

London Asia Capital plc

DB Consultants Limited consultancy agreement – website summary

London Asia Capital plc (the **Company**) is pleased to announce that it has entered into a consultancy agreement with (i) DB Consultants Limited (**DB Consultants**), (ii) David Buchler and (iii) Sir Jeremy Hanley to set out the terms on which David's and Sir Jeremy's services to the Company will be provided (the **Agreement**).

David and Sir Jeremy were appointed as directors earlier in the year. In making their appointment the board intended to utilise their experience in order to begin the process of realising the Company's assets following the vote of the Company's shareholders at the general meeting of 21 February 2011 to begin an orderly realisation of the Company's assets.

Your board believe that the Company's entry into the Agreement is in the best interests of shareholders as the skill-sets of David and Sir Jeremy should allow the Company to realise decent returns for shareholders and to begin the process of returning cash.

The principal terms of the Agreement are as follows:

Term

The Agreement began with effect from 14 April 2011 and will continue until either terminated on its terms or by either the Company or DB Consultants giving not less than 12 months' prior written notice.

Duties

David and Sir Jeremy are required to devote all such time and effort as may be required to provide the services under the Agreement. If David and/or Sir Jeremy are unable to provide the services through illness or accident, DB Consultants may, with the prior written approval of the board, provide suitably qualified and skilled replacements.

Realisations of the Company's assets

Services

Under the terms of the Agreement, in order to assist with the realisation of the Company's assets, DB Consultants are required to provide a number of services. These include making David and Sir Jeremy available to act as directors of the Company and to attend meetings and site visits, reviewing and preparing proposals relating to the Company's interest in Zhongying Changjiang Credit International Guarantee Co., Ltd (**Zhongying**) and assisting the board in indentifying, approaching and dealing with any potential purchasers of any of the Company's assets and with any ensuing negotiation and sales.

Fees

DB Consultants' fees for asset realisations are calculated as a percentage of i) consideration received on a sale or other disposal of an asset or interest in an asset and ii) in relation to Zhongying only, where the board has resolved that such interest has become capable of being sold or otherwise realised (although there is no requirement for a sale of the Zhongying interest to have taken place).

Where the amount of the aggregate realisations is up to £7,000,000, the fee payable is 5% of the amount; where it is between £7,000,000 and £15,000,000, 10% of the amount; and where it is over £15,000,000, 15%.

The fee payable in relation to Zhongying will be calculated in relation to the value attributed to Zhongying in the first audited accounts following board resolution relating to it. In the event that the Zhongying asset is later sold DB Consultants receives no further payment.

Takeover situations

Services

In the event of a potential or actual takeover offer for the Company, DB Consultants is required to provide assistance and advice to the Company including considering the likely valuation, dealing with the bidding party and, if thought appropriate, assisting and managing any defence against the takeover.

DB Consultants will also have a key role in advising the board during the negotiation process in order to optimise the offer price and form of consideration.

Fees

Where a takeover offer is made and becomes unconditional, a fee is payable to DB Consultants on the same sliding scale used for asset realisations.

There is a fee of £150,000 payable to DB Consultants in respect of each of David and Sir Jeremy in the event of an announcement being made of a firm intention to make a takeover offer under rule 2.5 of the City Code on Takeovers and Mergers or if more than 30% of the Company is acquired by a shareholder (but only if they have provided advice and services relating to the situation). Such a fee can only be paid once in any one takeover bid situation.

Shareholder requisitions

Services

In the event of a requisition being made by shareholders of the Company to remove some, or all, of the board of the Company, DB Consultants is required to provide assistance and advice with a view to defeating the proposed resolutions or having them withdrawn.

Fees

Fees in respect of such services shall be charged at commercial rates as agreed from time to time between the Company and DB Consultants.

If DB Consultants cannot provide any of its services following the passing of any resolutions to remove directors from the board of the Company, DB Consultants will receive a fee of £100,000 for each of David and Sir Jeremy, less any fees paid in respect of assistance and advice relating to attempting to defeat the proposed resolutions.

Shares in lieu of fees

DB Consultants is able to request that all or any part of fees owed to it is settled in shares in the Company. In the event of such a request the value of the shares to be issued to DB Consultants must be negotiated between the parties. If an agreement as to the value of the shares cannot be reached an independent chartered accountant shall take on the matter.

Expenses

DB Consultants shall be reimbursed on a monthly basis all expenses properly incurred by it or David and Sir Jeremy in undertaking the services under the Agreement.

Termination

DB Consultants may terminate the Agreement without notice or liability in a number of circumstances including where the Company commits any serious or repeated breach or non-observance of any provisions of the Agreement or if the Company is to be wound-up.

The Company may terminate the Agreement without notice or liability in a number of circumstances including where either of David or Sir Jeremy commit any gross misconduct or where DB Consultants or either of David or Sir Jeremy are, in the reasonable opinion of the board, negligent or incompetent in their performance of the services.