

**Chairman's statement:**

Chairman: That concludes the formal part of the meeting. I would like to say a few words on the past year and recent developments for the company in China.

The position over the last two years for the company, as it awaits Kaidi's restructuring, has been difficult. The restructuring involves LAC's twenty per cent share in Zhongying which it has had for many years and which joint venture agreement was put in place before my time. We have tried for many years to monetise this investment for our shareholders.

A long story short, the Kaidi restructuring in China is ongoing and we have been working so that our company can retain its position in that Chinese group, which is struggling to retain its position in the Chinese market because it has run out of money. Mr Chen is still advising Kaidi. The Chinese government is supportive of the company by supporting its restructuring and it looks like it is going to be concluded.

A lot of legal documents have been entered into and also LAC has entered into those documents required by us to try and preserve our position in relation to the value of our Zhongying investment. We have had to do this on much restrained resources and because of this we haven't had the ability to visit China or the finances to employ external professionals there. We have rather had to rely on the considerable goodwill that we spent many years building up with Kaidi in order to protect LAC's position. We think we have done that and so far as we can understand, and we are in regular contact with Chinese representatives, we certainly hope there is a way forward in relation to the company's situation at present that will be to the benefit of our very patient shareholders.

I do suspect that the way forward will take a little bit more time now than we had thought last year because of the continuing impact of COVID in China and how they are covering it but it seems that we are near to a finalisation at this stage.

As I said there are no more meaningful funds in the company's account of any merit and no one is being paid and that is your directors, including our proposed designated director Mark Field. As you and our Chinese partner and our major shareholder are aware, the EBT had fifteen per cent of the company's shareholding of which ten per cent has been distributed and the remaining five per cent will be distributed shortly as the restructuring progresses. We have linked directors' reward with yours through the EBT shares and we think that is the appropriate thing to do.

So, what does this mean? The Chinese seem to indicate they are placing a large valuation on LAC's stake in Zhongying which will translate into a multi-million dollar stake in a Kaidi listed company. If that is correct and it gets to completion that will be more than a reasonable return to our shareholders going forward. But I must be very cautious about this. We have seen how circumstances in China can change very rapidly and also the Government of China's view may change without any notice. So all we can do is rely on good faith and keep as close contact as we can and in touch with Kaidi and our representatives in China, but we can do no more than that at the moment.

Managing Director: Certainly the Chinese approach to zero COVID means that everything is going to take longer than we had anticipated a year ago. Shanghai is closed and Wuhan is

not yet fully operational and this certainly may have an effect on just the process of things playing out. But China is plugged in to the world economy and the Chinese Government knows how important this is. I spoke a few weeks ago to our contacts in Wuhan and they are still mainly confined to their homes and hopefully for them, and for us, these things will improve. But for now as we cannot visit China in person, our continuing contact there has to remain by electronic means.

Chairman: I would like to ask Mark Field who recently retired as the member of Parliament for Westminster and was a former Minister of State at the Foreign Office with responsibilities for this part of the world to say a few words.

Mark Field: I would be happy to. I can confirm that from my discussions recently with senior people in the Foreign Office and the Chinese Embassy that is the position in China. We know China has not gone down the same vaccinations route as we have here and as Europe has. However, it is also clear that it is in the interests of the Chinese Government to get its economy moving again. Possibly they are a little behind the curve but they do things differently than we here in the UK. Certainly I agree with David and Paul that when we can visit China again it is important that we go out there and meet with Kaidi.

Chairman: Thank you. I remind you that the centre and origin of the COVID-19 epidemic was in fact Wuhan. We certainly haven't been able to meet with Mr Chen to discuss what is happening. So it is all about remote contact. I was last out there in early December 2019 just before the announcement of COVID's existence in the first quarter of 2020.

**Questions and Answers session:**

Chairman: I now open the meeting for questions from the floor, figuratively speaking.

Company Secretary: We have received some written questions from our shareholders. The first is the same question received with thanks from Jon Whitmore, John Slater and Ursula Dante:

'Is there any news on our shares becoming more saleable or possibly a relisting of our shares?'

Chairman: There is no chance of a listing at the moment. If we do receive a stake in a listed shareholding then that's a very different matter and then all aspects of a relisting for LAC or paying a distribution to shareholders will be something that we will come back to discuss with shareholders at that time.

Company Secretary: A question received from William McCann. Thank you:

'Is there any more information on the sale and the possible multi-million dollar valuation for our Zhongying stake?'

Chairman: I believe I have answered that question already but it is right to mention that whereas we have been informed of this value I must caution shareholders. The restructuring agreement hasn't been finalised yet and although we have signed our papers a number of months ago we haven't heard it has completed but just that it is in the process of happening.

Those are the submitted written questions. If anyone wants to raise a question please raise your hand electronically and we will be able to unmute you and you can ask your question.

Briam Tomlinson: Thank you for the general summary. What is the restructuring agreement and who has valued the figure and are we happy with that? How can anyone have any assurance in this valuation when Kaidi has no money?

Chairman: I can confirm that from what we have seen from our own documents and what we know from our representatives that the restructuring involves about thirty different companies becoming consolidated into in effect one group company with one holding company in which LAC will be a shareholder. Paul would you like to add anything?

Managing Director: I would add that the valuation of our shareholding in Zhongying has always been of some conjecture. Zhongying is a private company in China and information flows to us, which is our right under the partnership agreement, have been very difficult over the seventeen years of the agreement. If the restructuring goes ahead as planned we will have the shareholding in a Shenzhen listed company and whether the valuation proves right or wrong will be a function of how well received that is by the public investment market. I think all we can do is take some comfort in having an interest in a listed company and also that this ongoing restructuring process of many months into a consolidated Kaidi group, where valuations within the restructuring have had to be substantiated as part of that restructuring, do require the approval of the Hubei authorities and more importantly of Beijing as well. It does seem that the scrutiny is being done in a proper manner by Chinese rules and processes because it's not just us but there would seem to be many other companies with minority interests as well in the underlying operating assets that are interested in the process. Unlike the UK and the US, the existing Kaidi group seems to have been built up through commonality of ownership and not by parent and subsidiary and they are trying to turn it into a parent and sub group which is proving very complicated.

It was hoped that this would have been finalised and in place last year. Then of course we have had the disruption that we spoke about but there is optimism of a final successful conclusion. One is reliant on what we have been told and we do not know if those who are telling us this are themselves fully in the picture. But if the restructuring goes ahead it must be in all our interests and that's why we have spent much time in the past in meeting with Mr Chen and trying to monetize our interest. We think we've done all that we can and are doing and hope that all our efforts will come to fruition soon.

Chairman: Just to add to that. If we are able to complete at the valuation level that the Chinese have suggested then I think we would all be content with that outcome.

Stephen Lee: I am a very small shareholder and I would like to thank you management for all your help in doing this on our behalf. So is this our only investment?

Chairman: We have some legacy paper investments in a few very small companies that frankly are of inconsequential value as far as we can tell and one historic debt of five million dollars owed to us in Croatia which is from a very long time ago during your former management's time. We were told the police are still investigating but you will understand it is very difficult for us to put

any probability of success after all this time on that claim.

John Slater: What is the exit strategy and how do you pay it and how many shareholders are there?

Chairman: It is too soon to work out anything really until we understand that is indeed what our outcome proves to be under the restructuring. But if and when, then at that time we would be asking shareholders what they wanted to do: do we carry on our activities or pursue a distribution to shareholders.

Company Secretary: Just to say we have approximately 580 million shares in circulation.

Chairman. If there are no more questions, I will bring this annual general meeting to an end and just ask Mark to say a few final words about the political situation between China and the UK.

Mark Field: The relationship between the UK and China has been going through a challenging period what with Hong Kong and Taiwan and so on. What David and Paul said that China is very much plugged in to the World economy is very true. It is speculative to know what the liquidity would be of a public listing on the Shenzhen exchange. As to the macro situation of China, Chinese companies have very significant stakes in the UK economy and UK property ownership and I am confident that if things proceed as we hope they will in China, there will be a positive resolution and in that regard it's very important to keep our contacts open with China. I have been impressed how they keep close to relationships and when I was last in China I was given a very respectful audience with their officials and they were able to point out all my earlier meetings with Chinese officials and I maintain my contacts with the Chinese Embassy here and of course with our own Foreign Office. I agree that it would be very helpful to go out there to discuss these matters personally when that proves possible.

Chairman: There being no more questions, thank you all for attending and I now close the meeting and we will provide updates through the portal.