Jade Road Investments Limited

Annual Report 2023

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Company Information

Directors
Mr. John Croft
– *Executive Chairman*
Hugh Viscount Trenchard
– *Non-executive Director*
Dr. Lee George Lam
– *Non-executive Director*
Mr. Stuart Crocker
– *Non-executive Director*

Investment Manager
Heirloom Investment Management LLC
Burj Khalifa, Unit 3605
Dubai, UAE

Key Personnel of Investment Manager
Heirloom Investment Management
Geoff Dover
Chief Investment Officer

Registered Office
Commence House, Wickhams Cay 1
PO Box 3140
Road Town, Tortola
British Virgin Islands VG1110

Company Secretary
Conyers Trust Company (BVI) Limited
Commence House, Wickhams Cay 1
PO Box 3140
Road Town, Tortola,
British Virgin Islands VG1110

Principal Place of Business
20/F, Infinitus Plaza
199 Des Voeux Road Central, 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
Conyers Trust Company (BVI) 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
Hybridan LLP
1 Poultry,
London
EC2R 8EJ

Auditors
PKF Littlejohn LLP
15 Westferry Circus
London E14 4HD

Website
www.jaderoadinvestments.com

Stock Code
AIM: JADE
Frankfurt: 1CP1

Company Description

Jade Road Investments Limited ("**Jade Road**" or the "**Company**") was previously focused on providing growth capital and financing to emerging and established Small and Medium Enterprises ("**SMEs**") worldwide. However the Company recently disposed of its entire asset portfolio and is now seeking to raise new capital to invest in and/or acquire a business via a Reverse Take Over (RTO).

Our common stock is publicly traded on the Alternative Investment Market ("**AIM**") market of the London Stock Exchange, under the ticker symbol "JADE".

Investing Policy

1) The Company has an indefinite life, is sector agnostic and is targeting assets in any class which will produce income returns, with a secondary focus on capital gains over time for its Shareholders.

2) The Company will seek the best risk-adjusted returns globally, with a preference for investments governed by legal systems that the Company understands and believes to be reliable.

3) The Company may invest directly into listed securities, over-the-counter traded securities, currencies, companies, real assets, contractual obligations, or commodities ("Direct Financings").

4) The Company may provide financing to entities, becoming a lender to, or a limited partner or shareholder of, an affiliated or third party which itself has a strategy to invest in underlying listed securities, over-the-counter traded securities, currencies, companies, real assets, contractual obligations or commodities ("Indirect Financings").

5) The Company shall ensure that at the time of entering into a Direct Financing, it shall represent not more than 30% of the Company's net asset value immediately following the relevant transaction. There is no limit on the number of investments the Company may take.

6) The Company shall ensure that at the time of entering into an Indirect Financing, no underlying asset of the indirectly financed entity shall represent more than 30% of the Company's net asset value immediately following the relevant transaction.

7) There is no restriction on the duration the Company will hold any investment nor any restriction on the time for the Company to make its investments in such assets.

8) The Company will pursue a predominantly passive management strategy. However, on a case by case basis, it may consider securing additional governance rights such as observer or board appointments where the situation or asset dictates such additional oversight.

9) The Company may utilise gearing when appropriate. The Company will continue to exercise prudence in determining whether prevailing market conditions and investor expectations warrant the utilisation of any leverage over its portfolio.

10) The Company will consider issuing its own shares as consideration for interests in other companies but such cross holdings will be limited to 20 per cent. of the Company's issued shares in aggregate from time to time.

Chairman’s Statement

In the second half of 2023 your Board took the decision to restructure the Company by disposing of all of its legacy Asian assets and transferring them to a separate privately held company Eastern Champion Limited (SPV) whose shareholders would be a mirror of the shareholders in JADE, whereby shareholders in JADE would receive an equivalent number of shares in the SPV.

The main reason for taking this action is that the Company’s share price has never remotely reflected the full value of the assets, and therefore the benefit of them remaining part of a publicly quoted company became minimal. The other key benefit of moving the assets to the SPV is that the costs of managing the assets has been radically reduced which in turn will increase the net proceeds from asset sales. Details of all aspects of the transfer were provided in the Shareholder Circular dated 8 April 2024
https://www.londonstockexchange.com/news-article/JADE/posting-of-circular-and-notice-of-agm/16413017

An important element of the restructuring is that the Company’s debt of $3.6m represented by the Corporate Bond has also been transferred to the SPV.   Additionally, debt amounting to US$670k owing to the Company’s former Investment Manager Harmony Capital has also been transferred to the SPV.

Shareholders and Bondholders voted in favour of the above restructuring on May 1, 2024 and over December 2023 respectively.

In April 2024, prior to completion of the restructuring, the Company announced the sale of Future Metal Holdings Ltd. the largest asset by value in the Company’s portfolio to a local Chinese buyer. The gross sale proceeds amounting to the equivalent of approximately US$ 5.5m have been lodged with the Company’s Chinese lawyers in escrow pending completion of a number of formalities required to obtain approval for the proceeds to be remitted offshore. The net proceeds are anticipated to be sufficient to repay the Corporate Bonds in full, whilst the timing to complete this process remains uncertain. Sale proceeds from this transaction will accrue to the SPV following the restructuring.

Following the restructuring outlined above, JADE effectively becomes a shell company in search of a potential acquisition via a Reverse Take Over (RTO) or an alternative investment platform with new principals.

Discussions are ongoing with a number of potential acquisition targets. Further details of any such putative transactions will be provided in due course.

I would like to take this opportunity to thank the Company’s Shareholders and Bondholders for their support in achieving this successful restructuring which provides an opportunity for the Company to pursue a different and hopefully more value enhancing future.

John Croft

28 June 2024

Chairman of the Board

Portfolio at 31 December 2023

Principal assets	Effective interest %	Instrument type	Valuation at 31 December 2022 US$ million	Credit income US$ million	Credit investment US$ million	Equity investment/ other movement US$ million	Fair value adjustment US$ million	Transfer to investments available for sale	Valuation at 31 December 2023 US$ million
Fook Lam Moon Holdings	-	Convertible Bond	-	0.5	-	-	(0.5)	-	-
Future Metal Holdings Limited	84.8	Structured Equity	5.3	0.6	-	-	(1.6)	(4.3)	-
Meize Energy Industrial Holdings Ltd	6.3	Redeemable convertible preference shares	8.8	-	-	-	(8.8)	-	-
DocDoc Pte Ltd	-	Convertible Bond	2.8	0.2	-	-	(3.0)	-	-
Infinity Capital Group	-	Secured Loan Notes	1.4	0.3	-	-	(1.7)	-	-
Infinity TNP	40	Equity	-	-	-	-	-	-	-
Project Nicklaus	-		1.8	-	-	(0.1)	(1.7)	-	-
Heirloom Investment Fund and Heirloom Litigation Funding			-	-	0.8	(0.3)		-	**0.5**
Investments available for sale			-	-	-	-	-	4.3	**4.3**
Corporate debt	-		(3.9)	-	-	0.1	-	-	**(3.8)**
Other liabilities	-		(1.4)	-	-	0.4	-	-	**(1.0)**
Cash			0.3	-	-	(0.2)	-	-	**0.1**
Total Net Asset Value			15.1	1.6	0.8	(0.1)	(17.3)	-	**0.1**

Biographies of Directors and Senior Management

Board of Directors

Mr. John Croft, Executive Chairman

John Croft is an experienced Chairman, non-executive Director and executive with a successful international career in the technology and financial services sectors.

He is also a non-executive Director at Aura Renewable Acquisitions PLC and Golden Rock Global PLC, both Special Acquisitions Companies (SPACs) quoted on the Standard List of the London Stock Exchange and is also a non-executive Director at Brazilian Nickel PLC. He has previously held senior Director level positions in Racal Electronics and NCR Corporation, following an early career in banking with HSBC and Citibank.

Hugh Viscount Trenchard, Non-executive Director

Viscount Trenchard began his career as an investment banker at Kleinwort Benson in 1973. He has more than 40 years' experience of Japanese business, including 12 years as a resident of Japan. He ran Kleinwort Benson's East Asian operations for 15 years and was later Head of Japanese Investment Banking for Robert Fleming & Co. Limited, before working with Mizuho International plc from 2007 to 2014. He served as a Senior Adviser for Japan and Korea to Prudential Financial, Inc. from 2002 to 2008. Lord Trenchard is a member of the House of Lords and a Vice-Chairman of the British-Japanese Parliamentary Group.

Mr. Charles Stuart Crocker, Non-executive Director

In 1975 Stuart graduated from the Royal Military Academy Sandhurst and served for ten years in the United Kingdom, Northern Ireland and Germany. His second career began in 1985 in Private Banking, primarily with Merrill Lynch and HSBC in London, Geneva, and Dubai. Latterly he was CEO HSBC Private Bank UAE and Oman, and he was concurrently the SEO for HSBC in the Dubai International Financial Centre (DIFC). He was finally the Global Head Private Banking Group for Abu Dhabi Islamic Bank.

During his career Stuart has accumulated multiple banking and finance qualifications and has studied at Manchester Business School, Insead and Duke. Stuart retired from banking in 2013 and has subsequently held Non-Executive Chairman, NED, and Trustee appointments in public and private companies and charities across a variety of industry sectors. He was admitted into the Freedom of the City of London in 2006 as a “Citizen and International Banker of London” and was “progressed” as a Liveryman of the Worshipful Company of

International Bankers in June 2022.

Dr. Lee George Lam, Non-executive Director

Dr. Lam is Chair of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business Network (ESBN), Vice Chairman of Pacific Basin Economic Council (PBEC), Chairman of the Permanent Commission on Economic and Financial Issues of the World Union of Small and Medium Enterprises (WUSME), and a member of the Belt and Road and Greater Bay Area Committee of the Hong Kong Trade Development Council. A former member of the Hong Kong Bar, Dr. Lam is a Solicitor of the High Court of Hong Kong, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Fellow of Certified Management Accountants (CMA) Australia, the Hong Kong Institute of Arbitrators and the Hong Kong Institute of Directors, an Honorary Fellow of Certified Public Accountants (CPA) Australia, the Hong Kong Institute of Facility Management and the University of Hong Kong School of Professional and Continuing Education, an International Affiliate of the Hong Kong Institute of Certified Public Accountants, and a Distinguished Fellow of the Hong Kong Innovative Technology Development Association.

Key Personnel of the Investment Manager, Heirloom Investment Management LLC

Mr. Geoff Dover is the founder and President of Heirloom Family Office, and the President and Chief Investment Officer of Heirloom Investment Management LLC, a regulated investment management firm that offers other family offices the opportunity to co-invest in investments made by Heirloom Family Office. He has over 25 years' experience of fundamentals-based investment expertise across asset classes with a particular expertise in originating, evaluating, structuring and executing on unique alternative investments.

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 2023.

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 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. The company, along with its subsidiaries, act as an investment group. Since the year end, the legacy assets have been transferred to an independent third party company and the investments in Heirloom funds have been repaid.

RESULTS AND DIVIDENDS

The Company recorded a loss before taxation of US$17.7 million (2022: loss US$52.9 million).

The loss reflects fair value decrease on assets in the portfolio of US$17.3 million (2022: decrease US$47.4 million), net finance cost of US$0.03 million (2022: net finance income of US$0.8 million) and total operating expenses of US$1.5 million (2022: US$1.8 million). The decrease in the fair value of the assets is due to the revaluation of the assets to the value at which they have been transferred to an independent third party on 1 May 2024.

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

REVIEW OF THE BUSINESS

The Group's audited net asset value as at 31 December 2023 stood at US$0.1 million (2022: US$15.1 million) equivalent to US$0.00 per share (2022: US$0.13), excluding the effect of treasury shares held by the Group.

The principal investment assets held by the Company at the year-end, together with their valuations are set out in the Chairman's statement.

EVENTS AFTER THE REPORTING PERIOD

The significant events after the reporting period are set out in Note 18 of the financial statements, none of which impact on the results and net assets reported in these 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
Hugh Viscount Trenchard
Dr. Lee George Lam
Mr. Stuart Crocker
Mr. John Batchelor (resigned Mar 2023)

John Batchelor, Non-Executive Director, has resigned from the Board of Jade Road Investments on 24 March 2023.

With the exception of the related party transactions stated in Note 16 to the Financial Statements, there were no other significant contracts, other than Directors' contracts of service, in which any Director had a material interest. The Directors who held office as at 31 December 2023 had the following beneficial interests in the shares of the Company and Group companies as follows:

Number of ordinary shares of no par value as at 31 December

		2023		**2022**
	Direct	**Indirect**	Direct	Indirect
Mr. John Croft	130,463	10,733	130,463	10,733
Hugh Viscount Trenchard	60,634	-	60,634	-
Dr. Lee George Lam	101,057	-	101,057	-
Mr. Stuart Crocker	80,845	-	80,845	-

Number of warrants over ordinary shares of no par value as at 31 December

		2023		**2022**
	Direct	**Indirect**	Direct	Indirect
Mr. John Croft	800,000	-	877,346	-
Hugh Viscount Trenchard	400,000	-	457,634	-
Dr. Lee George Lam	400,000	-	496,057	-
Mr. Stuart Crocker	-	-	76,845	-
Mr. John Batchelor	-	-	-	-

SUBSTANTIAL SHAREHOLDINGS IN THE COMPANY

As far as the Directors are aware at 26 June 2024, the following persons were interested in 3% or more of the issued share capital of the Company:

Shareholder	Number of ordinary shares	Percentage of issued share capital
Heirloom Group	191,712,713	54.66%
- Heirloom SPV 2022 II	156,303,842	44.57%
- Ocorian Singapore Trust Company Pte Ltd as Trustee of Fidelis Fund	21,135,665	6.08%
- Heirloom Investment Management LLC	7,785,192	2.22%
- Heirloom Fixed Return Fund	4,883,570	1.39%
- Geoff Dover	1,404,444	0.40%
Elypsis Solutions Limited	55,225,127	15.75%
Infinity Capital Group Limited	16,179,310	4.61%
First Equity Limited	10,000,000	2.85%

Heirloom SPV 2022 II, Heirloom Investment Management LLC, Ocorian Singapore Trust Company Pte Ltd as Trustee of Fidelis Fund, Heirloom Fixed Return Fund and Geoff Dover are under one controlling group – Heirloom Group. The total shareholdings of Heirloom Group are 54.66%.

FINANCIAL INSTRUMENTS

The Group's use of financial instruments is described in Note 9 and Note 15.

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 14 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 2023, the number of ordinary shares in issue was 358,193,134, of which 7,480,000 were held in treasury by the group. Details of movements in the issued share capital during the year are set out in Note 14 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 2023, the Group had Nil (2022: Nil) employees excluding Directors.

CHARITABLE DONATIONS

The Group didn't make any charitable donations during the year (2022: Nil).

GOING CONCERN

Notwithstanding the operating loss of US$17.7Mn and operating cash outflows of USD$1.7Mn for the year ended 31 December 2023 and net current assets of $0.05Mn at year-end, the group has prepared the financial statements under the going concern. Following the recent transfer of assets the Company is seeking to acquire a business via a Reverse Take Over (RTO). The Company will need to raise interim capital to advance discussions for an RTO. The Company also continues to manage a small number of creditors. The Company is confident that it will be able to raise the interim capital required, and is in advanced discussions with a number of parties with respect to this. In addition, the company has also received a letter of support from its largest shareholder Heirloom in regard to the Company's fundraising plans. However, were the company to not obtain this funding in the short term, and Heirloom unable to financially support the company in the foreseeable future, then the company would not be able to meet its liabilities as they fall due. Were the company not to be considered a going concern, there would be no material impact on these financial statements as all significant items are already held at their fair value. Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments that would result if the group was unable to continue as a going concern.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in conformity with EU-adopted International Financial Reporting Standards. Under Company Law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the profit and loss of the Group for that period. In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent;
- Ensure statements are in conformity with EU-adopted International Financial Reporting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with EU-adopted International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

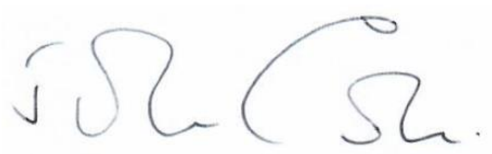
The Financial Statements are published on the Group's website https://jaderoadinvestments.com. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The company is compliant with AIM Rule 26 with regard to the company website.

AUDITOR INFORMATION

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

On behalf of the Board



John Croft
28 June 2024
Chairman of the Board

Corporate Governance Statement

THE BOARD

The Board of Jade Road Investments Limited, in accordance with the AIM Rules, adopted an appropriate corporate governance code. It has decided to apply the Quoted Companies Alliance Corporate Governance Code (the QCA Code). The QCA Code is a pragmatic and practical corporate governance tool which adopts a proportionate, principles-based approach which the Board believes will enable the explanation of how the Company applies the QCA Code and its overall corporate governance arrangements. The QCA Code is constructed around 10 broad principles which are set out below together with an explanation of how the Company complies with each principle, and where it does not do so, an explanation for that.

As suggested by the QCA, our Chairman, John Croft makes the following statement in relation to corporate governance:

"As Chairman of the Company, I lead our Board of Directors and have primary responsibility for ensuring that the Company meets the standards of corporate governance expected of an AIM investment company of our size. Our over-arching role as a Board is to monitor the Company's progress with its investing policy and to ensure that it is being properly pursued. In pursuing that strategy, our second key focus is to supervise, manage and objectively assess the performance of our Investment Manager, Heirloom Investment Management LLC. Given there is no executive team in the Company and no other employees, this relationship is critically important in terms of delivering value to our shareholders.

We set out below how we as a Board seek to apply the QCA Code, bearing in mind the particular nature of the Company and its business. Being an investment company means we are naturally focused on investment strategy and deploying our cash resources in the most efficient way to produce returns for shareholders in the medium to long term, balancing the potential risks and rewards of each investment which our Investment Manager proposes. We have a rigorous investment process including third-party legal, commercial, and financial due diligence, site visits, management meetings, and independent valuations where relevant. The output of this work is consolidated and presented to the Board by the Investment Manager in high-quality investment presentations which are reviewed and discussed at length at investment board meetings. We are not a large corporate with multiple stakeholders and, as noted above, our Board is primarily non-executive as at the year end. We, therefore, intend to take a pragmatic approach to governance structures and processes and whilst retaining a high-performance culture at Board level, adopt policies and procedures which we think are appropriate to an investment company on AIM."

The Board, the Investment Manager and Board Committees

The Board is responsible for reviewing and approving the Company's Investing Policy and for monitoring the performance of Heirloom Investment Management LLC in the performance of its obligations under the Services Agreement. The Company holds board meetings as required and not less than four times annually. The Board has constituted committees with responsibility for overseeing audit, remuneration, valuation and investment matters.

The Board has constituted the following Committees:

The Remuneration Committee constituted by Hugh Viscount Trenchard and Dr Lee George Lam.

The Remuneration Committee reviews the scale and structure of the Directors' remuneration and the terms of their service or employment contracts, including warrant schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive Directors are set by the entire Board, with Directors absenting themselves, at the appropriate time, from discussions on matters directly reflecting their remuneration.

The Investment Committee constituted by John Croft, Hugh Viscount Trenchard, Dr Lee George Lam, and Stuart Crocker.

The Investment Committee has the primary authority to develop the Company's investment objectives and corporate policies on investing. It reviews and approves investment opportunities presented by the Company's Investment Manager. The Committee will at all times be constituted by all the Company's directors.

The Audit Committee constituted by John Croft and Stuart Crocker.

The Audit Committee appoints and determines the terms of engagement of the Group's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee monitors the independence of the Group's auditor, and the appropriateness of any non-audit services. The Audit Committee receives and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors. The Audit Committee makes recommendations to the Board.

The Valuation Committee constituted by Hugh Viscount Trenchard and Dr. Lee George Lam.

The Valuation Committee is responsible for reviewing the valuation process for all investments, including the application of appropriate valuation standards, based on the input of the Company's Investment Manager and on the Company's Valuation Policy which was formally adopted in 2020. Its members are sourced from independent directors of the Board. It retains the authority to engage with independent 3rd parties at any time with respect to valuation matters. The Committee comprises a minimum of two members, currently Stuart Crocker and John Croft, and reports directly to the Board.

DELIVER GROWTH

Principle 1 Establish a strategy and business model which promote long-term value for shareholders

Principle

The Board must be able to express a shared view of the Company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long term. It should demonstrate that the delivery of long term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.

Compliance

The Company provides equity and credit funding to companies, principally in the Pan-Asian region or with a connection to Asia. It will do this through investing in direct financings, pre-IPO investments, growth private equity, event driven special situations, opportunistic special situations, and indirect financing.

The Company is sector agnostic in its investment activities.

New investments will be managed actively, including through appropriate investor protections which will be negotiated on each transaction as appropriate and relevant.

The Company will consider using debt to finance transactions on a case-by-case basis and may assume debt on its own balance sheet when appropriate to enhance returns to Shareholders and/or to bridge the financing needs of its investment pipeline.

The Company has completed its disposal programme post year end for its "legacy" assets.

The Board, in collaboration with the Investment Manager, maintains a vigilant watch over the current investment climate and macro-economic conditions worldwide.
These factors have the potential to impact and, at times, pose challenges to the Company's strategic execution. This includes considerations of regulatory and governmental policy changes that may arise, requiring the Company to adapt and navigate accordingly.

Principle 2 Seek to understand and meet shareholder needs and expectations

Principle

Directors must develop a good understanding of the needs and expectations of all elements of the Company’s shareholder base. The Board must manage shareholders’ expectations and should seek to understand the motivations behind shareholder voting decisions.

Compliance

The Board is aware of the need to protect the interests of minority shareholders and the balancing of these interests with those of the majority shareholder. The Board also considers the terms of the relationship agreement the Company has entered with its largest shareholder and, where necessary, will enforce any relevant terms.

The Company holds regular investor events in London, Hong Kong and Dubai, where the Chairman, other members of the Board and the Investment Manager update attendees on key developments in the portfolio. All shareholders are invited to attend these events. The Chairman is principally responsible for shareholder liaison.

The Company regularly updates the market via its RNS news feed of any disclosable matters and where appropriate, also uses social media platforms to engage with a wider audience.

The Company publishes all relevant materials, according to QCA definitions, on its website. This includes annual reports and shareholder circulars.

Principle 3 Take into account wider stakeholder and social responsibilities and their implications for long-term success

Principle

Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators, and others). The Board needs to identify the Company’s stakeholders and understand their needs, interests, and expectations.

Where matters that relate to the Company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long term, then those matters must be integrated into the Company's strategy and business model.

Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.

Compliance

The balance of economic value to the Group and social impact is carefully considered, not only throughout the due diligence for any potential investments but also ongoing monitoring by of periodical site visits for the invested projects, with the maintenance of high environmental standards is a key priority. The Board is conscious of its responsibilities in relation to society, particularly in a developing economy such as China.

The key resources for the Company are principally the Investment Manager and the Company's advisory team, including its nominated adviser, brokers, solicitors, and auditors. The Investment Manager and therefore the Company rely on a network of intermediaries to originate investment deal flow. The Board speaks to the advisory team on a regular basis and takes feedback from it throughout the year. In particular, it seeks advice in relation to compliance with the AIM Rules and their impact on its investments from the nominated adviser and solicitors and from the auditors in relation to accounting matters including net asset value and the annual audit.

Principle 4 Embed effective risk management, considering both opportunities and threats, throughout the organisation

Principle

The Board needs to ensure that the Company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the Company's supply chain, from key suppliers to end-customer.

Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).

Compliance

Effective risk management in relation to the Company's portfolio is key to the Board's assessment of the Investment Manager's performance. Measuring risk in each investment case, in terms of both how it can be mitigated and the potential upside of taking on such risk are critical elements of the analysis produced by the Investment Manager and reviewed by the Board on each proposed investment. Similarly, in conducting the managed disposal programme, the Board is focused on achieving the best possible value for the assets being disposed of. At the same time, the Board assesses the risk of maintaining those positions with the potential for further value to be eroded at the same time as it requires additional time to be spent by the Board and by the Investment Manager.

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

Principle 5 Maintain the Board as a well-functioning, balanced team led by the Chairman

Principle

The Board members have a collective responsibility to promote the interests of the company and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chairman.

The Board (and any committees) should be provided with high-quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.

The Board should have an appropriate balance between Executive and Non-Executive Directors and should have at least two independent Non-Executive Directors. Independence is a board judgement.

The Board should be supported by committees (e.g., audit, remuneration) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.
Directors must commit the time necessary to fulfil their roles.

Compliance

The Board consists of the Executive Chairman and three Non-Executive Directors.

The Executive Chairman has been involved with the Company since its predecessor company, China Private Equity Investment Holdings Limited was admitted to AIM in 2009. Viscount Trenchard, Dr. Lee George Lam, Mr. Stuart Crocker, and Mr. John Batchelor were all appointed to the Board in 2017 or later. These four individuals serve as Non-Executive Directors and are regarded as independent members. However, it is important to note that as of March 2023, Mr. John Batchelor has departed from the Board.
Each Non-Executive Director is engaged on a 12-month contract with three months' notice on either side and is required to commit to a minimum of two days per calendar month.

The Executive Chairman's roles and responsibilities include but are not limited to engaging potential clients across Jade Road's domain in the APAC region, initiating and agreeing Terms of Engagement with clients, providing the lead consultancy services to clients and support the business development of the Company, liaising with the Company's NOMAD and other advisors in London, and being the main contact between the Board and the Investment Manager, approving public announcements, engaging with Shareholders, Investors and other Stakeholders to promote the Company and its business objectives.

As explained above, the Board receives detailed investment papers from the Investment Manager in relation to any asset which is either recommended for investment or disposal, including an executive summary of the due diligence findings, results of site visits and management meetings (including an assessment of the investee company's management team), key financial metrics, key risk factors, the potential returns available, security for the investment and the type of instrument to be used.

Principle 6 Ensure that between them the directors have the necessary up-to-date experience, skills, and capabilities.

Principle

The Board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The Board should understand and challenge its own diversity, including gender balance, as part of its composition.

The Board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board.

As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.

Compliance

Directors who have been appointed to the Company have been chosen because of the skills and experience they offer. The identity of each Director and his full biographical details are provided on the website, which include each Director's relevant experience, skills, personal qualities, and capabilities. The current team of Directors offer a mix of investment, quoted company, sector and geographical expertise and exposure.

The Board has not taken any specific external advice on a specific matter, other than in the normal course of business as an AIM-quoted company and in pursuit of the investment policy. There are no internal advisors to the Board. The Directors rely on the Company's advisory team to keep their skills up to date and through attending market updates and other seminars provided by the advisory team, the London Stock Exchange plc, and other intermediaries.

The Investment Manager is the key external adviser to the Board.

Principle 7 Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Principle

The Board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual Board members.

The Board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.

It is healthy for membership of the Board to be periodically refreshed. Succession planning is a vital task for Boards. No member of the Board should become indispensable.

Compliance

The Board consists predominantly of Non-Executive Directors, the Company having no employees. In this regard, Board performance and oversight lies predominantly with the Chairman and other stakeholders, particularly shareholders. In early 2020, it was determined by the Remuneration Committee that John Croft be designated as Executive Chairman to align with his time commitment and contribution to the Company's affairs.

Events are held with shareholders where feedback on the Company's progress is sought on a regular basis, and this interaction provides valuable input on Board performance. Advice is also sought on Board composition on an ongoing basis from the Company's NOMAD.

The composition of the Board is reviewed regularly, and changes made where appropriate. As the Company recently disposed of its entire asset portfolio and is now seeking to raise new capital to invest in and/or a business via a RTO, the Company may look to broaden its skills and experience base by the appointment of additional Directors and/or advisors in due course.

The Board does not carry out a formal review process.

Principle 8 Promote a corporate culture that is based on ethical values and behaviours

Principle

The Board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and source of competitive advantage.

The policy set by the Board should be visible in the actions and decisions of the chief executive and management team. Corporate values should guide the objectives and strategy of the company.

The culture should be visible in every aspect of the business, including recruitment, nominations, training, and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.

Compliance

The Board is focused on investment returns for its shareholders and will at all times seek to make ethical investments, but this is not an investment focus or determinant for an asset being included in the portfolio. As discussed above, given the Company is an investment company with no employees or other internal stakeholders, the Board does not drive a corporate culture within the business.

Principle 9 Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Principle

The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its:
- size and complexity; and
- capacity, appetite, and tolerance for risk. The governance structures should evolve over time in parallel with the company's objectives, strategy, and business model to reflect the development of the company.

Compliance

This section provides full disclosure on the Company's corporate governance. There are no immediate plans to make any changes to the governance processes and framework which are described in the commentary above.
The Chairman has overall responsibility for shareholder liaison.

There are no specific matters reserved for the Board.

BUILD TRUST

Principle 10 Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Principle

A healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the Company.

In particular, appropriate communication and reporting structures should exist between the Board and all constituent parts of its shareholder base. This will assist:
- the communication of shareholders' views to the Board; and
- shareholders' understanding of the unique circumstances and constraints faced by the Company.

Compliance

The Board attaches great importance to providing shareholders with clear and transparent information on the Group's activities, strategy, and financial position. Details of all shareholder communications are provided on the Company's website, including historical annual reports and governance-related material together with notices of all general meetings for the last five years. The Company discloses outcomes of all general meeting votes.

The Company has appointed a professional Financial Public Relations firm with an office in London to advise on its communications strategy and to assist in the drafting and distribution of regular news and regulatory announcements. Regular announcements are made regarding the Company's investment portfolio as well as other relevant market and regional news.

The Company lists contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board.

Independent Auditor's Report to the Members of Jade Road Investments Limited

We have audited the financial statements of Jade Road Investments Limited (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2023 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2(c) in the financial statements, which indicates that the group is reliant on securing further financing alongside the realisation of the carrying value of investments to meet working capital needs as they fall due. Whilst management is confident that they can secure funding based on advance discussions with investors, there is no guarantee that such funding would be secured within the required timelines. As stated in Note 2(c), these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- reviewing management's assessment of going concern and discussing with management the future strategic plans of the group and sources of funding that are expected to be available, as well as plans for cash preservation;
- reviewing management-prepared cash flow forecasts up to Dec 2025, including checking the mathematical accuracy, and assessing their reasonableness through reference to current year actual financial information;
- obtaining corroborative evidence for, and providing appropriate challenge to, the key assumptions and inputs used in the cashflow forecast; and
- reviewing the adequacy and completeness of disclosures surrounding going concern in the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as a magnitude of misstatement, including omission, that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We have also considered those misstatements including omissions that would be material by nature and would impact the economic decisions of a reasonably knowledgeable person based our understanding of the business, industry and complexity involved.

We apply the concept of materiality both in planning and throughout the course of our audit, and in evaluating the effect of misstatements. Materiality is used to determine the financial statements areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

In determining materiality and performance materiality, we considered the following factors:

- our cumulative knowledge of the group and its environment;
- the change in the level of judgement required in respect of the key accounting estimates;
- significant transactions during the year;
- the stability in key management personnel; and
- the level of misstatements identified in prior periods

Materiality for the financial statements as a whole was set at $63,200 (2022: $422,000) based on the draft financial statements. We set the materiality threshold at 1.5% of total asset for the group in line with the prior year. The benchmark used is the one which we determined, in our professional judgment, to be the principal benchmark within the financial statements relevant to shareholders in assessing financial performance of the group as the principal activity is to invest in quoted and unquoted financial assets for capital appreciation.

Performance materiality for the financial statements was set at $47,400 (2022: $253,200) being 75% (2022: 60%) of the materiality for the financial statements as a whole. This threshold was considered appropriate in light of the current size and level of complexity of the group, and our assessment of inherent risk.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value higher than $3,160 (2022: $21,100) for the group. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Due to audit adjustments, the materiality benchmark set at the planning stage of the audit has increased significantly. As all the audit adjustments and significant transactions have been tested using lower materiality, the risk of material misstatement based on the planning materiality has not increased. We therefore believe that the materiality determined at the planning stage is still applicable as the audit evidence we have obtained through audit procedures is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

Our audit was risk based and was designed to focus our efforts on the areas at greatest risk of material misstatement, as well as aspects subject to significant management judgement or greatest complexity, risk and size. In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements, having regard to the structure of the group.

The group includes the listed parent company, Jade Road Investments Limited ('Jade BVI'), and its subsidiary, Jade Road Investments (HK) Limited ('Jade HK').

The scope of our audit was based on the materiality and significance of component operations. Each component was assessed as to whether they were significant to the group on the basis of size and risk. The parent company was identified as a significant component due to its size and identified risks.

Due to Jade BVI being a significant component of the group, we performed a full scope audit on the parent company as part of the group audit. The work on this significant component of the group was performed by us as group auditor. Jade HK is a non-significant component of the group and we performed analytical review procedures over the financial information of this component only.

In designing our audit approach, we considered those areas which were deemed to involve significant judgement by the directors, such as the key audit matters relating to the fair valuation of unquoted financial assets and assets held for sale. Other judgemental areas were the consideration of future events that are inherently uncertain impacting going concern. We also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The group's key accounting function is based in both Hong Kong and the United Kingdom and our audit was performed by our team in London with regular contact maintained with group management throughout.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matter	How our scope addressed this matter
Fair value unquoted financial assets and assets held for sale (Notes 9 and 11) The financial statements include investments in unquoted financial assets at fair value through profit and loss amounting to \$500k and assets held for sale amounting to \$4,290k. The unquoted investments are held in a private fund.	Our work in this area included: • Understanding the process adopted by management in relation to valuation of investments and assets held for sale; • Reviewing documentation in respect of the ownership of investments and assets held for sale; • Reviewing management's assessment and accounting for assets held for sale;

Due to a change in the Group's investment strategy, the Group decided to divest its legacy assets. The transaction to dispose of the assets was consummated post year end and the assets were classified as being held for sale at the year end. All of these investments and assets held for sale are measured at fair value based on Level 3 inputs. The valuation of investments and assets held for sale requires the exercise of considerable judgement and use of estimates which increases the risk that valuation and presentation may be misstated, and therefore has been determined to be a Key Audit Matter.	• Obtaining direct Net Asset Value (NAV) statements from the investee funds; • Challenging key assumptions in management's valuation models used to determine fair value and/or recoverable amount, including sensitivity of valuations to changes in assumptions and inputs; • Reviewing purchase and sale/potential sale transactions used for fair valuation determination to ensure that such transactions are at arm's length; • Considering any subsequent events or developments that may impact the valuation or classification of the assets held for sale; and • Reviewing the classification of investments, disclosure and presentation of assets held for sale and valuation inputs within the financial statements

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector. We also selected a specific audit team with experience of auditing entities facing similar audit and business risks.

- We determined the principal laws and regulations relevant to the group in this regard to be those arising from:
  - AIM rules;
  - General Data Protection Regulations;
  - Anti-Bribery Act;
  - Anti Money Laundering Regulations; and
  - Local tax laws and regulations.

  The audit team remained alert to instances of non-compliance with laws and regulations throughout the audit.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - Reviewing Board meeting minutes;
  - Reviewing the nature of legal professional fees;
  - Reviewing Regulatory News Service announcements.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls and revenue recognition, inappropriate application of the going concern assessment in the financial statements and management bias in determining key accounting estimates and judgements used in relation to the fair valuation of unquoted financial assets and assets held for sale. We addressed this by challenging the estimates/judgements made by management when auditing these significant accounting estimates/judgements (refer to the key audit matter and going concern sections above).

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures, which included, but were not limited to testing of journals, reviewing key accounting judgements for evidence of bias (refer to the key audit matter and going concern sections above) and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

- Our review of non-compliance with laws and regulations incorporated the listed parent company. The risk of actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 2 May 2024. 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 law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Joel

Nicholas Joel (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Registered Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28 June 2024

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 US$'000	2022 US$'000
Income from unquoted financial assets		**1,090**	1,174
Finance income from loans		**545**	1,359
Realised (losses) / gains		**(1)**	300
Gross portfolio income	*3*	**1,634**	2,833
Fair value changes on financial assets at fair value through profit or loss	*4*	**(17,295)**	(47,409)
Investment provisions		**-**	(6,003)
Net portfolio loss	*3*	**(15,661)**	(50,579)
Management fees		**(350)**	(1,200)
Incentive fees	*16*	**43**	158
Administrative expenses		**(1,171)**	(763)
Operating loss	*5*	**(17,139)**	(52,384)
Finance expense	*6*	**(577)**	(520)
Loss before taxation		**(17,716)**	(52,904)
Taxation	*8*	**-**	-
Total comprehensive loss for the year		**(17,716)**	(52,904)
Loss per share			
Basic and diluted loss per share	*17*	**(5.94) cents**	(45.89) cents

The results reflected above relate to continuing operations.

The accompanying notes on pages 40 to 59 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	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 2022	148,903	(615)	2,936	(83,196)	68,028
Loss for the year	-	-	-	(52,904)	(52,904)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(52,904)	(52,904)
Group balance at 31 December 2022 and 1 January 2023	148,903	(615)	2,936	(136,100)	15,124
Loss for the year	-	-	-		
Other comprehensive income	-	-	-	(17,716)	(17,716)
Total comprehensive loss for the year	-	-	-	(17,716)	(17,716)
Issue of shares net of issue costs	2,783	-	-	-	2,783
Repurchase of shares	-	(139)	-	-	(139)
Group balance at 31 December 2023	151,686	(754)	2,936	(153,816)	52

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

Share capital	Amount subscribed for share capital at no par value
Treasury share reserve	Cost of the Company's shares re-purchased and held by the Group
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/warrants and under the Group's share option scheme (Note 15)
Accumulated losses	Represents the cumulative net gains and losses recognised in the statement of comprehensive income

The accompanying notes on pages 40 to 59 are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023	2022
		US$'000	US$'000
Current Assets			
Unquoted financial assets at fair value through profit or loss	*9*	**500**	18,227
Other receivables at fair value through profit or loss	*10*	**19**	1,769
Investments held for sale	*11*	**4,290**	-
Cash and cash equivalents		**77**	321
Total assets		**4,886**	20,317
Current Liabilities			
Other payables and accruals	*12*	**991**	1,334
Loans & borrowings	*13*	**3,843**	3,859
Total liabilities		**4,834**	5,193
Net assets		**52**	15,124
Equity and reserves			
Share capital	*14*	**151,686**	148,903
Treasury share reserve	*14*	**(754)**	(615)
Share based payment reserve		**2,936**	2,936
Accumulated losses		**(153,816)**	(136,100)
Total equity and reserves attributable to owners of the parent		**52**	15,124

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2024 and signed on its behalf by:

John Croft
Executive Chairman

The accompanying notes on pages 40 to 59 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	2023	2022
	US$'000	US$'000
Cash flows from operating activities		
Loss before taxation	**(17,716)**	(52,904)
Adjustments for:		
Finance income	**(545)**	(1,359)
Finance expense	**577**	520
Foreign exchange	**47**	83
Fair value changes on unquoted financial assets at fair value through profit or loss	**13,938**	47,074
Fair value changes on loans and receivables at fair value through profit or loss	**2,236**	5,059
Realised gain on investments	**-**	(300)
Decrease in other receivables	**13**	28
(Decrease)/increase in other payables and accruals	**(323)**	325
Net cash used in operating activities	**(1,773)**	(1,477)
Cash flows from investing activities		
Sale proceeds of unquoted financial assets at fair value through profit or loss	**250**	1,200
Purchase of unquoted financial assets at fair value	**(750)**	-
Net cash used in investing activities	**(500)**	1,200
Cash flows from financing activities		
Issue of shares net of issue costs	**2,763**	-
Purchase of treasury shares	**(139)**	-
Payment of interest	**(594)**	(228)
Net cash generated from/(used in) financing activities	**2,030**	(228)
Net decrease in cash and cash equivalents	**(243)**	(505)
Cash and cash equivalents and net debt at the beginning of the year	321	848
Foreign exchange on cash balances	(1)	(22)
Cash and cash equivalents and net debt at the end of the year	**77**	321

The accompanying notes on pages 40 to 59 are an integral part of these financial statement

Notes to the Financial Statements

For the year ended 31 December 2023

1. GENERAL INFORMATION

The Company is a limited (by shares) 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 c/o Harmony Capital, 20/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.

The Company is the holding company of a group of companies comprising a subsidiary, Jade Road Investments (HK) Limited. The address of the registered office and its principal place of business is c/o Harmony Capital, --20/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong and a number of wholly owned special purpose vehicles ("**SPV**") each of which holds investments.

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 Company is targeting delivery of income and capital gain from a diversified mix of pan-Asian investments in the Small- and Medium-Sized Enterprise ("**SME**") sector.

The Groups investment policy is stated in pages 4-5 of the annual report.

2. ACCOUNTING POLICIES

a) Basis of Preparation

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

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) as adopted by the EU. The financial statements have been prepared under the historical cost convention. Financial instruments are measured at 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 Measurements:

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 under current market conditions.

The fair value of investments is first based on quoted prices, where available. Where quoted prices are not available, the fair value is estimated using consistent valuation techniques across periods of measurement.

The Group's private credit and equity investments are recorded at fair value or at amounts whose carrying values approximate fair value. Net gains and losses, including any interest or dividend income, are recognised in its profit or loss statement.

In accordance with IFRS 13, fair value measurements are categorised into Level I, II or III 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. These are described as follows:

Level I Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level II Fair value measurements are those derived from inputs other than quoted prices included within Level I that are observable for the assets or liability, either directly or indirectly.
Level III Fair value measurements are those derived from inputs that are not based on observable market data.

b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (other than structured entities) controlled by the Company. 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 a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Company holds investments through a number of unlisted wholly owned special purpose vehicles ("**SPVs**"). The directors have considered the definition of an investment entity in IFRS10 and the associated application guidance and consider that the Company meets that definition. Consequently, the Group's investments in SPVs and the underlying investments are accounted for at fair value through profit and loss and the SPVs are not consolidated as subsidiaries. Please see Note 4(o) *Critical accounting estimates and judgements* for description of fair value methodology.

Consolidation of a subsidiary other than those held for investment purposes 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 IFRS 9, 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) ***Going Concern***

Notwithstanding the operating loss of US$17.7Mn and operating cash outflows of USD$1.7Mn for the year ended 31 December 2023 and net current assets of $0.05Mn at year-end, the group has prepared the financial statements under the going concern.

Following the recent transfer of assets the Company is seeking to acquire a business via a Reverse Take Over (RTO). The Company will need to raise interim capital to advance discussions for an RTO. The Company also continues to manage a small number of creditors. The Company is confident that it will be able to raise the interim capital required, and is in advanced discussions with a number of parties with respect to this. In addition, the company has also received a letter of support from its largest shareholder Heirloom in regard to the Company's fundraising plans. However, were the company to not obtain this funding in the short term, and Heirloom unable to financially support the company in the foreseeable future, then the company would not be able to meet its liabilities as they fall due. Were the company not to be considered a going concern, there would be no material impact on these financial statements as all significant items are already held at their fair value.

Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments that would result if the group was unable to continue as a going concern.

d) 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. This activity consists of entities which operate in two geographical locations, i.e., BVI and Hong Kong.

e) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group 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.

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

f) 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.

g) 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. Financial assets at fair value through profit or loss includes loans and receivables.

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.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Unquoted Financial Assets:

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 the Group's valuation policy, 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. For more information on valuation principles applied, please see section 4(o) Critical Accounting Estimates.

Quoted Financial Assets:
The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid 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.

Allowance for Expected Credit Losses:
An allowance for ECLs may be established for amounts due from credit contracts within Loans and Receivables where evidence of credit deterioration is observed. In order to assess credit deterioration, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on its historical experience and informed credit assessment, that includes forward-looking information. The main factors considered include material financial deterioration of the borrower, breach of contract such as default or delinquency in interest or principal repayments, probability that a borrower will enter bankruptcy or financial re-organisation and material decline in the value of the underlying applicable security. ECL allowances are distinguished from Likely Credit Loss ("**LCL**") allowances based on the expectation of a loss. An LCL reserve is established when a loss is both probable and the amount is known.

ECLs are a probability-weighted estimate of lifetime credit losses. Under the ECL model, the Group calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive) with a discount factor applied.

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.

Financial Liabilities
The Group's financial liabilities include other payables and accruals and amounts 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.

h) Investment in Subsidiaries
Investments in subsidiaries are stated at cost less provision for any impairment in value. Under IFRS 10, where the parent company is qualified as an investment entity, the subsidiaries have been deconsolidated from the Group financial statements.

i) 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 recognised.

j) Dividends
Dividends payable are recorded in the financial statements in the period in which they meet the IAS 32 definition of having been declared.

k) Share Based Payments
The Group has applied the requirements of IFRS 2 "Share Based Payments". The Group issues share options/warrants as an incentive to certain key management and staff (including Directors) and its Investment Manager. The fair value of options/warrants granted to Directors, management personnel, employees and Investment Manager under the Company's share option/warrant scheme 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 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/warrants to key consultants, advisers and suppliers in payment or part payment for services or supplies provided to the Group. The fair value of options/warrants 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/warrants vest. The fair value is measured at the fair value of receivable services or supplies.

The options/warrants 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/warrants are converted into ordinary shares.

l) 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. Potential ordinary shares are only treated as dilutive if their conversion to shares would decrease earnings per share or increase loss per share from continuing operations.

m) Share Issue Expenses

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

n) 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 IFRS 10, IFRS 12, and IAS 27 - Investment entities

The directors have concluded that the Company meets the definition of an Investment Entity because the Company:

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.

The investment objective of the Company is to produce returns from capital growth and to pay shareholders a dividend. The Group has multiple unrelated investors and indirectly holds multiple investments. Investment positions are in the form of structured loans or equity instruments in private companies operating which is valued on a fair value basis.

As a result, the unlisted open-ended investments, also referred to as SPVs, and in which the Company invests in are not consolidated in the Group financial statements.

Assessment of Accounting Treatment under IAS 28 - Investment in Associates

The Group has taken advantage of 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 statement of comprehensive income.

Valuation of Investments
The Group's investment portfolio includes a number of investments in the form of structured loans or equity instruments in private companies operating in emerging markets. In the second half of 2023, the Board took the decision to restructure the Company by disposing of all of its legacy Asian assets, the loan note, and the payable to the Company's previous Investment Manager Harmony Capital Investors Limited, and transferring them to a separate privately held company whose shareholders would be a mirror of the shareholders in JADE.

As the legacy assets are transferred for no consideration, the US$3.62m loan notes plus the value of the payable to Harmony Capital Investors Limited US$670k are considered to represent the fair value of the Legacy Assets to be transferred between Jade and the SPV. Therefore, the Board has decided to write down the fair value of the Legacy Assets equal to the liabilities transferred to the SPV.

o) Foreign currency translation

– *Functional and Presentation Currency*

Both the functional and presentational currency of the Group's entities are the United States Dollar. The financial statements are presented in United States Dollars and rounded to the nearest thousand dollars, except when otherwise indicated.

Transactions in foreign currencies are converted into the functional currency on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

p) Assets held for sale

During the year, the Group reached an agreement to dispose of legacy assets held by the Group. These assets, along with the convertible loan note issued by the Group, will be transferred to an independent third party for nil consideration. The agreement was signed on 29 December 2023, however conditions required for the sale completed had not all been met at this date, and therefore it cannot be considered an adjusting event for the purposes of IAS 10 *Events after the reporting period*. However, as the sale was highly probably and a buyer for the assets had already been agreed, these assets meet the criteria to be considered assets held for sale under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

The assets held for sale are being transferred at nil consideration. However, the convertible loan notes issued by the Group are also being transferred. Therefore, the value of the loan notes is considered to represent the fair value of the legacy assets, and therefore the assets are impaired to this value.

New Standards, Amendments to Standards or Interpretations adopted in these financial statements:

No standards, amendments or interpretations which became effective from 1 January 2023 had an impact on the Group Financial Statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 31 December 2023 financial statements

Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current of Non-current 1 January 2024

Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants 1 January 2024

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) 1 January 2024

The Directors do not expect that their adoption will have a material impact on the financial statements of the company in future years. The Directors continue to monitor the impact of future changes to the reporting requirements but do not believe the proposed changes will significantly impact the financial statements.

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

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

	2023	*2022*
Unquoted Financial Assets	**US$'000**	*US$'000*
Income through profit or loss	**1,090**	1,174
Equity fair value adjustments:		
– Meize/ Swift Wealth	**(8,801)**	1,500
– FMHL	**(1,538)**	(45,146)
– ICG	**(1,659)**	-
– Infinity TNP	**-**	(3,650)
– DocDoc	**(3,016)**	
– Other	**(15)**	
	(15,029)	(47,296)
Realised Gain	**-**	300
Expected credit loss provision:		
– ICG	**-**	(363)
– FMHL	**-**	(581)
Foreign exchange on unquoted financial assets at fair value through profit or loss	**2**	(8)
Total fair value changes on unquoted financial assets at fair value through profit or loss	**(13,937)**	(46,774)

	2023	*2022*
Loans & Receivables financial assets	**US$'000**	*US$'000*
Income through profit or loss	**545**	1,359
Fair value adjustments:		
– FMHL (loan principal)	**-**	-
– FMHL (Accrued interest)	**(532)**	-
– CJRE (Project Nichlaus)	**(1,736)**	(83)
Expected credit loss provision:		
– FLMHL (Accrued interest)	**-**	(1,359)
– HKMH (Loan principal)	**-**	(3,700)
Foreign exchange on Loans & Receivables at fair value through profit or loss	**-**	(22)
Total fair value changes on Loans & Receivables at fair value through profit or loss	**(1,723)**	(3,805)

Expected Credit Loss Provision		
Balance at 1 January	**6,038**	35
ECL charged (utilised) to profit or loss	**(6,038)**	6,003
Balance at 31 December	**-**	6,038

The impact of foreign exchange on the investments in the portfolio is as follows:

	2023 **US$'000**	*2022* *US$'000*
FMHL	**2**	(8)
Foreign exchange on unquoted financial assets at fair value through profit or loss	**2**	(8)
CJRE	**(44)**	(83)
Foreign exchange on loans and receivables	**(44)**	(83)
Cash	**(1)**	(22)
Foreign exchange on portfolio	**(43)**	(113)

5. OPERATING LOSS

Operating loss is stated after charging expenses:

	2023 **US$'000**	*2022* *US$'000*
Investment Manager fee	**350**	1,200
Investment Manager incentive fee	**(43)**	(158)
Fees to the Group's auditor for audit of the Company and its subsidiaries	**51**	53
Directors' remuneration	**321**	260
Professional fees	**727**	414
Business travel expenses	**19**	4
Bank charges	**11**	9
Foreign exchange	**-**	1
Other expenses	**67**	22

The Investment Manager's incentive fee is only payable in any given year depending on the performance of the Company's net asset value. The charge above is a result of warrants owed (not yet issued) revalued to their prevailing share price at 31 December 2023. (Also see Note 16).

6. NET FINANCE INCOME

	2023 **US$'000**	2022 US$'000
Interest from financial assets measured at fair value through profit and loss	**545**	1,359
Finance income	**545**	1,359
Interest payable on debt	**(577)**	(520)
Finance cost	**(577)**	(520)
Net finance income	**(32)**	839

Finance income in the year is from the Convertible Bond issued by FLMH which has been fully provided against.

7. DIRECTORS' REMUNERATION

Short term employment benefits	**2023C**	*2022*
	US$	*US$*
John Croft	**167,000**	120,755
Hugh Trenchard	**44,795**	44,223
Lee George Lam	**46,000**	45,971
Stuart Crocker	**63,000**	49,112
	320,795	260,061

Directors' remuneration includes all applicable social security payments. There was no pension cost incurred during 2023 (2022:US$ Nil).

There are no employees within the group other than the Directors (2022: Nil)

8. TAXATION

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

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

	2023 Unquoted financial assets US$'000	**2023 Loans and receivables US$'000**	2022 Unquoted financial assets US$'000	2022 Loans and receivables US$'000
Balance as at 1 January	**18,227**	**1,769**	66,202	5,556
Additions	**750**	**-**	-	-
Reclassification	**-**	**-**	-	-
Fair value changes through profit or loss	**(13,937)**	**(2,314)**	(46,131)	(87)
Transferred to held for sale	**(4,290)**	**-**	-	-
Disposal	**(250)**	**-**	(1,200)	-
Realised gain	**-**	**-**	300	-
ECL	**-**	**-**	(944)	(5,059)
Finance income on loans	**-**	**545**	-	1,359
Balance as at 31 December	**500**	**-**	18,227	1,769

The Group values its investments at fair value through profit or loss, as prescribed by the investment methodology adopted by the Board which is summarised in Note 2(o) *Critical accounting estimates and judgements*, for non-legacy assets.

SPVs

The unlisted open-ended investments below are defined as SPVs and are reported at the fair value of their underlying investments described above at 31 December 2023.

Name of SPV	**Country of Incorporation**	**Percentage owned**		**Principal activities**
		2023	*2022*	
Lead Winner Limited	BVI	**100%**	100%	Investment Holdings
Dynamite Win Limited	BVI	**100%**	100%	Investment Holdings
Future Metal Holdings Limited	BVI	**100%**	100%	Investment Holdings
Swift Wealth Investments Limited	BVI	**100%**	100%	Investment Holdings
Ultimate Prosperity Limited	BVI	**100%**	100%	Investment Holdings
TNP Asia Limited	BVI	**100%**	100%	Investment Holdings
Eastern Champion Limited	BVI	**100%**	100%	Investment Holdings

Further details of financial assets are set out in Note 15, and investment valuation methodologies are set out in Note 2(o) *Critical accounting estimates and judgements*.

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

	2023	2022
	US$'000	US$'000
Other receivables	**19**	1,769
	19	1,769

	2023	2022
	US$'000	US$'000
FLMHL		
Loan principal	**-**	26,500
Accrued PIK interest	**532**	2,248
Accrued interest payable in cash	**-**	3,070
Fair Value Adjustments – Principal	**-**	(26,500)
Fair Value Adjustments – Accrued Interest	**(532)**	(5,318)
Gross loans receivable	**-**	-
HKMH		
Loan principal	**-**	3,700
Fair Value Adjustments – Principal	**-**	(3,700)
Gross loans receivable	**-**	-

As at 31 December 2022, Loans represent the Convertible Bond issued by Fook Lam Moon Holdings plus accrued Paid-in-Kind ("PIK") and cash interest. This balance is included within the legacy assets that will be transferred post year-end and, as described in note 9, the value of this asset is considered to be zero. The remaining balance represents prepayments.

11. ASSETS HELD FOR SALE

	2023 US$'000	2022 US$'000
Opening balance	**-**	-
Transferred from unquoted investments at fair value through profit or loss (Future Metal Holdings Limited)	**4,290**	-
Assets available for sale	**4,290**	-

The assets held for sale represent the legacy assets of the group. The assets and the basis of their valuation is described in Note 2(n).

12. OTHER PAYABLES AND ACCRUALS

	2023 US$'000	2022 US$'000
Accounts payable	**794**	1,254
Accruals	**197**	80
Other payables and accruals	**991**	1,334

13. LOANS AND BORROWINGS

	2023 US$'000	2022 US$'000
Corporate debt	**3,843**	3,859
Loans and borrowings	**3,843**	3,859

The movement in loans and borrowings is as follows

	2023 US$'000	2022 US$'000
Opening balance	**3,859**	3,568
Borrowing costs amortised	**-**	52
Interest expense accrued	**577**	467
Payment of interest liability	**(594)**	(228)
Closing balance	**3,843**	3,859

i. Terms and conditions of the outstanding debt is as follows:

	Currency	Interest rate	Year of maturity
Secured loan notes	US$	17%	2024

The corporate debt US$3.8 million are proceeds from loan notes issued to a family office investor, with a related debenture which constitutes a fixed over the assets and undertakings of the Company. Capitalised debt issue costs have been fully amortised.

In December 2022 the Company agreed an extended maturity of the loan notes issued to 31 December 2023 and an increased interest rate of 15% from December 2022. The interest rate payable on the principal amount of the loan notes ranged between 16%-18% per annum as US$1.8m or more of the principal amount remained outstanding. This bond will be transferred as part of the ‘Legacy Asset’ transfer after the year end.

ii. Reconciliation of movements of liabilities & equity to cashflows arising from financing activities

	Loans & borrowings US$’000	*Share capital/ premium US$’000*	*Treasury reserve US$’000*
Opening balance at 1 January 2023	**3,859**	**148,903**	**(615)**
Changes from cashflows			
Issue of shares	-	2,763	-
Purchase of treasury shares			(139)
Payment of interest	(594)	-	-
Total changes from financing cashflows	**(594)**	**2,763**	**(139)**
Other changes:			
Issue of shares to settle liability	**-**	20	-
Interest expense	577	-	-
Total other changes to liabilities	**(17)**	**2,783**	**(139)**
Closing balance at 31 December 2023	**3,843**	**15,666**	**(754)**

	Loans & borrowings US$’000	*Share capital/ premium US$’000*	*Treasury reserve US$’000*
Opening balance at 1 January 2022	**3,568**	**148,903**	**(615)**
Changes from cashflows			
Payment of interest	(228)	-	-
Total changes from financing cashflows	**(228)**	**-**	**-**
Other changes:			
Interest expense	519	-	-
Total other changes to liabilities	**519**	**-**	**-**
Closing balance at 31 December 2022	**3,859**	**148,903**	**(615)**

For non-cash movement on account of investing activities refer note 4.

14. SHARE CAPITAL AND TREASURY SHARE RESERVE

	Number of shares	Share capital Amount US$'000
Issued share capital excluding treasury shares at 31 December 2022	115,277,869	148,288
Issued share capital excluding treasury shares at 31 December 2023	350,713,130	150,922
Consisting of:		
Authorised, called-up and fully paid ordinary shares of no par value each at 31 December 2023	358,193,134	151,686
Authorised, called-up and fully paid ordinary shares of no par value held as treasury shares by the Company at 31 December 2023	(7,480,004)	(754)

15. 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:

Financial assets

	2023 US$'000	2022 US$'000
Unquoted financial assets at fair value through P&L	**500**	18,227
Other receivables at fair value through P&L	**-**	1,738
Cash and cash equivalents at amortised cost	**77**	321
Financial assets	**577**	20,286

Financial liabilities

	2023 US$'000	2022 US$'000
Other payables and accruals at amortised cost	**991**	1,334
Corporate debt at amortised cost	**3,843**	3,859
Financial liabilities	**4,834**	5,193

The Company has agreed an extended maturity of the loan notes issued to 31 December 2023. Capitalised debt issue costs have been fully amortised. 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 Levels 1, 2, or 3 based on the degree to which the fair value is observable as described in Note 2(a) *Basis of preparation*:

	2023	2022
	US$'000	US$'000
Level 3		
Unquoted financial assets at fair value through profit or loss (Note 9)	**500**	18,227
Other receivables at fair value through the profit or loss (Note 9)	**-**	1,769
	500	19,996

There were no transfers between levels in the current period. Carrying values of all financial assets and liabilities (not measured at fair value through profit or loss) are approximate to their fair values.

Significant unobservable inputs used in measuring fair value – Level 3

Description	Fair value at 31 Dec 2023 US$'000	Fair value hierarchy	Valuation technique	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Heirloom Investment Fund SPC	$250	Level 3	Net asset value of fund	Not applicable	Not applicable
Heirloom Litigation Funding	$250				

The above table sets out information about significant unobservable inputs used at 31 December 2023 in measuring material financial instruments categorised as Level 3 in the fair value hierarchy.

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

The Group's maximum exposure to credit risk is represented by the total financial assets held by the Group.

Interest Rate Risks
The Group currently operates with positive cash and cash equivalents as a result of issuing share capital and corporate debt in anticipation of future funding requirements.

The Group has a US$10 million debt facility with a private family office investor, under which the Company has issued US$3.6 million loan notes, with an associated fixed interest rate of 15.0% and a maturity date of 31 December 2023. The interest rate payable on the principal amount of the loan notes ranged between 16%-18% per annum as US$1.8m or more of the principal amount remained outstanding. As the interest rate has been fixed for the term of the facility, there is no interest rate risk associated with the instruments.

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

The Group's financial liabilities are primarily operational costs and debt instruments. All operational costs are due for payment in accordance with agreed settlement terms with professional firms, and all are due within one year. Debt principal and related interest are due for settlement in December 2023.

Market (Price and valuation) Risk
The Group's investment portfolio is susceptible to risk arising from uncertainties about future values of the investment securities, either in relation to market prices (for quoted securities) or fair values (for unquoted securities). This risk is that the fair value or future cash flows will fluctuate because of changes in market prices or valuations, 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 a US$0.05m (2022: US$2m) 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 particular for unquoted investment.

Generally, the Group prepares to hold the unquoted investments for a middle to long term 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
Management considers that foreign currency exposure is not significant to the Group and as such, there is no hedging of foreign currencies.

Capital Management
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 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, loans and equity comprising issued capital and reserves.

15. SHARE BASED PAYMENTS

15.1 Ownership-Based Compensation Scheme for Senior Management
The Group has an ownership-based compensation scheme for senior management of the Group. In accordance with the provisions of the plan, senior management may be granted warrants to purchase ordinary shares. Each warrant converts into one ordinary share of Jade Road Investments Limited on exercise. No amounts are paid or payable by the recipient of the warrants. The warrants carry neither rights to dividends nor voting rights. Warrants may be exercised at any time from the date of vesting to the date of their expiry.

At 31 December 2023, there were 1,600,000 (2022: 1,907,882) warrants outstanding, issued to the Company's Directors in previous periods in respect of services provided to the Group. 1,600,000 warrants have an exercise price of US$1.21 per share, equivalent to £1.00 at 31 December 2022. The warrants will expire in 2027, 10 years after the date of grant.

In the event that a Director's appointment is terminated for any reason, then in such circumstances each Director's subscription rights shall, to the extent he/she has not been issued or exercised either (i) prior to the date of termination (Date of Termination); or (ii) within the period of 60 days immediately following the Date of Termination, be immediately cancelled.

15.2 Equity Compensation Scheme for Harmony Capital Investors Limited (the "Investment Manager")
The Group has an equity compensation scheme for Investment Manager of the Group. In accordance with the

provision of the scheme, the Investment Manager is granted warrants to subscribe for 20 million (before share consolidation undertaken by the Company on 20 September 2017) ordinary shares, which is to be issued in five equal tranches. No amounts are paid or payable by the recipient of the warrants. The warrants carry neither rights to dividends nor voting rights. Warrants may be exercised at any time from the date of vesting to the date of their expiry. Any equity compensation shares issued to or acquired by Investment Manager are subject to an orderly market period, which is 12 months after each date of issue. During each orderly market period, the Investment Manager undertakes to the Company and the broker not to effect a disposal of the relevant shares unless the Investment Manager gives written notice to do so.

All warrants are equity-settled, the only conditions for all warrants granted is that the warrants holder remains in the office when the warrant is exercised.

The number of warrants due to the Investment Manager to subscribe for ordinary shares in respect of services provided to the Group were recalculated pursuant to paragraph 2 of Section 2 of the warrant instruction to reflect the share consolidation undertaken by the Company on 20 September 2017. The warrants have an exercise price of US$1.21 per share, equivalent to £0.89 at 31 December 2022. The warrants will expire 10 years after the date of grant. In total Harmony Capital Investors Limited owns 8,000,000 warrants as at 31 December 2023 (2022: 8,000,000).

During the year, the Company issued 11,004,064 warrants to bond holders, shareholders and underwriters at an exercise price ranging from 0.75p-1.1p with an expiry of 3 years.

		2023			2022	
	Number of options	**Number of warrants**	**Weighted average exercise price US$**	Number of options	Number of warrants	Weighted average exercise price US$
Balance at beginning of the financial year	**-**	**17,567,663**	**0.84**	-	17,567,663	0.84
Issuance during the financial year						
-Investment manager	**-**	**-**	**-**	-	-	-
-Directors	**-**	**-**	**-**	-	-	-
-Shareholders	**-**	**11,004,063**	**0.01**	-	-	-
Expired during the financial year	**-**	**(7,967,663)**	**0.80**	-	-	-
Balance at end of financial year	**-**	**20,604,063**	**0.55**	-	17,567,663	0.84
Exercisable at end of financial year	**-**	**20,604,063**	**0.55**	-	17,567,663	0.84

The weighted-average remaining contractual life of outstanding warrants at 31 December 2023 was 3 years and 2 months (2022: 3 years and 3 months). During the year there has been a credit of $ Nil m (2022: $0.2m) relating to share-based compensation of the Investment Manager.

15.3 Equity-Settled Share-Based Payment for Investment Manager as Incentive Fee

Investment Manager 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.

The remaining 50% of incentive fee ("**Equity Compensation Amount**") shall be satisfied by the Company issuing to Investment Manager such number of ordinary shares as have a Fair Market Value which in aggregate is equal to the Equity Compensation Amount. The Fair Market Value is the closing Volume Weighted Average Price ("**VWAP**") for the ordinary shares trading on AIM for the ninety prior trading days as at the relevant calculation period year end, i.e., 31 December 2017. The shares issued to or acquired as incentive fee by Investment Manager is subject to an orderly market period, which is 12 months after each date of issue. During each orderly market period, Investment Manager undertakes to the Company and the broker not to effect a disposal of the relevant shares unless the Investment Manager gives written notice to do so.

No incentive fee was accrued in 2023 (2022: $0.0m).

16. RELATED PARTY TRANSACTIONS

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

	Notes	**2023**	2022
		US$'000	US$'000
Remuneration payable to Directors (see Note 7)	(i)	**321**	260
Re-imbursement of expenses to directors		**26**	-
Heirloom Investment Management LLC*			
Administration Fee		**47**	-
Harmony Capital Investors Ltd**			
Management Fee		**350**	1,200
Incentive Fee		**(43)**	(158)
Amount due to			
Harmony Capital Investors Limited		**745**	1,234
Heirloom Investment Management LLC		**16**	-
Directors		**75**	-

*9,964,952 shares were issued to Heirloom Investment Management LLC for underwriting fees netted of with share capital
**2,179,011 shares were issued to Harmony Capital Investors Ltd to settle prior year incentive fees

17. LOSS PER SHARE

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

		2023	2022
		US$'000	US$'000
Numerator			
Basic/Diluted:	Net loss	**(17,716)**	(52,904)
		No. of shares	No. of shares
		'000	'000
Denominator			

Basic/Diluted:	Weighted average shares	**298,477**	115,278
Loss per share:			
Basic/Diluted		**(5.94) cents**	**(45.89)** cents

Treasury shares issued by the company totalling 7,480,004 as at the reporting date, have been excluded from the weighted average shares calculation.

18. EVENTS AFTER THE REPORTING PERIOD

On 1 May 2024 the transfer of the 'Legacy Assets' consisting of the holdings in DocDoc Pte Limited, Future Metal Holdings Limited, Meize Energy Industrial Holdings Limited, Infinity Capital Group Infinity TNP, Project Nicklaus and Fook Lam Moon Holdings was approved by the shareholders at the annual general meeting. The corporate bond issued by the Group was also transferred. All assets and liabilities have been transferred to an independent third party company which is not owned or controlled by the Group. The Group received no consideration in return for the transfer. As the transfer had been substantially agreed at the year-end date, the assets had been included within assets held for sale.