

Interim Report 2021



20 September 2021

JADE ROAD INVESTMENTS LIMITED

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

INTERIM CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

Jade Road Investments Limited (AIM: JADE), the London quoted pan-Asian diversified investment vehicle focused on providing shareholders with attractive uncorrelated, risk-adjusted long-term returns, is pleased to announce its interim results for the six months ended 30 June 2021.

FINANCIAL HIGHLIGHTS:

- Total income increased to US\$1.25 million from interest payments and fair value adjustments (H1 2020: US\$1.19 million).
- Net loss of US\$0.27 million (H1 2020: US\$0.70 million). The core drivers of the net loss are a US\$259k finance expense, mainly related to the interest payable on the Company's corporate bond.
- Consolidated loss per share (basic) of US\$0.24 cents (H1 2020: US\$0.69 cents).
- Consolidated NAV at 30 June 2021 decreased slightly by 0.25% to US\$106.2 million/GBP76.8 million (31 December 2020: US\$106.5 million/ GBP77.9 million). The decrease in NAV stems from a decrease in cash.
- NAV per share at 30 June 2021 US\$0.90 (GBP0.65) (30 June 2020 US\$0.95/GBP0.75).
- Period end cash position of US\$2.56 million (30 June 2020: US\$3.2 million).

INVESTMENT AND OPERATIONAL HIGHLIGHTS:

- Future Metal Holdings Limited ("Future Metal")
 - o In March 2021, a new contractor was appointed to further enhance the efficiency of the operation and reach customers with a further geographical radius.
 - o Sales have seen an upward trend in the first half of 2021 compared to 2020.

- Fook Lam Moon ("**FLM**")
 - o FLM's business was impacted by the COVID-19 pandemic in 2020, which severely limited inbound tourism, particularly from Mainland China.
 - As the Hong Kong government eases COVID-19 restrictions on restaurants and some air travellers in 2021, the food and beverage industry is gradually recovering to pre-pandemic levels.
- DocDoc Pte Ltd ("DocDoc")
 - In November 2020, DocDoc partnered with SpesNet Global Group, a leading healthcare technology provider, to integrate its digital third-party administrator ("TPA") technology and provide a first-of-its-kind complete digital health ecosystem to insurers, supporting their policyholders through the continuum of care.
 - o Under this agreement, DocDoc will receive exclusive access to SpesNet's platform to include Singapore, Malaysia, Thailand, Hong Kong, India, and the People's Republic of China.
- Meize Energy Industries Holdings Limited ("**Meize**")
 - Meize has maintained a full order book from its clients in 2021 due to the strong market demand, especially the offshore wind market.
 - o The Jiangsu plant initiated an expansion in early 2021 to meet the rising demand, which was completed and commenced operation in June 2021.

CHAIRMAN OF JADE ROAD INVESTMENTS, JOHN CROFT, COMMENTED:

"The Company's portfolio has continued to weather the pandemic storm with the Company's investment manager, Harmony Capital, driving phase two of a three-phase investment strategy focused on exits, restructuring our legacy assets and seeking investments in smaller fast growing companies at IPO or pre-IPO stages.

Harmony Capital set out a three-phase strategy to reposition Jade Road. This has involved rehabilitating legacy assets, such as Future Metal Holdings Limited (FMHL) and Meize Energy, towards a full or partial exit and reinvesting the resulting cash into new income-generating assets, prioritising high-growth Asian SMEs in the Healthtech, Medtech and Fintech sectors. With Asian SMEs increasingly starved of capital, Jade Road is assessing an exceptionally strong pipeline of investee candidates which, with an emphasis on credit instruments such as secured debt or non-mandatory convertible bonds, will result in a well-constructed portfolio with near-term downside protection.

The Board believes Jade Road's new investment strategy is well positioned to construct a solid base of exciting, income generating assets for highquality growth, promoting long-term value for our shareholders."

For further information on JADE, please visit the Company's website at www.jaderoadinvestments.com and follow the Company on Twitter (@JadeFinance).

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Jonathan Charles

ABOUT JADE ROAD INVESTMENTS

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

The Company is focused on providing growth capital and financing to emerging and established Small and Medium Enterprises (SME) sector throughout Asia, well-diversified by national geographies, instruments and asset classes. This vital segment of the economy is underserved by the traditional banking industry for regulatory and structural reasons. The Company's investment manager, Harmony Capital, seeks to capitalise on its team's established investment expertise and broad networks across Asia. Through rigorous diligence and disciplined risk management, Harmony Capital is dedicated to delivering attractive income and capital growth for shareholders with significant downside protection through selectively investing in assets and proactively managing them.

Harmony Capital is predominately sourcing private opportunities and continues to create a strong pipeline of attractive income-generating assets from potential investments in growth sectors across Asia, including healthcare, fintech, hospitality, IT and property.

CHAIRMAN'S STATEMENT

For the first half of 2021, Jade Road has been progressing phase two of a three-phase investment strategy focused on rehabilitating legacy assets, exits and seeking investments in smaller, IPO and pre-IPO investments.

Jade Road has delivered a stable financial performance in the period. Total income increased to US\$1.24 million from interest earned and fair value adjustments for the first six months of the year (H1 2020: US\$1.19 million).

INVESTMENT STRATEGY

I am pleased to report that in spite of the long shadow that COVID-19 has cast over the world in the past 18 months, the Company's existing portfolio has largely avoided any major impairments successfully navigating the challenges presented by the pandemic.

Jade Road is currently undergoing phase two of a three-phase investment strategy focused on the portfolio restructuring of its legacy assets which are not fully aligned with the Company's revised investment approach by exiting either through full or partial sales, or IPOs. In addition, the Company is aiming to build a new portfolio of pan-Asian investments providing income and capital gain.

Jade's large legacy assets in China: Future Metal Holdings Limited (FMHL), the largest magnesium dolomite quarry in Shanxi Province, and Meize Energy Industries, one of the largest wind turbine blade manufacturing companies with factories in Inner Mongolia, Ningxia Province, and Jiangsu Province, both reported significant progress for the first six months of 2021.

On our website you can find SRK Consulting's updated Competent Persons Report (CPR) for FMHL, which includes JORC Mineral Resources and Ore Reserves estimates totalling 113 million tonnes of dolomite as measured by Proved and Probable Reserves, and 149 million tonnes of dolomite as calculated by Measured, Indicated and Inferred Resource. As magnesium prices recover from recent weakness, we expect demand for FMHL's products to increase as the year progresses.

Meize Energy initiated an expansion of its third state-of-the-art turbine blade manufacturing plant in Jiangsu, commencing operations in June 2021. The factories are operating at full capacity, producing internationally certified blades for both onshore and offshore wind turbines.

Our Michelin-starred Fook Lam Moon restaurants in Hong Kong are recovering to pre-pandemic levels

and our luxury resort projects in Niseko, Japan are accepting bookings for this upcoming skiing season, although uncertainty remains over the exact timing of a full opening of the resort.

The core strategy is to build a base of income generating assets that covers overheads, management fees and finance costs, with a growing surplus to fund dividends.

As part of this core strategy, Jade Road will look to invest in Asian High Growth Companies via equity (in listed companies and/or pre-IPO investments) as part of its existing investment policy. While Jade Road will consider opportunities in all sectors as they arise, potential opportunities in Technology, including Healthtech, Medtech and Fintech will be prioritised. The Total Allocation under this expanded investment focus will be no more than 10% of Jade Road's present NAV, as of 30 June at US\$106.2 million, down slightly from US\$106.4 million (31 December 2020) and no more than 20% once the NAV exceeds US\$150 million. Investments in each company will not exceed 5% of the total allocation, in order to mitigate risk through diversification.

At the same time, we aim to limit single country and industry exposures to 20% of the overall portfolio and reduce portfolio exposure to China towards 30–40% in the near term.

By targeting the broad Asian SME subsector, Jade Road can access an immense market in which it can leverage both its capital, and its investment manager's direct relevant experience.

From a corporate perspective, Jade Road sees strong appeal in the vibrant start-up environment in regions such as Hong Kong and Singapore, typified by our investment in Singapore-based DocDoc, a leading pan-Asian virtual network of physicians, clinics and hospitals.

Investment candidates are undergoing detailed review from a pipeline of potential opportunities in IT, Fintech, Healthcare and online commerce.

In terms of ESG (Environmental, Social, Corporate Governance), Jade Road has been incorporating ESG principles into our risk management and due diligence processes. All potential investment candidates must demonstrate that they are taking ESG seriously and working towards being as fully ESG compliant for the stage of company, taking proportionality into account.

It is my strong belief that government policy to encourage more sustainable business models, technologies and consumption patterns in Asia is likely to create greater demand for private capital.

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SUMMARY

Our focus throughout 2021 is on exits, restructurings and investing in smaller, exciting IPO and pre-IPO investments that potentially possess substantial upside. Some of these smaller investments could have a disproportionate interest to our retail investors.

In a market in which Asian SMEs are increasingly starved of capital, Jade Road has seen opportunities to negotiate and invest in structured instruments. Its preference for income-generating assets puts an emphasis on credit instruments such as secured debt or non-mandatory convertible bonds when structuring investments, which the Company believes will result in a better constructed portfolio with near-term downside protection.

The Board would like to take this opportunity to thank the investment teams for their hard work and commitment during these challenging times.

Jade Road is well positioned for the future with an experienced investment management team, the development of a constructed base of income generating assets for high quality growth, and a resilient liquidity position and balance sheet. I hope to report further progress against this strategy by the end of 2021.

The principal assets as of 30 June 2021 are detailed below:

						Equity	
	Effective		Valuation at 31 December	Credit	Cash	investment/ other	Valuation at 30 June
Principal assets	interest%	Instrument type	2020	income	receipts	movement	2021
			US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
FLM Holdings	-	Convertible Bond	28.4	0.7	-	_	29.1
Future Metal Holdings Limited	84.8	Structured Equity	50.4	0.3	-	-	50.7
Meize Energy Industrial		Redeemable convertible					
Holdings Ltd	7.9	preference shares	8.2	-	-	-	8.2
DocDoc Pte Ltd	-	Convertible Bond	2.4	0.1	-	-	2.5
Infinity Capital Group	-	Secured Loan Notes	2.3	0.2	-	-	2.5
Infinity TNP	40	Equity	7.3	-	-	-	7.3
GCCF & Other investments	-		8.3	-	-	-	8.3
Corporate debt	-		(3.5)	-	-	-	(3.5)
Other liabilities	-		(1.5)	-	-	-	(1.5)
Cash			4.1	-	-	(1.5)	2.6
Total Net Asset Value			106.4	1.3	-	(1.5)	106.2

FUTURE METAL HOLDINGS LIMITED ("FMH")

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

Starting from March 2021, a new contractor was appointed to further enhance the efficiency of the operation and reach customers with a further geographical radius. In line with the wide-ranging industrial activities in China, sales have seen an upward trend. The management of the Quarry is now in contact with external parties regarding a potential business collaboration of highway construction. Together with the potential demand growth from the construction sector, the local team also noted the recovery in the magnesium market. In August 2021, magnesium prices reached a 13 year high surging from RMB21,200 (USD3,270) to RMB22,500 (USD3,470) per tonne due to a lack of supply in the market. The local team is actively looking for potential smelters in the local region to establish additional sales channels. JADE has been exploring the option of a partial or full exit of this investment by actively engaging with interested parties on the ground in the Shanxi Province as well as with brokers in Mainland China, Hong Kong and Singapore.

Including loan disbursements provided by the Company to FMHL and its subsidiaries and accrued PIK interest, the estimated fair value of the Company's investment is US\$50.7 million as of 30 June 2021.

FLM HOLDINGS ("FLM")

Our second largest investment by value is in the controlling shareholder of a Hong Kong-based restaurant group Fook Lam Moon ("**FLM**").

The Company holds a Convertible Bond of US\$26.5 million in Fook Lam Moon Holdings. The Convertible Bond has a maturity of 5 years and pays a coupon of 5.0% per annum (3.0% paid in cash with the remainder rolled up with the principal amount outstanding).

FLM's business was impacted by the COVID-19 pandemic in 2020, which severely limited inbound tourism, particularly from Mainland China. However, FLM is an over 70-year-old business that has weathered many past crises such as SARS and the Company is confident in FLM's resilience and ability to ensure its long-term future. As the Hong Kong government eases COVID-19 restrictions on restaurants and some air travellers in 2021, the food and beverage industry is gradually recovering to the pre-pandemic levels.

As of 30 June 2021, the carrying value of the Convertible Bond was US\$29.1 million taking into account the current face value of the instrument, accrued PIK interest and cash interest receivable, less an Expected Credit Loss ("**ECL**") provision of US\$0.7 million against aged cash interest receivables.

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

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

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

In the second half of 2020, Meize completed a third plant in Jiangsu Province, which commenced operations in August 2020. The Jiangsu Plant will be solely focused on producing offshore blades due to demand in the market for this product. In terms of production, it is the largest production site and produces 24 sets of blades each month. The Jiangsu site is looking to double its production by the middle of 2021.

Meize has maintained a full order book from its clients in 2021 due to the strong market demand, especially the offshore wind market, and driven by their largest existing customer. The Jiangsu plant initiated an expansion in early 2021 to meet the rising demand, which was completed and commenced operation in June 2021.

As of 30 June 2021, the Company's interest in Meize had a fair value of US\$8.2 million based on a Discounted Cash Flow analysis. The carrying amount represents a discount of over 50% to the full redemption value of the Company's investment.

INFINITY TNP

The Company maintains a 40% equity stake of Infinity Capital Group Limited's ("**ICG**") whollyowned subsidiary Infinity TNP, which holds units in a luxury hotel-condominium called Tellus Niseko.

Tellus Niseko is a unique development in Hirafu Village, with its high-end concierge service, an inhouse Michelin star chef-managed restaurant, inroom onsen (hot spring) baths, and prime location just minutes away from the Grand Hirafu ski lifts.

Tellus Niseko is in late stage discussions with several buyers in the Asia-Pacific region to sell a number of units in the development. The management team has been monitoring the local market performance to ensure prices are reflected appropriately.

As of 30 June 2021, the carrying value of its investment was US\$7.3 million.

INFINITY CAPITAL GROUP LIMITED ("ICG")

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

ICG develops premium residential projects in Hirafu Village, a world-class ski village in Niseko, Japan – one of the most popular winter travel destinations in the world. The Company agreed to provide a US\$4.0 million Secured Loan note facility to ICG in December 2018. The facility included two equal tranche drawdowns, carrying a coupon of 17.5% per annum in cash. The first tranche and second tranche were drawn on 31 January 2019 and 30 August 2019, respectively. The Company was also issued detachable warrants, which give it the right to purchase shares in ICG or its parent company should either undertake a liquidity event, such as an Initial Public Offering.

ICG has been closely monitoring the local tourism market to decide on the winter operation plan. As soon as the pandemic restrictions are lifted in Niseko, ICG shall recommence the operations immediately.

As of 30 June 2021, the carrying value of the Secured Loan was US\$2.5 million taking into account the current face value of the instrument and cash interest receivable. less an Expected Credit Loss ("ECL") provision of US\$47.2k against aged cash interest receivables.

DOCDOC PTE LTD. ("DOCDOC")

DocDoc is a Singapore-headquartered online network of over 23,000 doctors, 600 clinics, and 100 hospitals serving a wide array of specialities. It uses artificial intelligence, cutting-edge clinical informatics, and proprietary data to connect patients to doctors which fit their needs at an affordable price. In November 2020, DocDoc partnered with SpesNet Global Group, a leading healthcare technology provider, to integrate its digital third-party administrator ("TPA") technology and provide a first-of-its-kind complete digital health ecosystem to insurers, supporting their policyholders through the continuum of care.

Under this agreement, DocDoc will receive exclusive access to SpesNet's platform to include Singapore, Malaysia, Thailand, Hong Kong, India, and the People's Republic of China. Going forward, DocDoc will integrate SpesNet's digital TPA technology with DocDoc's telemedicine platform and Al-powered doctor discovery platform, HOPE (Heuristic for Outcome, Price and Experience), which matches policyholders to relevant healthcare providers, to power a holistic offering.

As of 30 June 2021, the carrying value of the Convertible Bond was US\$2.5 million. An annual coupon of 8% (4.0% cash and 4% Payment-in-Kind was converted to 8% Payment-in-Kind).

John Croft Chairman

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six month 30 June 2021 Unaudited US\$′000	s ended 30 June 2020 Unaudited US\$'000	Year ended 31 December 2020 Audited US\$'000
Income from unquoted financial assets Finance income from loans		575 673	525 668	1,137 1,337
Gross portfolio income	4	1,248	1,193	2,474
Fair value changes on financial assets at fair value through profit or loss Expected credit loss provision	9	48 -	(14) (322)	5,045 (779)
Net portfolio income	4	1,296	857	6,740
Management fees Incentive fees Administrative expenses	13	(914) (394)	(900) (40) (436)	(1,888) (1,750) (1,017)
Operating (loss)/profit		(12)	(519)	2,085
Finance expense		(259)	(179)	(442)
(Loss)/profit before taxation		(271)	(698)	1,643
Taxation	5	-	_	_
Other comprehensive income Foreign currency translation differences Profit/(Loss) and total comprehensive expense for the year		- (271)	- (698)	- 1,643
Earnings per share Basic	7	(0.24) cents	(0.69) cents	1.56 cents
Diluted		(0.24) cents	(0.69) cents	1.34 cents

The results above relate to continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2021 Unaudited US\$′000	30 June 2020 Unaudited US\$'000 (Restated)	31 December 2020 Audited US\$'000 (Restated)
Assets Unquoted financial assets at fair value through profit or loss Loans and other receivables Cash and cash equivalents	8 9	73,991 34,681 2,560	68,054 33,691 3,190	73,423 33,970 4,093
Total assets		111,232	104,935	111,486
Liabilities Other payables and accruals		1,515	1,227	1,530
Current liabilities		1,515	1,227	1,530
Loans & borrowings	10	3,536	3,472	3,504
Total liabilities		5,051	4,699	5,034
Net assets		106,181	100,236	106,452
Equity and reserves Share capital Treasury share reserve Share based payment reserve Accumulated losses	11	148,903 (615) 2,936 (45,043)	145,084 (671) 2,937 (47,113)	148,903 (615) 2,936 (44,772)
Total equity and reserves attributable to owners of the parent		106,181	100,236	106,452

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'000	Treasury share reserve US\$'000	Share based payment reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Group balance at 1 January 2020 Loss for the period Other comprehensive income	145,027 _ _	(671) 	2,936 _ _	(46,415) (698) –	100,877 (698) –
Total comprehensive expense for the period	_	_	_	(698)	(698)
Transactions with owners:					
Issue of shares Share buybacks	57	-	-	-	57
Group balance at 30 June 2020	145,084	(671)	2,936	(47,113)	100,236
Profit for the period Other comprehensive income				2,341	2,341
Total comprehensive income for the period	_	_	_	2,341	2,341
Transactions with owners:					
Issue of shares Treasury shares acquired Treasury shares sold Share-based payments	3,819 _ _ _	- (201) 257 -	- - -	- - -	3,819 (201) 257 –
Group balance at 31 December 2020 and 1 January 2021	148,903	(615)	2,936	(44,772)	106,452
Loss for the period Other comprehensive income		-	-	(271)	(271)
Total comprehensive income for the period	_	_	_	(271)	(271)
Group balance at 30 June 2021	148,903	(615)	2,936	(45,043)	106,181

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six montl 30-Jun 2021 Unaudited US\$′000	ns ended 30-Jun 2020 Unaudited US\$'000 (Restated)	Year ended 31 December 2020 Audited US\$'000 (Restated)
<i>Cash flow from operating activities</i> Profit/(Loss) before taxation Adjustments for:	(271)	(698)	1,643
Finance income Finance expense Exchange (gain)/loss	(673) 259 (58)	(668) 179 19	(1,336) 442 (197)
Fair value changes on unquoted financial assets at fair value through profit or loss Share-based expenses Decrease in other receivables	(566) - (16)	(511) - 398	(5,923) 479 992
(Decrease)/Increase in other payables and accruals Net cash used in operating activities	(15)	(1,072)	(3,698)
<i>Cash flow from investing activities</i> Purchase of unquoted financial assets at fair value through profit and loss	_	(207)	(207)
Net cash (used in)/generated from investing activities		(207)	(207)
Issue of Shares Sale of treasury shares Purchase of treasury shares Proceeds from loans and borrowings Payment of interest on loans and borrowings	- - - (228)	- - 1,720 (245)	2,367 257 (201) 1,720 (476)
Net cash (used in)/generated from financing activities	(228)	1,475	3,667
Net (decrease)/increase in cash & cash equivalents during the period Cash and cash equivalents and net debt at the beginning of the period	(1,568) 4,093	(1,085) 4,275	(238) 4,275
Foreign exchange on cash balances Cash & cash equivalents and net debt at the end of the period	35 2,560	3,190	4,093

NOTES TO THE FINANCIAL INFORMATION

1. CORPORATE INFORMATION

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

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

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

The condensed consolidated interim financial information was approved for issue on 20 September 2021.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial information for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020 and are those the Group expects to apply into financial statements for the year ending 31 December 2021.

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

4. SEGMENT INFORMATION

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

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

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

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

	Six month 30 June 2021 US\$′000	Year ended 31 December 2020 US\$'000	
Income on unquoted financial assets Financial income on loans & receivables	575 673	525 668	1,137 1,336
Gross portfolio income	1,248	1,192	2,473
Expected credit loss provision Other provisions Foreign exchange Equity fair value adjustments	- - 48 -	(322) (14) _	(529) (250) 215 4,831
Portfolio income through profit or loss	1,296	857	6,740
Net assets: FMHL Meize GCCF DocDoc ICG Infinity TNP Other	50,696 8,201 2,745 2,491 2,522 7,320 16	45,263 8,201 2,745 2,301 2,207 7,320 17	50,400 8,200 2,745 2,395 2,346 7,320 17
Unquoted assets at fair value through profit or loss Loans and other receivables at fair value through the profit or loss (third party) Cash Liabilities	73,991 34,681 2,560 (5,051)	68,054 33,691 3,190 (4,699)	73,423 33,970 4,093 (5,034)
Net assets	106,181	100,236	106,452

	Six month 30 June 2021 US\$'000	Year ended 31 December 2020 US\$'000	
Income on unquoted financial assets through profit or loss Equity fair value adjustments: - FMHL	575 _	525	1,137 4,831
- ICG Expected credit loss provision: - ICG	-	-	4,831
Foreign exchange on unquoted financial assets at fair value through profit or loss	(9)	(14)	17
Total fair value changes on financial assets at fair value through profit or loss	566	511	5,923

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

5. TAXATION

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

6. DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2021 (30 June 2020: Nil).

7. EARNINGS PER SHARE

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

		Six month	ns ended	Year ended
		30 June	30 June	31 December
		2021 US\$′000	2020 US\$'000	2020 US\$'000
Numerator				
Basic/Diluted:	Net profit/(loss)	(271)	(698)	1,643
		N	umber of shares	;
		'000	'000	'000
Denominator				
Basic:	Weighted average shares	115,278	101,618	105,518
	Dilutive effect of warrants	-	_	17,568
Diluted:	Adjusted weighted	445 070	101 010	100.000
	average shares	115,278	101,618	123,086
Earnings per share				
Basic (cents)		(0.24)	(0.69)	1.56
Diluted (cents)		(0.24)	(0.69)	1.34
		(***= */	(0.00)	

For the six months ended 30 June 2021 and 2020, the warrants issued to the Investment Manager are anti-dilutive and therefore there is no impact on the weighted average shares in issue.

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

30 June 2021 US\$′000	30 June 2020 US\$'000	31 December 2020 US\$'000
73,423 568	67,172 544	67,172 5,975
-	-	(62) 264
_	156	204 156 (81)
73 991	68 054	73,423
	2021 US\$'000 73,423	2021 2020 US\$'000 US\$'000 73,423 67,172 568 544 - - - 182 - 156 - -

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

	30 June 2021 US\$′000	30 June 2020 US\$'000	31 December 2020 US\$'000 (Restated)
At the beginning of the period Additions Reclassification Fair value changes through profit and loss Expected credit loss provision through profit and loss Finance income on loans	33,970 - - 38 - 673	33,516 364 (156) (33) – –	33,516 64 (156) (324) (467) 1,337
At the end of the period	34,681	33,691	33,970
	30 June 2021 US\$′000	30 June 2020 US\$'000 (Restated)	31 December 2020 US\$'000 (Restated)
Loans Other receivables Amounts receivable from related parties	29,081 5,600 –	27,820 5,442 429	28,408 5,562 –
Total loans and borrowings	34,681	33,691	33,970

Loans represent the Convertible Bond issued by Fook Lam Moon Holdings plus accrued interest. The Group has assessed the recoverability of Loans in accordance with its policy, and determined that an ECL allowance is required in respect of accrued cash interest relating to its fixed interest credit investment. The breakdown of Loans is as follows:

	30 June	30 June	31 December
	2021	2020	2020
	US\$′000	US\$'000	US\$'000
Loan principal	26,500	26,500	26,500
Accrued PIK interest	1,408	860	1,132
Accrued interest payable in cash	1,877	1,019	1,480
Gross loans receivable	29,785	28,379	29,112
Lifetime ECL allowance recognised	(704)	(559)	(704)
Net loans receivable	29,081	27,820	28,408
	30 June	30 June	31 December
	2021	2020	2020
	US\$′000	US\$'000	US\$'000
At the beginning of the period	704	237	237
ECL allowance charged to profit or loss	–	322	467
At the end of the period	704	559	704

10. LOANS AND BORROWINGS

	30 June 2021	30 June 2020	31 December 2020
	US\$'000	US\$'000	US\$'000
Corporate debt	3,536	3,472	3,504
Total loans and borrowings	3,536	3,472	3,504

The movement in loans and borrowings is as follows:

	30 June 2021 US\$′000	30 June 2020 US\$'000	31 December 2020 US\$'000
Opening helence	2 504	1 000	1 000
Opening balance Proceeds from issue of loan notes	3,504	1,909	1,909 1,720
	-	1,720	,
Termination of lease	-	(34)	(34)
Capitalised borrowing costs	-	(57)	(57)
Borrowing costs amortised	32	24	56
Interest expense accrued	228	155	386
Payment of interest liability	(228)	(245)	(476)
Closing balance	3,536	3,472	3,504

11. SHARE CAPITAL

	Number of Shares	Amount US\$'000
Authorised, called-up and fully paid ordinary shares of no-par		
value each at 30 June 2020	101,755,422	144,413
Sale of treasury shares	1,264,000	257
Purchase of treasury shares	(595,000)	(201)
Share issue - open offer and placement	8,356,663	2,699
Share issue - HCIL incentive fees	4,496,784	1,453
Share issue costs		(333)
Authorised, called-up and fully paid ordinary shares of no-par		
value each at 31 December 2020 and at 30 June 2021	115,277,869	148,288
Consisting of:		
Authorised, called-up and fully paid ordinary shares of no-par		
value each at 30 June 2021	117,925,673	148,903
Authorised, called-up and fully paid ordinary shares of no-par		
value held as treasury shares by the Company at 30 June 2021	(2,647,804)	(615)

(i) Under the BVI corporate laws and regulations, there is no concept of "share premium", and all proceeds from the sale of no-par value equity shares are deemed to be share capital of the Company.

12. FINANCIAL INSTRUMENTS

Financial assets

	As at 30 June 2021 US\$'000	As at 30 June 2020 (Restated) US\$'000	As at 31 December 2020 (Restated) US\$'000
Unquoted financial assets at fair value Loans at fair value Other receivables at fair value Cash and cash equivalents at amortised cost	73,991 29,081 5,559 2,560	68,054 27,820 5,831 3,190	73,423 28,408 5,536 4,093
Financial assets	111,191	104,895	111,460

Financial liabilities

	As at	As at	As at
	30 June	30 June	31 December
	2021	2020	2020
	US\$′000	US\$'000	US\$'000
Other payables and accruals at amortised cost	1,515	1,227	1,530
Corporate debt at amortised cost	3,536	3,472	3,504
Financial liabilities	5,051	4,699	5,034

The Corporate Bond has a remaining term of over 1 year, due for repayment in October 2022. All other financial liabilities are due within 12 months.

Financial assets at fair value through profit or loss

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

No	As at 30 June 2021 te US\$'000	As at 30 June 2020 US\$'000 (Restated)	As at 31 December 2020 US\$'000 (Restated)
Level 3Unquoted financial assets at fair value8Loans at fair value9Other receivables at fair value9,1	73,991	68,054	73,423
	29,081	27,820	28,408
	4 5,559	5,831	5,536
	108,631	101,705	107,367

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

13. RELATED PARTY TRANSACTIONS

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

	Notes	30 June 2021 US\$′000	30 June 2020 US\$'000	31 December 2020 US\$'000
Remuneration payable to Directors		159	122	256
Harmony Capital Management fee Incentive fee	(i)	914 _	900 40	1,888 1,750
Amount due to Harmony Capital at period end		1,289	974	1,289

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

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

14. PRIOR YEAR ERROR

In the previous financial year, cash held on account by investment brokers was presented as part of the other receivables balance. This was an error, as the balances were held for the purposes of meeting short term cash commitments rather than for investment. The broker accounts were not subject to restrictions and were readily convertible into cash at short notice. Therefore, the accounts met the definition of cash equivalents detailed in the Company's accounting policies and should be reclassified from loans and other receivables to cash and cash equivalents. The impact of the restatement at the beginning and the end of the prior period is as follows:

	31 December 2020 US\$'000 (Reported)	31 December 2020 US\$'000 (Restated)	1 January 2020 US\$'000	1 January 2020 US\$'000 (Restated)
Loans and other receivables at fair value through profit or loss	34,390	33,970	33,720	33,516
Cash and cash equivalents	3,673	4,093	4,071	4,275

15. EVENTS AFTER THE REPORTING PERIOD

The Management Team at the Quarry is in late stage discussions for a large off-take agreement for a construction project that is underway.

16. COPIES OF THE INTERIM REPORT

The interim report is available for download from www.jaderoadinvestments.com.

