

Adamas Finance Asia Limited

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Adamas Finance Asia sees net asset value rise as investment opportunities beckon

Asia-focused investment vehicle Adamas Finance Asia Limited (LON:ADAM) has lifted its net asset value by 1.5% in its latest half year.

Consolidated net asset value (NAV) at 30 June was US\$95mln, up from US\$93.6mln.

READ: Adamas Finance Asia sees increasing investment opportunities

The transition of the business through the diversification of legacy assets and investing in new opportunities in Asia is well underway, said chairman John Croft.

"Early in the period, we announced our first new investment since Harmony Capital was appointed, in DocDoc, which we believe to be Asia's leading patient empowerment company."

DocDoc uses proprietary data and clinical informatics across a network of physicians and hospitals to support patients to find high-quality medical care.

Net losses for the half-year were US\$1.44mln (Half year 2017: US\$1.03mln) with a consolidated loss per share of US\$1.77.

"There is an increasing number of future investment opportunities open to ADAM," added Croft.

Core investments

DocDoc is one of three core investments alongside dolomite mine Hong Kong Mining and a Hong Kong-based food and beverage business.

Adamas was issued with a US\$26.5mln convertible bond in the business earlier this year in an asset swap transaction.

The consideration matched book value and Suresh Withana, Harmony Capital's managing partner and Adamas' investment manager, was delighted with the price.

Hong Kong Mining, meanwhile, is in the process of re-starting operations at its mine in Shanxi Province, China.

Withana, however, says he and his team are very busy looking for other opportunities.

Very few other companies are doing what it does, he says, with a dearth of capital for small Asia-based companies.

That may seem strange, but after the 2008 global credit crunch the emphasis switched to state-backed or blue-chip companies with some countries even banning banks lending money to companies below a certain size or certain sectors.

Price: 22

Market Cap: £25.36 m

1 Year Share Price Graph



October 2019 August 2020 October 2020

Share Information

Code: ADAM

Listing: AIM

52 week High Low
37.4313 16.7456

Sector: Financial Services

Website: adamasfinance.com

Company Synopsis:

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

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Capital-starved SMEs

"The private sector is starved of capital from markets and banks across the region even in places such as China, Hong Kong, Singapore and Australia."

"There are lots of opportunities for income-producing assets, fundamentally small and medium-sized companies that cannot raise capital as they are not big enough."

That has created a very nice space for ADAM, adds Withana and now that the major work on the legacy portfolio is complete, the emphasis again is on expansion.

"For a year we have been very focused on getting the house in order, now we are in a position to actively start to do that."

"It's like starting again."

At 0.6p, Adamas has a market cap of £37.5m.

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