.

g) **Impairment of non-financial assets**

At each balance sheet date, the Group reviews internal and external sources of information to determine whether its fixtures, fittings and equipment and investment in subsidiaries have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income immediately.

h) **Financial instruments**

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Unquoted financial assets at fair value through profit or loss

Unquoted:

Classification

The Group classifies its unquoted financial assets as financial assets at fair value through profit or loss. These financial assets are designated by the directors as at fair value through profit or loss at inception.

Financial assets designated as at fair value through profit or loss at inception are those that are managed as part of an investment portfolio and their performance evaluated on a fair value basis in accordance with the Group's Investment Strategy.

Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date – the date on which the Group commits to purchase or sell the investment.

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 investments 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 has transacted an unconditional disposal of the assets.

Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed through the profit or loss. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value in accordance with International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as the Group's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the period in which they arise.

Quoted:

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices and are classified as current assets. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market.

In the opinion of the Directors, cash flows arising from transactions in equity investments represent cash flows from investing activities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are stated at cost less impairments loss. Amortised cost is calculated by taking into account any discount premium on acquisition, over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the income statement. The Group's loans and receivables comprised "loans and other receivables" and "cash and cash equivalents" in the statement of financial position.

Other payables

Other payables are not interest bearing and are stated at their nominal value.

Cash and cash equivalents

For the purpose of the cash flow statement, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts.

Impairment of financial assets

At each balance sheet date, the Group assesses whether there is objective evidence that financial assets are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate.

Financial liabilities

The Group's financial liabilities include other payables and accruals and amount due to related parties. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

i) **Investment in subsidiaries**

Investments in subsidiaries are stated at cost less provision for any impairment in value. Under IFRS 10, the subsidiaries that are qualified as investment entities have been deconsolidated from the Group financial statements.

j) **Provisions**

Provision is recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation.

Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

k) **Taxation**

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred 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 in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss, it is not accounted for.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered 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 are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

l) **Leasing**

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

m) **Employee benefits**

Salaries, annual bonuses, paid annual leave, leave passage and the costs of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Company. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to defined contribution retirement plans are recognised as expense in the income statement as incurred.

n) **Dividends**

Dividends payable are recorded in the financial statements in the period in which they are declared.

o) **Share based payments**

The Group has applied the requirements of IFRS 2 "Share Based Payments". The Group issues share options as an incentive to certain key management and staff (including directors). The fair value of options granted to Directors, management personnel and employees under the Company's share option scheme is recognized as an expense with a corresponding credit to the share based payment reserve. The fair value is measured at grant date and spread over the period during which the awards vest. The fair value is measured using the Black Scholes Option pricing model.

The Group, on special occasions as determined by the Directors, may issue options to key consultants, advisers and suppliers in payment or part payment for services or supplies provided to the Group. The fair value of options granted is recognised as an expense with a corresponding credit to the share based payment reserve. The fair value is measured at grant date and spread over the period during which the options vest. The fair value is measured at the fair value of receivable services or supplies.

The options issued by the Group are subject to both market-based and non-market based vesting conditions.

Non-market vesting conditions are not taken into account when estimating the fair value of awards as at grant date; such conditions are taken into account through adjusting the equity instruments that are expected to vest.

The proceeds received, net of any attributable transaction costs, are credited to share capital when options are converted into ordinary shares.

p) **Earnings per share**

The Group calculates both basic and diluted earnings per share in accordance with IAS 33 "Earnings per Share". Under IAS 33, basic earnings per share is computed using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares during the period plus the period dilutive effect of options outstanding during the period.

q) **Share issue expenses**

Share issue expenses are written off against the share capital account arising on the issue of share capital.

r) **Critical accounting estimates and judgements**

Preparation of Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are in the following areas:

Assessment of accounting treatment under IAS 10, IAS 12 and IAS 27 – Investment entities

The Group has concluded that the Company Adamas Finance Asia Limited (the parent company) meets the definition of Investment Entities because:

a. obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

b. commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

c. measures and evaluates the performance of substantially all of its investments on a fair value basis

Assessment of accounting treatment under IAS 28 – Investment in Associates
The Group has the exemption under IAS28 Investments in Associates whereby IAS 28's requirements do not apply to investments in associates held by venture capital organisations. This exemption is conditional on the investments being designated as at fair value through profit and loss or being classified as held for trading upon initial recognition. Such investments are measured at fair value with changes in fair value being recognised in the income statement.

Valuation of unquoted investments
In estimating the fair value for an investment, the Group applies a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable market-data. Any changes in the above data will affect the fair value of an investment which may lead to recognition an impairment loss in the statement of comprehensive income if an impairment exists. Carrying values are dealt with in Note 10 and Note 18.

All financial assets at fair value through profit and loss are measured at fair value in accordance with International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines.

If there was no investment event involving third parties during the year, or if suitable alternative evaluation evidence is not available, the Group would then appoint an independent professional qualified valuer to estimate the value of the investment using an appropriate valuation methodologies as prescribed in IPEVCV guidelines.

s) Foreign currency translation

– *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 ("functional currency"), which is Hong Kong Dollar. The financial statements are presented in United States Dollars and rounded to the nearest thousand dollars, except when otherwise indicated.

The financial statements have been translated into US$ at the exchange rate prevailing on 31 December 2014, being US$1 = HK$7.7553

– *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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.

– *Group companies*
The results and financial position of all the group entities, including the parent company, (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:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- 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 rate on the dates of the transactions); and

- all resulting exchange differences are recognised as a separate component of equity.

No material reserve is expected as the HK Dollar is linked to the US Dollar.

3. FAIR VALUE CHANGES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2014	2013 (Restated)	2014	2013 (Restated)
	US$'000	US$'000	US$'000	US$'000
Change in fair value of unquoted financial assets (Note 10)	**1,965**	(946)	**1,965**	(946)
Change in fair value of quoted financial assets (Note 13)	**(76)**	76	**–**	–
Total	**1,889**	(870)	**1,965**	(946)

4. SEGMENT INFORMATION

The operating segment has been determined and reviewed by the senior management and Board members to be used to make strategic decisions. The senior management and Board members consider there to be a single business segment, being that of investing activity, which is reportable in two cash generating units (see Note 2e).

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

The senior management and Board members assess 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 senior management and Board members for the reportable segments for the year ended 31 December 2014 is as follows:

Revenue attributed by reference to each company's country of operation (see Note 2e):

	BVI	**Hong Kong**	**Group**
	US$'000	US$'000	US$'000
Realised gain on disposal of investments	–	238	238
Fair value changes on financial assets at fair value through profit or loss	1,925	(36)	1,889
Financial income	424	–	424
Dividend income	324	–	324
Other income	3	26	29
Financial assets attributed by reference to their location			
Financial assets	117,576	–	117,576

The segment information provided to the senior management and Board members for the reportable segments for the year ended 31 December 2013 is as follows:

	BVI (Restated) US$'000	Hong Kong (Restated) US$'000	Group (Restated) US$'000
Realised gain on disposal of investments	548	–	548
Fair value changes on financial assets at fair value through profit or loss	(906)	36	(870)
Financial income	223	–	223
Other income	–	137	137
Financial assets attributed by reference to their location			
Financial assets	22,637	684	23,321

The amounts provided to the senior management and Board members with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the strategic operations of the segment.

The amounts provided to the senior management and Board members with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the strategic operations of the segment.

5. OPERATING LOSS

Operating loss is stated after charging:

	Group		Company	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
Depreciation and amortisation	**19**	58	**–**	1
Fees payable to the Group's auditor for audit of the Company	**39**	34	**39**	33
Operating lease rentals – land and buildings	**110**	232	**–**	–

6. FINANCE INCOME

	Group		Company	
	2014 US$'000	2013 (Restated) US$'000	2014 US$'000	2013 (Restated) US$'000
Interest from bank and other loans	**424**	223	**424**	223

7. DIRECTORS' REMUNERATION

	Group		Company	
	2014 US$	2013 US$	2014 US$	2013 US$
Short term employment benefits				
Patrick Macdougall	**–**	12,909	**–**	12,909
Ernest Wong Yiu Kit	**55,163**	92,858	**44,729**	–
John Croft	**98,838**	103,388	**98,838**	103,388
Hanson Cheah	**–**	34,177	**–**	–
Conor MacNamara	**44,357**	2,000	**44,357**	2,000
	198,358	245,332	**187,924**	118,297

There was no pension cost incurred during 2014 (2013:US$ Nil).

Director's benefit-in-kind of US$ Nil (2013: US$Nil) was included in directors' remuneration.

The Directors have received no benefits other than those stated above.

Hanson Cheah and Patrick Macdougall resigned from the Board on 19 November 2013 and 28 February 2013 respectively.

Conor MacNamara was appointed to the Board on 1 November 2013.

8. TAXATION

No charge to taxation arises in the years ended 31 December 2014 and 2013 as there were no taxable profits in either year.

Tax reconciliation:

	Group	
	2014 US$'000	2013 US$'000
Loss before taxation	**(545)**	(1,721)
Effective tax charge at 16.5% (2013: 16.5%)	**(90)**	(284)
Effect of:		
Differences in overseas taxation rates	**90**	284
Effective tax rate	**–**	–

As at 31 December 2014, the Group has no unused tax losses (2013: Nil) available for offset against future profits.

9. LEASEHOLD IMPROVEMENTS, FIXTURES, FITTINGS AND EQUIPMENT

9.1 Group

	Leasehold improvements, fixtures, fittings and equipment US$'000
Cost:	
At 1 January 2013	15
Additions	126
At 31 December 2013 and 1 January 2014	141
Disposal	(141)
At 31 December 2014	–
Depreciation:	
At 1 January 2013	8
Charge for the year	58
At 31 December 2013 and 1 January 2014	66
Charge for the year	19
Disposal	(85)
At 31 December 2014	–
Net book value:	
At 31 December 2014	–
At 31 December 2013	75

9.2 Company

	Leasehold improvements, fixtures, fittings and equipment
	US$'000
Cost:	
At 1 January 2013, 31 December 2013 and 1 January 2014	10
Disposal	(10)
At 31 December 2014	–
Depreciation:	
At 1 January 2013	6
Charge for the year	1
At 31 December 2013 and 1 January 2014	7
Disposal	(7)
At 31 December 2014	–
Net book value:	
At 31 December 2014	–
At 31 December 2013	3

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

	Group	Company
	US$'000	US$'000
Balance as at 1 January 2013 (Restated)	20,133	20,133
Fair value changes through profit or loss	(946)	(946)
Addition	4,450	4,450
Disposals	(1,000)	(1,000)
Balance as at 1 January 2014 (Restated)	22,637	22,637
Fair value changes through profit or loss	1,965	1,965
Additions	92,974	92,974
Disposals	–	–
Balance as at 31 December 2014	117,576	117,576

The Group adopted the investment methodology prescribed in the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines to value its investments at fair value through profit and loss.

Changtai Jinhongbang Real Estate Development Co. Limited ("CJRE ")

Lead Winner Limited, a fully owned subsidiary of ADAM, holds a 15% stake in CJRE and a loan of US$2.4 million to CJRE.

CJRE is the owner of a luxury resort and residential development project in Fujian Province, Eastern China.

An independent professional qualified valuer has performed a valuation in accordance with IPEVCV guidelines for the valuation of our interest in CJRE as of 31 December 2014 and the fair value as US$48.6 million.

Global Pharm Holdings Group, Inc. ("Global Pharm")
Blazer Delight Limited, a subsidiary of ADAM, which holds a redeemable convertible bond of Global Pharm.

Global Pharm is a pharmaceutical company involved in pharmaceuticals, the cultivation of herbs for Traditional Chinese Medicine ("TCM") herb cultivation, and TCM processing and distribution. Headquartered in Shenzhen, Southern China, and has positioned itself in a strong position within China's high-margin ginseng business.

Under the redemption agreement announced on 18 December 2014, the Company was due to receive an initial payment of US$2.4 million on 31 December 2014, a further US$9 million on 31 March 2015 and a final payment of US$13.6 million on 30 April 2015, an aggregate of US$25.0 million. The payments due on 31 March 2015 and on 30 April 2015 have not been received and the instalments are being rescheduled and security is being provided by the purchaser. Two further payments of US$750,000 each were received in May and June, and management anticipate receiving additional payments in due course.

Hong Kong Mining Holdings Limited ("HKMH")
Dynamite Win Limited, a fully owned subsidiary of ADAM, which holds a 5.68% stake in HKMH.

HKMH is a resources company whose primary asset is a large dolomite magnesium limestone mines in the province of Shanxi, China.

An independent professional qualified valuer has performed a valuation in accordance with IPEVCV guidelines for the valuation of our interest in HKMH as of 31 December 2014 and the fair value as US$10.5 million.

Meize Energy Industries Holding Limited ("Meize")
Swift Wealth Investments Limited, a fully owned subsidiary of ADAM, which holds a 7.9% stake in Meize.

Meize is a privately-owned company that designs and manufactures blades for wind turbines.

An independent professional qualified valuer has performed a valuation in accordance with IPEVCV guidelines for the valuation of our interest in Meize as of 31 December 2014 and the fair value as US$6.8 million.

Fortel Technology Holdings Limited ("Fortel")
CPE TMT Holdings Limited, a fully owned subsidiary of ADAM, which holds a 33.6% stake in Fortel.

Fortel, a company incorporated in Hong Kong, is a platform provider for online content distribution in China and has developed an integrated content distribution platform – Fortel Online Content Utility System (''FOCUS") – which provides a one-stop solution for both content providers and consumers to sell and purchase premium digital content in China.

An independent professional qualified valuer has performed a valuation in accordance with IPEVCV guidelines for the valuation of our interest in Fortel as of 31 December 2014 and the fair value as US$11.3 million.

China iEducation Holdings Limited ("China iEducation")
CPE EDU Holdings Limited, a fully owned subsidiary of ADAM, which holds a 40% stake in China iEducation. In 2014, the Company injected its investment in China iEducation into its wholly owned subsidiary, CPE EDU Holdings Limited.

China iEducation develops and distributes digital education content to elementary and middle schools within a market that receives substantial annual funding from the Chinese government to upgrade education resources.

An independent professional qualified valuer has performed a valuation in accordance with IPEVCV guidelines for the valuation of our interest in China iEducation as of 31 December 2014 and the fair value as US$4.0 million.

Greater China Credit Fund LP (the "GCCF")
The Company invested US$1 million in the GCCF managed by Adamas Global Alternative Investment Management Inc. The investment was valued at US$1 million as at 31 December 2014 with a dividend distribution of US$151,000 during the year.

BRJ China Credit Fund Limited (the "BRJ")

The Company invested US$800,000 in the BRJ managed by BRJ Asset Management Limited. The investment was valued at US$846,000 as at 31 December 2014 with a dividend distribution of US$54,000 during the year.

Below entities are classified as "Investment Entities" under IFRS 10 and are reported at fair value as of 31 December 2014 (See Notes 2d and 2r).

Name of Investment Entities	Country of Incorporation	Percentage owned 2014	Percentage owned 2013	Principal activities
CPE Growth Capital Limited	BVI	**100%**	100%	Investments Holding
CPE TMT Holdings Limited	BVI	**100%**	100%	Investments Holding
CPE Finance Limited	BVI	**100%**	–	Investments Holding
CPE EDU Holdings Limited	BVI	**100%**	–	Investments Holding
Lead Winner Limited	BVI	**100%**	–	Investments Holding
Blazer Delight Limited	BVI	**75%**	–	Investments Holding
Dynamite Win Limited	BVI	**100%**	–	Investments Holding
Swift Wealth Investments Limited	BVI	**100%**	–	Investments Holding

11. INVESTMENT IN SUBSIDIARIES

	2014 US$'000	2013 (Restated) US$'000
Investment in subsidiaries at cost	**–**	1
Amount due from subsidiaries	**64**	5,097
	64	5,098

The subsidiaries of the Companies are as follows:

Name of Companies	Country of Incorporation	Percentage owned 2014	Percentage owned 2013	Principal activities
Adamas Finance Asia (HK) Limited	Hong Kong	100%	–	Provide operating and administrative support to the Group
China Private Equity Investment Group Limited	Hong Kong	–	100%	Financial investments in Hong Kong

Amount due from subsidiaries are unsecured, interest free and have no fixed term of repayment.

12. LOANS AND OTHER RECEIVABLES

12.1 Group

	2014 US$'000	2013 (Restated) US$'000
Loans	**2,938**	1,754
Other receivables and prepayments	**442**	110
	3,380	1,864

12.2 Company

	2014 US$'000	2013 (Restated) US$'000
Loans	**2,938**	1,754
Other receivables and prepayments	**442**	21
	3,380	1,775

As at 31 December 2014, loans and other receivables predominantly represent loans made to and interest receivable from Fortel Technology Holdings Limited ("Fortel") and Eagle Farm Limited ("EFL"). The amount due from Fortel is interest bearing at 8% per annum. The amount due from EFL is interest bearing at 20% per annum.

Other receivables of the Group and Company have been reviewed and are considered not to be impaired nor are they past due and all amounts held are considered to be fully recoverable in value.

13. QUOTED FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2014 US$'000	2013 (Restated) US$'000
Market value at 1 January	**684**	–
Additions	**–**	701
Profit on disposal during the year	**238**	–
Amounts realized during the year	**(846)**	(92)
(Decrease)/Increase in fair value recognized in profit or loss	**(76)**	76
Effect of foreign exchange	**–**	(1)
Balance at 31 December	**–**	684

14. LOAN PAYABLES AND INTEREST PAYABLES

14.1 Group

	2014 US$'000	2013 (Restated) US$'000
Loan payables	**2,400**	–
Interest payables	**11**	–
	2,411	–

14.2 Company

	2014 US$'000	2013 (Restated) US$'000
Loan payables	**2,400**	–
Interest payables	**11**	–
	2,411	–

As at 31 December 2014, loan payables and interest payables predominantly represent principal loan amount and interest due to Elypsis Solution Limited ("Elypsis"). The amount due to Elypsis is interest bearing at 9% per annum.

15. OTHER PAYABLES AND ACCRUALS

15.1 Group

	2014 US$'000	2013 (Restated) US$'000
Other payables	**126**	349
Amount due to Directors	**16**	161
Accruals	**42**	299
	184	809

15.2 Company

	2014 US$'000	2013 (Restated) US$'000
Other payables	**35**	253
Amount due to Directors	**16**	18
Accruals	**42**	174
	93	445

Amount due to Directors are unsecured, interest free and has no fixed terms of repayment.

16. OTHER FINANCIAL COMMITMENTS UNDER OPERATING LEASES

The Group has entered into a commercial lease for land and buildings. The minimum future lease payments for the non-cancellable operating leases are as follows:

	2014 US$'000	2013 (Restated) US$'000
Land and buildings:		
One year	**49**	349
Two to five years	**59**	378
	108	727

17. SHARE CAPITAL

	Number of Shares	**Amount** US$'000
Authorised, called-up and fully paid ordinary shares of no par value each at 1 January 2013	**76,284,645**	31,572
Ordinary shares issued in cash on 19 April and 11 May 2013	**50,000,000**	4,000
Authorised, called-up and fully paid ordinary shares of no par value each at 31 December 2013	**126,284,645**	35,572
Bonus shares issued on 19 February 2014	**42,094,858**	–
Shares issued for acquisition of special purpose vehicles on 19 February 2014	**1,445,416,667**	86,725
Ordinary shares issued in cash on 19 February 2014	**83,600,000**	5,016
Warrant exercised to ordinary shares on 30 May 2014	**6,000**	–
Ordinary shares issued in cash on 11 July 2014	**31,648,000**	2,215
Exchange the shareholder warrants on the basis of 1 existing ordinary share for every 4 shareholder warrants held on 11 July 2014	**190,374,229**	–
Authorised, called-up and fully paid ordinary shares of no par value each at 11 July 2014, before 1-for-10 Ordinary Share Consolidation	**1,919,424,399**	129,528
Authorised, called-up and fully paid ordinary shares of no par value each at 31 December 2014 after 1-for-10 Ordinary Share Consolidation	**191,942,420**	129,528

Under the terms of the re admission of the Company's shares to trading on AIM Market on 19 February 2014, existing shareholders were issued with new ordinary shares of 42,094,858 on the basis of one new ordinary shares for every three ordinary shares held for nil consideration ("Bonus Shares").

The consideration for the acquisition of new unquoted financial assets was the issue to Elypsis Solutions Limited ("Elypsis") by the Company of 1,445,416,667 new ordinary shares at a price of US$0.06 per ordinary share.

On 19 February 2014, the Company placed a total of 83,600,000 ordinary shares at a price of US$0.06 per share and raised gross proceeds of US$5.016 million.

The fair value of the ordinary shares issued was determined with reference to the quoted market price with adjustment made for dilution in respect of bonus shares issued in February 2014.

On 30 May 2014, the Company had received exercise notices in respect of warrants to subscribe for 6,000 new ordinary shares of no par value each at a price of US$0.06 each.

On 11 July 2014, the Company entered into the Subscription Agreements with new investors. Pursuant to the terms of the Subscription Agreements, the investors agreed to subscribe for an aggregate of 31,648,000 Existing Ordinary Shares at a price of US$0.07 per share, raising a total of US$2.215 million for the Company.

On 11 July 2014, a reorganisation of the Existing Ordinary Shares was proposed whereby every 10 Existing Ordinary Shares, whether issued or unissued, was consolidated into one New Ordinary Share.

18. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Management has adopted certain policies on financial risk management with the objective of ensuring that:

(i) appropriate funding strategies are adopted to meet the Company's and Group's short-term and long-term funding requirements taking into consideration the cost of funding, gearing levels and cash flow projections;

(ii) appropriate strategies are also adopted to manage related interest and currency risk funding; and

(iii) credit risks on receivables are properly managed.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Other financial assets

	Group		Company	
	2014	2013 (Restated)	2014	2013 (Restated)
	US$'000	US$'000	US$'000	US$'000
Amount due from subsidiaries	**–**	–	**64**	5,097
Loans	**2,938**	1,754	**2,938**	1,754
Other receivables	**442**	110	**442**	21
Cash and cash equivalents	**492**	1,024	**482**	984
	3,872	2,888	**3,926**	7,856

Other financial liabilities

	Group		Company	
	2014	2013 (Restated)	2014	2013 (Restated)
	US$'000	US$'000	US$'000	US$'000
Loan payables and interest payables	**2,411**	–	**2,411**	–
Other payables and accruals	**184**	809	**93**	445
	2,595	809	**2,504**	445

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 Levels 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.

	Group	
	2014 US$'000	2013 (Restated) US$'000
Level 1		
Quoted financial assets at fair value through profit or loss (Note 13)	–	684
Level 3		
Unquoted financial assets at fair value through profit or loss (Note 10)	**117,576**	22,637
	117,576	23,321

There is no transfer between levels in the current period.

Carrying values of all financial assets and liabilities are approximate to fair values.

Valuation process for Level 3 instruments

Valuations are the responsibility of the board of directors of the Group, who delegated this function to the Investment Manager.

The valuation of unlisted equities, debts, and managed fund is performed on a quarterly basis by the valuation department of the Investment Manager and on a semi-annual basis by an external valuer and reviewed by the Investment Committee of the Investment Manager who reports to the Board of Directors. The Investment Committee considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. Any changes in valuation methods are discussed and agreed with the Board of Directors.

Significant unobservable inputs used in measuring fair value – Level 3

The table below sets out information about significant unobservable inputs used at 31 December 2014 in measuring material financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair Value at 31 December 2014 US$'000	Fair value hierarchy	Valuation technique	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Private equity investments	15.0% equity investment in Changtai Jinhongbang Real Estate Development Co. Ltd engaged in a luxury resort and residential development project – US$48.6 million; 5.68% equity investment in Hong Kong Mining Holdings Limited engaged in mining project – US$10.5 million; 7.9% equity investment in Meize Energy Industries Holding Limited engaged in designs and manufactures blades for wind turbines – US$6.8 million; 33.6% equity investment in Fortel Technology Holdings Limited engaged in online platform service – US$11.3 million; 40% equity investment in China iEducation Holdings Limited engaged in develops and distributes digital education content – US$4.0 million;	Level 3	Income Approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	– Weighted average cost of capital, determined using a Capital Asset Pricing Model, ranging from 15 to 20 per cent (2013: from 15 to 19 per cent)	– The higher the weighted average cost of capital, the lower the fair value.
	A redeemable convertible bond investment in Global Pharm Holdings Group, Inc. engaged in pharmaceuticals – US$25.0 million;	Level 3	Please refer to (Note 10)	Not applicable	Not applicable
	Private credit fund – BRJ China Credit Fund Limited – US$0.8 million; Private credit fund – Greater China Credit Fund LP – US$1 million.	Level 3	Unadjusted NAV	Not applicable	Not applicable

If the above unobservable inputs to the valuation model were 2% per cent higher/lower while all the other variables were held constant, the carrying amount of shares would decrease/increase by US$6.7 million (2013 restated: US$338,000)

Credit risk
The Company's and the Group's credit risk is primarily attributable to other receivables. Management has a credit policy in place and the exposure to credit risks is monitored on an ongoing basis.

In respect of other receivables, individual credit evaluations are performed whenever necessary. The other receivables included above were not due at the year end. None of the loans and receivables was impaired in the current or prior year.

The Company's and the Group's maximum exposure to credit risk is represented by the total financial assets held by the Company and the Group. The Company and the Group do not hold any collateral over these balances.

Interest rate risks
The Company and the Group currently operates with positive cash and cash equivalents as a result of issuing share capital in anticipation of future funding requirements. As the Group has no borrowings from the bank and the amount of deposits in the bank are not significant, the exposure to interest rate risk is not significant to the Company and the Group. The effect of a 10% increase or fall in interest rates obtainable on cash and on short-term deposits would be to increase or decrease the Group's operating results by not more than US$1,000 (2013: US$1,000).

Other receivables bear interest at a fixed annual rate, therefore there is no exposure to market interest rate risk on these financial asset.

Liquidity risk
The Company and the Group manages its liquidity requirements by the use of both short-term and long-term cash flow forecasts. The Company's and the Group's policy to ensure facilities are available as required is to issue equity share capital in accordance with long-term cash flow forecasts.

The Group's financial liabilities are primarily other payables and operational costs. All amounts are due for payment in accordance with agreed settlement terms with professional firms, and all are due within one year. The shareholder's loan is interest free and repayable on demand. A maturity analysis is not provided because it is immaterial.

Price risks
The Group's securities are susceptible to price risk arising from uncertainties about future values of the investment securities. This price risk is the risk that the fair value or future cash flows will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual investment or financial instrument or its holder or factors affecting all similar financial instruments or investments traded in the market. The Group's investment committee provides the Board of Directors with investment recommendations that are consistent with the Group's objectives. The investment committee recommendations are carefully reviewed by the Board of Directors before the investment decisions are implemented.

During the year under review, the Group did not hedge against movements in the value of its investments. A 10% increase/decrease in the fair value of investments would result in US$11,757,600 (2013 restated: US$2,332,100) increase/decrease in the net asset value.

While investments in companies whose business operations are based in China may offer the opportunity for significant capital gains, such investments also involve a degree of business and financial risk, in particularly for unquoted investment.

Generally, the Group prepares to hold the unquoted investments for middle to long time frame, in particular if admission to trading on a stock exchange is considered likely in the future. Sales of securities in unquoted investments may result in a discount to the book value at the time of future disposal.

Currency risks

Since the Company and the Group operate primarily within its local currency with little exposure to currency fluctuations, management considers that foreign currency exposure is not significant to the Group and as such, there is no hedging in the foreign currencies. As the HK Dollar is linked to the US Dollar, the Directors believe that there is no significant exchange risk.

Capital management

The Company's and the Group's financial strategy is to utilise its resources to further grow the Group's portfolio. The Group keeps investors and the market informed of its progress with its portfolio through regular announcements and raises additional equity finance at appropriate times when market conditions allow.

The Company and the Group regularly reviews and manages its capital structure for the portfolio companies to maintain a balance between the higher shareholder returns that might be possible with certain levels of borrowings for the portfolio and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure of the portfolio in the light of changes in economic conditions.

The capital structure of the Company and the Group consists of cash and cash equivalents and equity comprising issued capital and reserves.

19. SHARE BASED PAYMENTS

On 5 December 2012, the Company issued options over 750,000 ordinary shares in the Company in respect of services provided to the Group at an exercise price of US$0.25 per share. The option will expire 3 years after the date of grant.

On 12 July 2013, the Company issued options over 750,000 ordinary shares in the Company in respect of services provided to the Group at an exercise price of US$0.10 per share. The option will expire 3 years after the date of grant.

On 12 July 2013, the Company also issued options over 750,000 ordinary shares in the Company in respect of services provided to the Group at an exercise price of US$0.15 per share. The option will expire 3 years after the date of grant.

All options are equity-settled, the only vesting conditions for all options granted is that the option holder remains in employment over the vesting period, and for share options outstanding at the end of the period, the range of exercise prices are from US$0.10 to US$0.25 per share and weighted average remaining contractual life is 16 months. Subsequent to the share consolidation detailed in Note 17, the range of exercise prices are from US$1.0 to US$2.5 per share.

	2014		2013	
	Number of options	Weighted average exercise price US$	Number of options	Weighted average exercise price US$
Balance at beginning of the financial year	**2,250,000**	**0.17**	750,000	0.25
Effect of share options granted on 12 July 2013	**–**	**–**	1,500,000	0.13
Expired during the financial year	**–**	**–**	–	–
Balance at end of financial year before 1-for-10 Ordinary Share Consolidation (Note 17)	**2,250,000**	**0.17**	2,250,000	0.17
Exercisable at end of the financial year before 1-for-10 Ordinary Share Consolidation (Note 17)	**2,250,000**	**0.17**	2,250,000	0.17
Balance at end of financial year after 1-for-10 Ordinary Share Consolidation (Note 17)	**225,000**	**1.70**	n/a	n/a
Exercisable at end of financial year after 1-for-10 Ordinary Share Consolidation (Note 17)	**225,000**	**1.70**	n/a	n/a

20. RELATED PARTY TRANSACTIONS

During the year, the Company and the Group entered into the following transactions with related parties and connected parties:

	Notes	2014 US$'000	2013 US$'000
Amount due to Directors	(i)		
– Hanson Cheah (resigned on 19 November 2013)		**–**	47
– Ernest Wong Yiu Kit		**4**	96
– John Croft		**8**	16
– Conor MacNamara		**4**	2
Amount due from Adamas Global Alternative Investment Management Inc.		**16**	–
Year-end balance arising from sales/purchases of services			
Management fee to Investment Manager	(ii)	**1,106**	–
Loan from related party	(iii)		
As 1 January		**–**	–
Loans borrowed		**2,400**	–
Interest charged		**119**	–
Interest paid		**(108)**	–
As 31 December		**2,411**	–

(i) All key management personnel are Directors and appropriate disclosure with respect to them is made in Note 7 of the financial statements. There are no other contracts of significance in which any Director has or had during the year a material interest.

(ii) Adamas Global Alternative Investment Management Inc. is the Investment Manager of the Group during the year of 2014. The management fee which is calculated and paid bi-annually in advance calculated at an annual rate of 1% of the higher of the net asset value of the Company's portfolio of assets or market capitalisation.

(iii) As at 31 December 2014, loan payables and interest payables predominantly represent principal loan amount and interest due to Elypsis Solution Limited ("Elypsis"). The amount due to Elypsis is interest bearing at 9% per annum (Note 14).

21. LOSS PER SHARE – CONTINUING OPERATIONS

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Group is based on the following:

		2014 US$'000	2013 (Restated) US$'000
Numerator			
Basic/Diluted:	Net loss	**(545)**	(1,721)
		No. of shares '000	No. of shares '000
Denominator before 1-for-10 Ordinary Share Consolidation (Note 17)			
Basic:	Weighted average shares	**1,596,628**	109,984
	Effect of diluted securities:		
	Share options	**2,250**	2,250
	Warrant	**4,649**	–
Diluted:	Adjusted weighted average shares	**1,603,527**	112,234
Denominator after 1-for-10 Ordinary Share Consolidation (Note 17)			
Basic:	Weighted average shares	**159,663**	n/a
	Effect of diluted securities:		
	Share options	**225**	n/a
	Warrant	**465**	n/a
Diluted:	Adjusted weighted average shares	**160,353**	n/a

For the year ended 31 December 2014 and 2013, the share options are anti-dilutive and therefore the weighted average shares in issue are 160,128,000 and 109,984,000 respectively.

The earnings per share calculation for the period to 31 December 2013 is restated from loss of US cents 1.57 to US cents 15.7 to reflect the share consolidation as detailed in Note 17.

22. REVERSE TAKEOVER

On 31 December 2013, the Company signed a conditional Acquisition Agreement with Elypsis to acquire interests in four special purpose vehicles which, in turn, hold interests in four domestic Chinese Businesses. Elypsis is a wholly owned subsidiary of Asia Private Credit Fund Limited, which is managed by an affiliate of Adamas Asset Management. The total consideration paid was US$86.7 million, fair value of the investments at the time of acquisition was US$87.5 million.

Due to the size of the transaction in relation to the Company, the Acquisition constituted a reverse takeover under AIM Rules.

The details of investments in four domestic Chinese Businesses which were held by the Group through its Investment Entities of Blazer Delight Limited, Dynamite Win Limited, Lead Winner Limited and Swift Wealth Investments Limited respectively are included in Note 10.

The Investment Entities are recognised as "Unquoted Financial Assets at Fair Value through Profit or Loss" under IFRS 10.

23. EVENTS AFTER THE REPORTING PERIOD

Issue of equity

ADAM has received exercise notices in respect of warrants to subscribe for 24,664 new ordinary shares of no par value each ("New Ordinary Shares") at a price of US$0.60 each. On 18 February 2015 the Directors issued and allotted 24,664 New Ordinary Share for consideration of US$14,798.

Disposal of interest in Global Pharm

Under the redemption agreement announced on 18 December 2014, the Company was due to receive an initial payment of US$2.4 million on 31 December 2014, a further US$9 million on 31 March 2015 and a final payment of US$13.6 million on 30 April 2015, an aggregate of US$25.0 million. The payments due on 31 March 2015 and on 30 April 2015 have not been received and the instalments are being rescheduled and security is being provided by the purchaser. Two further payments of US$750,000 each were received in May and June, and management anticipate receiving additional payments in due course.

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