

2 January 2024

JADE ROAD INVESTMENTS LIMITED

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

Proposed Disposal of Legacy Assets and Restructuring

Jade Road Investments Limited (AIM: JADE), the London quoted company focused on seeking the best risk-adjusted returns globally is pleased to provide details of a proposed disposal of certain legacy assets, restructuring exercise and future strategic direction.

The Company has conditionally agreed to transfer its legacy Asian assets ("Legacy Assets") to a special purpose vehicle, Eastern Champion Ltd ("SPV") (the "Legacy Asset Transfer"). Upon completion of the Legacy Asset Transfer, the SPV will simultaneously make an in specie dividend of its shares (the "In Specie Dividend") to the existing shareholders of the Company ("Shareholders"). The net result is that Shareholders will continue to own their existing shares in the Company and an equivalent economic interest in the Legacy Assets through ownership of shares in the SPV.

In order to effect the Legacy Asset Transfer, the Company requires the support of both its Shareholders and the holders of its USD10m 12.5% fixed rate secured loan notes (the "Loan Notes" and the "Noteholders"). The Company is pleased to report that it has received the unanimous support of the Noteholders to effect the proposals including extending the maturity date of the Loan Notes to 30 June 2024. The Company has also received an irrevocable undertaking from shareholders in respect of 191,712,713 shares in aggregate to vote in favour of the resolutions to be proposed at a duly convened general meeting of the Company to approve the Legacy Asset Transfer. This irrevocable undertaking represents 53.92% of the total number of voting rights in the Company.

Upon completion of the Legacy Asset Transfer:

- The Legacy Assets will be owned by the SPV. Whilst the SPV is currently a wholly owned subsidiary of the Company, upon completion of the Legacy Asset Transfer and the In Specie Dividend a new board of directors independent of the Company will be appointed and an independent investment manager will be engaged to manage the Legacy Assets. Upon completion of the proposals, the SPV will therefore be completely independent of the Company.
- The Loan Notes issued by the Company, which have USD3.6m of principal value outstanding, will be deemed repaid and cancelled.
- New replacement loan notes with a revised maturity date of 30 June 2024 will be issued by the SPV to the Noteholders who will retain their security interest over the Legacy Assets and benefit from an additional charge over the Company's retained assets, capped at a value of USD0.5m.
- Noteholders will be granted 1.8m 3-Year warrants by the Company with a strike price of GBP0.0275.

Accordingly, the Company has entered into a conditional agreement with the SPV in order to effect the Legacy Asset Transfer ("Hive Down Agreement") with the following key points:

- The Company will transfer various special purpose vehicles which own the Legacy Assets to the SPV, which already owns the Company's investment in DocDoc Pte Ltd. The other Legacy Assets comprised in those special purpose vehicles are the Company's investments in Hong Kong Mining Holdings Limited, Meize Energy Industries Limited, Infinity Capital Group, Infinity TNP and Project Nicklaus, as well as the convertible loan notes issued to the Company by Fook Lam Moon Holdings, and the benefit of a USD3,700,000 loan made by the Company to Hong Kong Mining Holdings Limited.
- The consideration payable for the Legacy Assets by the SPV will be satisfied by it making the In Specie Dividend.
- The agreement is conditional on a number of matters, including the issuance of the new replacement loan notes by the SPV to the Noteholders and the creation of the new security package described above.
- Both parties will be granting limited warranties to each other.

These decisions mark a pivotal step in the Company's evolution, reflecting a strategic approach to seek to enhance efficiency and value. The net result of the proposals is that the Company will both deconsolidate its Legacy Assets, which will become independently owned by the SPV, which will be responsible for the administration and management of those assets and transfer its obligations under the Loan Notes to the SPV.

The Legacy Asset Transfer is subject to shareholder approval. The Company therefore intends to convene a general meeting to propose the necessary resolution to approve the proposals, further details of which will be given in due course.

The Company will need to further execute its new investment strategy within 12 months as the divestment is deemed a fundamental disposal under the AIM Rules.

The Legacy Assets and have a net book value of USD20m as at 30 June 2023, while the asset retained in the Company is a USD0.5m investment in the Heirloom Investment Fund SPC - Heirloom Fixed Return Fund SP. The loss attributable to the assets being disposed of was USD51.36m in the year ended 31 December 2022.

John Croft, Executive Chairman commented: "The pace and intricacy of extracting proper value from the Legacy Assets has acted as a serious inhibitor to the Company's ability to grow and raise new capital. The transfer of its Legacy Assets to a separate and fully independent company will enable JADE to present itself as a clean investment platform which can invest in new assets in line with its investment policy of seeking opportunities with the best risk-adjusted returns globally. I look forward to providing further updates on our plans in due course."

FOR FURTHER INFORMATION, PLEASE CONTACT:

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