

Funds secured to drive portfolio growth

17 July 2020

ADAM has announced a fully underwritten Open Offer and Placing which will raise £3,134,710 (before expenses). The new ordinary shares will be issued at 25p, a 13.8% discount to last night's closing price and, on a per share basis, a discount of c. 60% to the audited net asset value of USD100.9m at 31 Dec 2019.

One Open Offer Warrant is issued with each share – it has an exercise price of 40p and a three-year exercise period from date of issue. ADAM has received binding commitments to subscribe for any new shares and attached warrants not taken up by shareholders under the Open Offer. The new shares are expected to be admitted to trading on AIM on or near 7 September 2020.

Rationale for the Open Offer

During 2019 and the first quarter of 2020 ADAM continued to stabilise and restructure its existing portfolio, while it identified new assets which fit its core investment strategy. The FY19 results confirmed a six-fold plus increase in gross portfolio income to £2.24m, an improved operating result and genuine progress towards a key strategic target, to generate free cash to support sustainable dividends

It seeks to continue to develop a diversified, country and sector agnostic portfolio of income generating assets. Some components of its existing pan-Asian investment portfolio are legacy assets which it is actively supporting and stabilising. This fundraising will provide resources to finance new investment, progressively rebalance the portfolio and move the emphasis towards recent acquisitions. It supplements **USD1.7m** already raised this year, via subscriptions to a corporate bond issue launched in October 2019.

ADAM's Directors and its Investment Manager have each undertaken to subscribe for shares not taken up by existing shareholders up to a total of £120,000.

The opportunity is immense. ADAM reports a growing pipeline of prospective investments derived from a vast pool of over 250m Asian Small and Medium Enterprises (SMEs) (*source: Statista*), which have limited access to traditional bank financing. The COVID-19 pandemic appears to have made that segment's need to secure new sources of cash even more urgent.

The Open Offer will strengthen ADAM's balance sheet and enable it to secure new acquisitions, some currently under review. The Company has identified potential opportunities in IT, fintech, healthcare and online commerce, amongst others.

Name change to better reflect group identity

ADAM will also seek shareholder approval to change its name to **Jade Road Investments Limited**. It aims to establish an identity which matches the ongoing transformation of its portfolio and its pan-Asian SME focus. It also regards this as an appropriate time to create a brand which both reflects its Asian heritage and acknowledges the wider investment scope underpinning its portfolio construction since May 2017. It reflects its intention to connect investors and capital from the West, across the Middle East and into the markets of the Far East. The proposed name change is subject to approval at a General Meeting on 5 August 2020.

Company Data

EPIC	ADAM
Price (last close)	29p
52 weeks Hi/Lo	40p / 18p
Market cap	£30m

Share Price, p



Source: ADVFN

Description

Adamas Finance Asia (ADAM) intends to be the leading London-quoted, pan-Asian focused investment vehicle. It provides finance to a diversified portfolio of established and emerging SMEs across Asia. Its stated objective is to provide shareholders with attractive risk adjusted income, with potential for income and capital growth, from unique access to income generating assets.

ADAM appointed a new Investment Manager, Harmony Capital Investors Limited in May 2017. Harmony Capital has an established track record as an Asia based investor, with local networks and expertise, and disciplined risk management processes. It has offices in London, Hong Kong, and Singapore.

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