

4th June 2018

Dear Shareholder,

I have pleasure in enclosing your Shareholder Pack for our forthcoming Annual General Meeting to be held at 2 pm on Thursday 28 June 2018. I do hope that you are able to attend and we look forward to seeing as many shareholders as possible at the meeting.

The audited Financial Statements of the company for the year ended 31 December 2017 and the Statutory Notice convening the Annual General Meeting are enclosed, and these have been posted on the company's website. Following approval by shareholders 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.

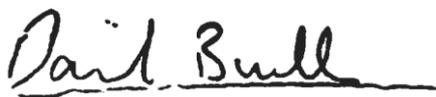
During 2017, we have had a series of meetings with our joint venture partner in China to discuss the best way of achieving benefit and growth from our investment in Zhongying. The Kaidi group is expanding its activities both in China and overseas and a strategic plan to include Zhongying into this process is under discussion. The best method for moving forward remains to be finalised but I believe, on the basis of my discussions with Mr Chen Yilong, that we will agree a suitable way forward at the earliest possible time.

I am pleased to confirm that all the outstanding litigation matters have now been concluded satisfactorily with cash payments to the company in all cases. Apart from the resolution of our Zhongying investment, the only remaining substantial matter remains the apparent fraud perpetrated on the company in Croatia, where we have held further meetings with the relevant parties who might be able to assist us to recover funds.

I am very sorry to have to report that Li Jiawei left the Board in April as a consequence of ill health. Jiawei has been an invaluable member of our team and provided an informed link to Kaidi. We wish her good health for the future and thank her for her valuable contribution to the company over these last few years. We are in consultation with both Kaidi and our major shareholder, Richpoint Group Overseas Ltd, to appoint a suitable replacement to the Board at the earliest opportunity.

During 2017, we have made significant progress to enable almost all our efforts to be focused on the enhancement and maximisation of value from the company's investment in Zhongying. This is a continuing, multi-faceted and complex journey but is the key to a result that unlocks shareholder value and I wanted to express again the Board's real appreciation of the continuing support that we have received from so many shareholders.

Yours sincerely,



David Buchler
Chairman