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On behalf of the Directors, I am pleased to present the interim results of the Company for the six month period ended 30 June 2014, a period that saw the completion of a key event of long-term significance to its future development. That event was the reverse takeover of the Company completed in February (the "RTO"), involving a US\$87 million asset injection, together with a change of name from China Private Equity Investment Holdings Limited to Adamas Finance Asia Limited.

Also at the time of the RTO, the Company appointed an affiliate of Adamas Asset Management (HK) Limited ("Adamas") to provide investment management services. Adamas will play a pivotal role in the Company's planned transition into a credit finance business focused on providing funding for well-managed Chinese growth businesses able to offer secure collateral to support their short-term borrowing requirements. The strategy of investing in credit finance began during the half-year to show early signs of the potential for strong returns, as described further below.

### **Current portfolio**

Through the RTO, the Company's asset portfolio was significantly strengthened, with the addition of interests in four China-focused businesses.

Following the addition of those assets, the most significant assets held by the Company are:

Principal Assets	Effective Interest	Instrument type	Valuation as at 30 June 2014 US\$ million
Changtai Jinhongbang Real Estate Development Co. Ltd	15.00%	Structured equity	48.26
Global Pharm Holdings Group Inc	4.29%	Redeemable convertible bond	22.36
Fortel Technology Holdings Limited	33.60%	Structured equity	17.13
Hong Kong Mining Holdings Limited	5.68%	Structured equity	9.61
Meize Energy Industrial Holdings Ltd	7.9%	Redeemable convertible preference shares	6.73
			104 09

- Changtai Jinhongbang Real Estate Development Co. Ltd ("CJRE") is the owner of a
  luxury resort and residential development project in Fujian Province, Eastern China.
  CJRE expects to hold a grand opening of a new batch of villas and apartments ready
  for sale in the second half of the year. The company is also in a discussion with one of
  the largest insurance companies in China, which may invest pension funds into part of
  the project.
- Global Pharm Holdings Group Inc. ("Global Pharm") is a pharmaceutical company involved in pharmaceuticals, the cultivation of herbs for Traditional Chinese Medicine ("TCM") herb cultivation, and TCM processing and distribution. Headquartered in Shenzhen, Southern China, Global Pharm has recently completed two major acquisitions to enhance the TCM operations, and has positioned itself in a strong position within China's high-margin ginseng business.
- Fortel Technology Holdings Limited ("Fortel") is a platform provider for the distribution
  of online content in China which has developed an integrated content distribution
  platform for both content providers and consumers to sell and purchase premium
  digital content. Following delays to a long-planned IPO for Fortel, the management
  team has been focused on the continuing development of innovative software
  application and e-commerce services, and is still preparing for an eventual listing on
  the Growth Enterprise Market board of the Hong Kong Stock Exchange.
- Hong Kong Mining Holdings Limited ("HKMH") is a resources company whose primary asset is a large dolomite magnesium limestone mines in the province of Shanxi, China. HKMH continues to prepare for an IPO on the Hong Kong Stock Exchange.
- Meize Energy ("Meize") is a privately-owned company that designs and manufactures blades for wind turbines. It has continued to ramp-up its production volume by utilising its existing facility and revenues for the current year are expected to exceed prior years, reflecting a growing order book.

### Strategy

ADAM's strategy is to achieve an orderly disposal of the principal assets with the objective of providing cash reserves for redeployment into income-generating investment opportunities. The plan is to create a business with the potential to offer strong and predictable returns to shareholders and open access to a wider investor base.

The track record of the Adamas teams in Hong Kong and Shanghai provides confidence that the re-investment of funds raised through the disposal programme can yield attractive and regular returns. With over US\$600 million under management, Adamas has established a solid record of investment successes since 2010, achieving high internal rates of return (IRR) by providing funding to Chinese SMEs on a secured basis.

Despite prevailing negative sentiment about the risks carried by investing into China, attractive opportunities exist to provide finance for operationally-sound Chinese SMEs in need of short-term bridging finance not easily available within the PRC. More than 90% of such companies have difficulty in obtaining bank funding, and Adamas has demonstrated it is possible to achieve consistent cash-generative returns by placing strong emphasis on rigorous due diligence, tight management involvement and robust collateral.

In August 2013, prior to the RTO, the Company made a US\$1 million investment into the Greater China Credit Fund, which is managed by Adamas. In April 2014, the Company received its first dividend of US\$75,300 from the investment, an interim yield of more than 7.5%. The Company has also invested US\$0.8 million in two tranches into Chinese assets through the BRJ China Credit Fund Limited ("BRJ"), a fund launched by Adamas in partnership with a Shanghai-based firm. Since the initial investment of US\$500,000 with BRJ in April 2014, the fund has achieved three exits, yielding gross IRRs of 27.26%, 31.83% and 57.04% on fully-repaid loans of US\$2.1 million, US\$2.4 million and US\$4.8 million, respectively.

#### Results

Following the asset injections from the RTO, the Company's unaudited consolidated net asset value as at 30 June 2014 stood at US\$116.6 million, an increase of more than 458% over the 31 December 2013 valuation of US\$25.5 million. The loss per share narrowed to US\$0.05, down from US\$0.64 for the six months to 30 June 2013, despite a significant increase in administrative expenses arising from the RTO.

#### Conclusion

In summary, there is no doubt that the six-month period to June 2014 was the most eventful and potentially significant since the Company's admission to AIM in 2009. With a strengthened asset base and strong investment management support, the Company is now positioned for a planned programme of asset disposals to realise funding for re-investment in cash-generative projects seeking secured, high-yielding credit finance. I am confident this will enable the Board to meet its long-term objective of re-positioning Adamas Finance Asia Limited as a credit finance operation generating strong and predictable returns for shareholders.

### John Croft

Chairman

# Condensed Consolidated Statement of Comprehensive Income

		Six months ended Year ended			
		30 June	30 June	31 December	
		2014	2013	2013	
			(Restated)	(Restated)	
		Unaudited	Unaudited	Audited	
	Note	US\$'000	US\$'000	US\$'000	
Realised gain on disposal of investments Fair value changes on financial assets at fair value through		238	_	548	
profit or loss		821	30	(870)	
Administrative expenses		(1,978)	(758)	(1,738)	
Operating loss		(919)	(728)	(2,060)	
Other income		106	35	137	
Finance income		189	99	223	
Finance charges		(8)	_	(21)	
Loss before taxation		(632)	(594)	(1,721)	
Taxation	5	_	_	_	
Loss for the period	7	(632)	(594)	(1,721)	
Other comprehensive expense Currency translation differences		(44)	(17)	(7)	
Total comprehensive expense for the period		(676)	(611)	(1,728)	
Loss per share Basic	7	0.05 cents	0.64 cents	1.57 cents	
Diluted		0.04 cents	0.64 cents	1.57 cents	

The results above relate to continuing operations.

# Condensed Consolidated Statement of Financial Position

	Note	30 June 2014 Unaudited US\$'000	30 June 2013 (Restated) Unaudited US\$'000	31 December 2013 (Restated) Audited US\$'000
<b>Assets</b> Fixtures, fittings and equipment		_	106	75
Loans and other receivables		3,074	3,467	1,864
Quoted financial assets at fair value through profit or loss Unquoted financial assets at	9	-	762	684
fair value through profit or loss	8	116,217	22,808	22,637
Cash and cash equivalents		1,095	1,064	1,024
Total assets		120,386	28,207	26,284
Liabilities				
Other payables and accruals		1,389	1,635	809
Loan payable		2,400		
Total liabilities		3,789	1,635	809
Net assets		116,597	26,572	25,475
Equity and reserves				
Share capital	10	127,313	35,572	35,572
Share based payment reserve Foreign translation reserve		88	11 34	31 44
Accumulated losses		(10,804)	(9,045)	(10,172)
Total equity and reserves		116,597	26,572	25,475

# Condensed Consolidated Statement of Changes in Equity

	Share capital US\$'000	Share based payment reserve US\$'000	Foreign translation reserve US\$'000	Accumulated losses US\$'000	<b>Total</b> US\$'000
Balance at 1 January 2013 (restated) Loss for the year Other comprehensive expense	31,572 -	2 –	51 -	(8,451) (594)	23,174 (594)
Currency translation differences			(17)		(17)
Total comprehensive expense for the period Issue of shares Issue of options	4,000 	- - 9	(17) 	(594) - -	(611) 4,000 9
Balance at 30 June 2013 (restated)	35,572	11	34	(9,045)	26,572
Loss for the period Other comprehensive income Currency translation differences	_	_	10	(1,127)	(1,127) 10
Total comprehensive income/(expense) for the period			10	(1,127)	(1,117)
Issue of options		20			20
Balance at 31 December 2013 and 1 January 2014 (restated)	35,572	31	44	(10,172)	25,475
Loss for the period Other comprehensive expense	_	-	_	(632)	(632)
Currency translation differences			(44)		(44)
Total comprehensive expense for the period	_	-	(44)	(632)	(676)
Issue of shares	91,741	_	-	_	91,741
Share-based payments		57			57
Balance at 30 June 2014	127,313	88		(10,804)	116,597

# Condensed Consolidated Statement of Cash Flows

	Six mor	Six months ended		
	30 June	30 June	31 December	
	2014	2013	2013	
		(Restated)	(Restated)	
	Unaudited	Unaudited	Audited	
	US\$'000	US\$'000	US\$'000	
Cash flow from operating activities				
Loss before taxation	(632)	(594)	(1,721)	
Adjustments for:				
Dividend income	(80)	_	_	
Depreciation	19	23	58	
Finance income	(189)	(99)	(223)	
Finance charges	8	_	_	
Loss on fixed asset disposal	56	_	_	
Fair value changes on unquoted				
financial assets at fair value				
through profit or loss	(858)	31	946	
Fair value changes on quoted				
financial assets at fair value				
through profit or loss	37	(61)	(76)	
Realised on unquoted financial assets				
at fair value through profit or loss	-	_	(548)	
Realised on quoted financial assets				
at fair value through profit or loss	(238)	_	_	
Share-based payment expenses	57	9	29	
Decrease in other receivables	169	81	82	
Increase in other payables and accruals	572	1,157	331	
Net cash (used in)/generated from				
operating activities	(1,079)	547	(1,122)	

# Condensed Consolidated Statement of Cash Flows

×	Six mor 30 June 2014	nths ended 30 June 2013	Year ended 31 December 2013
	Unaudited US\$'000	(Restated) Unaudited US\$'000	(Restated) Audited US\$'000
<b>Cash flow from investing activities</b> Acquisition of fixtures, fittings and			
equipment	_	(122)	(126)
Dividend received	75	_	-
Finance income received  Purchase of quoted financial assets	_	99	223
at fair value through profit or loss Sales proceeds of quoted financial assets	_	(701)	(701)
at fair value through profit or loss	885	_	92
Purchase of unquoted financial assets at fair value through profit or loss Sales proceeds of unquoted financial	(4,287)	(2,706)	(4,450)
assets at fair value through profit or loss	(2.020)	(2.006)	1,548
Loans granted Loans borrowed	(2,939) 2,400	(2,906)	(3,564)
Proceeds from repayment of loans granted		2,380	4,639
Net cash used in investing activities	(3,866)	(3,956)	(2,339)
Cash flows from financing activity Net proceeds from issue of shares	5,016	4,000	4,000
Net cash generated from financing activity	5,016	4,000	4,000
Net increase in cash & cash equivalents during the period	71	591	539
Cash & cash equivalents at the beginning of the period Effect of foreign exchange	1,024	489 (16)	489 (4)
Cash & cash equivalents at the end of the period	1,095	1,064	1,024

#### 1. CORPORATE INFORMATION

The Company is a limited company incorporated in the British Virgin Islands ("BVI") under the BVI Business Companies Act 2004 on 18 January 2008. The address of the registered office is Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands VG1110 and its principal place of business is 1810, 18/F, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.

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

#### 2. BASIS OF PREPARATION

The financial information included in this interim report for the six months ended 30 June 2014 is unaudited.

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

### 3. PRINCIPAL ACCOUNTING POLICIES

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

### Changes in accounting standards

IFRS 10, 11 and 12 are effective for the year ended 31 December 2014, therefore these standards have been adopted as part of the preparation of the results for the period ended 30 June 2014. The principal changes as a result of these standards arise from IFRS10, as well as "Investment Entities" (Amendments to IFRS 10, IFRS 12 and IAS 27).

Under IFRS 10, companies are able to consider whether they are classed as an investment entity. An investment entity is an entity that:

- a. obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- b. commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c. measures and evaluates the performance of substantially all of its investments on a fair value basis.

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

- a. it has more than one investment;
- b. it has more than one investor;
- c. it has investors that are not related parties of the entity; and
- d. it has ownership interests in the form of equity or similar interests.

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

- 1. it has more than one investment;
- 2. it has more than one investor;
- 3. the investors in the Company are not related parties of the Company; and
- 4. the ownership interests in the investments are in the form of equity.

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

The impact of this change on the consolidated statement and statement of financial position for the year ended 31 December 2013 and the period ended 30 June 2013 are detailed below:

Consolidated statement of comprehensive income	Year 31 December 2013 (as per previous accounting policy) US\$'000	ended 31 December 2013 (as per new accounting policy) US\$'000	Adjustment US\$'000
Realised gain on disposal of			
investments	548	548	-
Fair value changes on financial assets at fair value through profit or loss	(867)	(870)	(3)
Administrative expenses	(1,741)	(1,738)	3
Operating loss	(2,060)	(2,060)	_
Other income	137	137	_
Finance income	223	223	_
Finance charges	(21)	(21)	
Loss before taxation	(1,721)	(1,721)	_
Taxation			
Loss for the period	(1,721)	(1,721)	_
Other comprehensive expense			
Currency translation differences	(7)	(7)	
Total comprehensive expense			
for the period	(1,728)	(1,728)	_
Loss per share	4.57	4.57	
Basic	1.57 cents	1.57 cents	
Diluted	1.57 cents	1.57 cents	_

Year	ended	Adjustment
31 December	31 December	•
2013	2013	
(as per	(as per	
previous	new	
accounting	accounting	
policy)	policy)	
US\$'000	US\$'000	US\$'000
75	75	_
1,864	1,864	_
3,182	684	(2,498)
20,168	22,637	2,469
1,344	1,024	(320)
26,633	26,284	(349)
1,158	809	349
1,158	809	349
25,475	25,475	
35.572	35.572	_
33,372	33,372	_
44	44	_
(10,172)	(10,172)	
25 <i>4</i> 75	25 <i>4</i> 75	_
	31 December 2013 (as per previous accounting policy) US\$'000  75 1,864 3,182 20,168 1,344 26,633  1,158 25,475  35,572 31 44 (10,172)	2013 2013 (as per previous new accounting policy) policy) US\$'000 US\$'000  75 75 1,864 1,864 3,182 684 20,168 22,637 1,344 1,024 26,633 26,284  1,158 809 1,158 809 25,475 25,475  35,572 35,572 31 31 44 44

		×	
	Year 31 December 2013 (as per previous	ended 31 December 2013 (as per new	Adjustment
Consolidated statement of cashflows	accounting policy) US\$'000	accounting policy) US\$'000	US\$'000
Cash flow from operating activities Loss before taxation Adjustments for:	(1,721)	(1,721)	_
Depreciation Finance income Fair value changes on unquoted	58 (223)	58 (223)	<del>-</del> -
financial assets at fair value through profit or loss Fair value changes on quoted financial	(587)	946	1,533
assets at fair value through profit or loss Realised on unquoted financial assets	906	(76)	(982)
at fair value through profit or loss Share-based payment expenses Decrease in other receivables Increase in other payables and accruals	29 82 681	(548) 29 82 331	(548) - - (350)
Net cash used in operating activitie	s (775)	(1,122)	(347)
Cash flow from investing activities Acquisition of fixtures, fittings and equipment Finance income received Purchase of guoted financial assets at	(126) 223	(126) 223	_ _
fair value through profit or loss Sales proceeds of quoted financial assets at fair value through profit	(4,489)	(701)	3,788
or loss Purchase of unquoted financial assets	400	92	(308)
at fair value through profit or loss Sales proceeds of unquoted financial assets at fair value through profit	(1,002)	(4,450)	(3,448)
or loss Loans granted	1,548 (3,564)	1,548 (3,564)	
Proceeds from repayment of loans granted	4,639	4,639	
Net cash used in investing activities	(2,371)	(2,339)	32
Cash flows from financing activity Net proceeds from issue of shares	4,000	4,000	
Net cash generated from financing activity	4,000	4,000	
Net increase in cash & cash equivalents during the period Cash & cash equivalents at the	854	539	(315)
beginning of the period Effect of foreign exchange	489 1	489 (4)	(5)
Cash & cash equivalents at the end of the period	1,344	1,024	(320)

		hs ended	Adjustment
	30 June 2013	30 June 2013	
	(as per previous	(as per new	
Consolidated statement of	accounting	accounting	
comprehensive income	policy)	policy)	
•	US\$'000	US\$'000	US\$'000
Fair value changes on financial assets			
at fair value through profit or loss	30	30	_
Administrative expenses	(758)	(758)	
Operating loss	(728)	(728)	-
Other income	35	35	_
Finance income	99	99	
Loss before taxation	(594)	(594)	_
Taxation			
Loss for the period	(594)	(594)	_
Other comprehensive expense			
Currency translation differences	(17)	(17)	
Total comprehensive expense			
for the period	(611)	(611)	
Loss per share			
Basic	0.64 cents	0.64 cents	_
Diluted	0.64 cents	0.64 cents	

	Six mon	Six months ended		
	30 June 2013	30 June 2013	Adjustment	
	(as per	(as per		
	previous	new		
Consolidated statement of	accounting	accounting		
financial position	policy)	policy)		
	US\$'000	US\$'000	US\$'000	
Assets				
Fixtures, fittings and equipment	106	106	_	
Loans and other receivables	3,467	3,467	_	
Quoted financial assets at fair value	3,107	3,107		
through profit or loss	3,431	762	(2,669)	
Unquoted financial assets at fair value			(=//	
through profit or loss	20,119	22,808	2,689	
Cash and cash equivalents	1,084	1,064	(20)	
Total assets	28,207	28,207		
Liabilities				
Other payables and accruals	1,635	1,635	_	
Total liabilities	1,635	1,635	_	
Net assets	26,572	26,572		
Net assets	20,372	20,372		
Equity and reserves				
Share capital	35,572	35,572	_	
Share based payment reserve	11	11	_	
Foreign translation reserve	34	34	_	
Accumulated losses	(9,045)	(9,045)		
Total equity and reserves	26,572	26,572	_	

X			
Consolidated statement of cashflows	Six mont 30 June 2013 (as per previous accounting policy) US\$'000	ths ended 30 June 2013 (as per new accounting policy) US\$'000	Adjustment US\$'000
Cash flow from operating activities Loss before taxation	(594)	(594)	_
Adjustments for:			
Depreciation	23	23	_
Finance income Fair value changes on unquoted financial assets at fair value	(99)	(99)	_
through profit or loss Fair value changes on quoted financial	_	31	31
assets at fair value through profit or loss	(30)	(61)	(31)
Share-based payment expenses	9	9	(51)
Decrease in other receivables	81	81	_
Increase in other payables and accruals	s1,157	1,157	
Net cash generated from operating activities	547	547	
Cash flow from investing activities Acquisition of fixtures, fittings and equipment Finance income received	(122) 99	(122) 99	_ _
Purchase of quoted financial assets at fair value through profit or loss	(3,401)	(701)	2,700
Purchase of unquoted financial assets at fair value through profit or loss Loans granted Proceeds from repayment of loans	(2,906)	(2,706) (2,906)	(2,706)
granted	2,380	2,380	
Net cash used in investing activitie	s (3,950)	(3,956)	(6)
<b>Cash flows from financing activity</b> Net proceeds from issue of shares	4,000	4,000	
Net cash generated from financing activity	4,000	4,000	
Net increase in cash & cash equivalents during the period Cash & cash equivalents at the	597	591	_
beginning of the period Effect of foreign exchange	489 (2)	489 (16)	(14)
Cash & cash equivalents at the end of the period	1,084	1,064	(20)

#### **SEGMENT INFORMATION** 4.

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

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

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

The segment information provided to the senior management and executive Board members for the reportable segments for the periods is as follows:

Revenue attributed by reference to each company's country of domicile:

	BVI			Hong Ko		Cong
	Six mo	nths ended	Year ended	Six mo	onths ended	Year ended
	30 June	30 June	31 December	30 June	30 June	31 December
	2014	2013	2013	2014	2013	2013
		(Restated)	(Restated)		(Restated)	(Restated)
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Realised gain on disposal of						
investments	-	-	548	238	-	-
Fair value changes on financial assets						
at fair value through profit or loss	858	(31)	(906)	(37)	61	36
Other income	83	-	-	23	35	137
Financial income	189	99	223	-	-	-

### 5. TAXATION

No charge to taxation arises for the six months ended 30 June 2014 and 2013 as there were no taxable profits in either period.

Tax reconciliation:

	Six months ended		Year ended
	30 June	30 June	31 December
	2014	2013	2013
		(Restated)	(Restated)
	US\$'000	US\$'000	US\$'000
Loss before taxation	(632)	(594)	(1,721)
Effective tax charge at 16.5%			
(2013:16.5%)	(104)	(98)	(284)
Effect of:		()	
Differences in overseas taxation rates	104	(98)	284
Effective tax rate			

As at 30 June 2014, the Group has no unused tax losses (30 June 2013: Nil) available for offset against future profits.

### 6. DIVIDEND

The Board of the Company does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2014 (30 June 2013: Nil).

#### 7. **LOSS PER SHARE**

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

		Six mo	Year ended	
		30 June	30 June	31 December
		2014	2013	2013
		US\$'000	US\$'000	US\$'000
Numera				
Basic/Dilu	uted: Net loss	(632)	(594)	(1,721)
			Number of share	S
		′000	′000	′000
Denomi		4 272 060	02.442	100.004
Basic:	Weighted average shares Effect of diluted securities	1,272,068	93,412	109,984
		2,250	750	2,250
	Share options Warrants	136,207	750	2,230
	vvairairts			
Dilutado	A divisted avaighted			
Diluted:	,	1 410 525	04.163	112 224
	average shares	1,410,525	94,162	112,234

The share options are anti-dilutive and therefore excluded from the adjusted weighted average share calculation.

On 19 February 2014, the Company issued 785,850,641 warrants, all exercisable at US\$0.06. For the six months ended 30 June 2014, the warrants are dilutive. The adjusted weighted average warrant is calculated by reference to its dilutive effect.

Therefore, for the six months ended 30 June 2014 and 2013, the weighted average shares in issue are 1,408,275,529 and 93,412,000 respectively.

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

	30 June 2014	30 June 2013	31 December 2013
	US\$'000	(Restated) US\$'000	(Restated) US\$'000
At the beginning of the period Fair value changes through profit	22,637	20,133	20,133
or loss	858	(31)	(946)
Additions	92,722	2,706	4,450
Disposals			(1,000)
At the end of the period	116,217	22,808	22,637

# 9. QUOTED FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June	30 June	31 December
	2014	2013	2013
		(Restated)	(Restated)
	US\$'000	US\$'000	US\$'000
Market value at the beginning of			
the period	684	_	_
Currency translation difference	_	_	(1)
Fair value changes through profit			
or loss	(37)	61	76
Additions	_	701	701
Disposals	(647)	_	(92)
Balance at the end of the period	_	762	684

The quoted financial assets at fair value through profit or loss amounting to US\$ NIL (30 June 2013: US\$762,000) were pledged under a securities margin account.

### 10. SHARE CAPITAL

	Number of Shares	Amount US\$'000
Authorised, called-up and fully paid		
ordinary shares of no par value each		
at 30 June 2013	126,284,645	35,572
Bonus Shares issued on 19 February 2014	42,094,858	_
Shares issued for acquisition of special purpose		
vehicles on 19 February 2014	1,445,416,667	86,725
Ordinary shares issued for cash on		
19 February 2014	83,600,000	5,016
Warrant exercised to ordinary shares		
on 30 May 2014	6,000	_
Authorised, called-up and fully paid		
ordinary shares of no par value each		
at 30 June 2014	1,697,402,170	127,313

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

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

#### 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from inputs that are not based on observable market data.

	As at	As at	As at
	30 June	30 June	31 December
	2014	2013	2013
		(Restated)	(Restated)
	US\$'000	US\$'000	US\$'000
Level 1			
Quoted financial assets at			
fair value through profit or loss	_	762	684
Level 3			
Unquoted financial assets at fair value			
through profit or loss (note 8)	116,217	22,808	22,637
	116,217	23,570	23,321

There is no transfer between levels in the current period.

During the year ended 31 December 2013 unquoted financial assets with a carrying value of US\$17,120,000 were transferred from level 2 to level 3 due to the lack of available, observable input data.

The values of level 3 investments have been determined using the yield capitalisation (Discounted cash flow) method.

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

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

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

The Company was incorporated in the BVI under the BVI Business Companies Act 2004. Under the BVI laws and regulations, there is no concept of "share premium", and all proceeds from the sale of no par value equity shares is deemed to be share capital of the Company.

#### 12. RELATED PARTY TRANSACTIONS

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

		30 June 2014	30 June 2013	31 December 2013
	Note	US\$'000	US\$'000	US\$'000
Amount due to Directors  - Hanson Cheah  - Conor MacNamara  - Ernest Wong Yiu Kit  - John Croft	(i)	n/a 25 13 51	32 n/a 108 15	47 2 96 16

<sup>(</sup>i) The amounts due thereto are unsecured, interest free and have no fixed term of repayment. There are no other contracts of significance in which any director has or had a material interest during the current period.

### 13. EVENTS AFTER THE REPORTING PERIOD

On 11 July 2014, the Company entered into a number of subscription agreements with new investors. Pursuant to the terms of the subscription agreements, investors agreed to subscribe for an aggregate of 31,648,000 ordinary shares at a subscription price per ordinary share of US\$0.07, raising a total of US\$2,215,360 for the Company.

The Company offered warrant holders at the offer record date the opportunity to exchange their shareholder warrants on the basis of one existing ordinary share for every 4 shareholder warrants held.

Under the terms of reorganisation of the existing ordinary shares every 10 existing ordinary shares, whether issued or unissued, was consolidated into one new ordinary share ("1-for-10 Ordinary Share Consolidation").

The reorganisation was as following:

	Number of Shares	Amount US\$'000
Authorised, called-up and fully paid ordinary shares of no par value each at		
30 June 2014	1,697,402,170	127,313
Ordinary shares issued in cash on 11 July 2014 Exchange the shareholder warrants on the basis of 1 existing ordinary share for every	31,648,000	2,215
4 shareholder warrants held Authorised, called-up and fully paid ordinary shares of no par value each at 11 July 2014, before 1-for-10 Ordinary Share	190,374,229	_
Consolidation	1,919,424,399	129,528
Authorised, called-up and fully paid ordinary shares of no par value each at 11 July 2014, after 1-for-10 Ordinary		
Share Consolidation	191,942,420	129,528

### 14. COPIES OF THE INTERIM REPORT

The Interim report is available for download from www.adamasfinance.com.





**ADAMAS FINANCE ASIA LIMITED**