

3rd June 2019

Dear Shareholder

I have pleasure in enclosing your Shareholder Pack for our forthcoming Annual General Meeting to be held at 10 am on Thursday 27 June 2019. We are looking forward to seeing as many shareholders as possible and I do hope that you will be able to attend the meeting.

In your pack, you will find the audited Financial Statements of the company for the year ended 31 December 2018, the statutory notice convening the Annual General Meeting and your Proxy Form for completion and return. Following our practice of last year we are sending this letter and Shareholder Pack electronically to those shareholders who elected to communicate with us in that way. All other shareholders are receiving this by post in the normal way.

During 2018, we have concentrated on agreeing a way forward with the Kaidi group to secure and enhance the value of our investment in Zhongying. The Kaidi group has been undergoing a corporate restructure, a part of which has seen it take ownership of the remaining 80% share of Zhongying. I have had a number of discussions with Mr Chen Yilong, Chairman of Kaidi, to agree both a direction for the future of Zhongying and a time frame in which to achieve it.

These discussions are complex and time-consuming as Zhongying is only one of many matters which requires Kaidi's attention. We are meeting again with Mr Chen in early July in Wuhan and I hope that further progress will be made at that time. I will keep shareholders informed when there is definitive news on progress of our various discussions with the Kaidi group.

Although there remains the outstanding matter of the apparent fraud perpetrated on the Company in Croatia, which we are still trying to pursue, almost all our efforts now are to achieve the best possible outcome from our Zhongying investment.

A successful conclusion to our discussions with Kaidi regarding Zhongying remains the key to a result that unlocks shareholder value, and all your Board's efforts in the coming months are directed towards achieving that outcome. Once again, I want to express the Board's appreciation of the continuing and patient support that we have received from so many shareholders.

Yours sincerely,



David Buchler
Chairman