

Tricor PLC

Proposed CVA, Cap. reorganisation & Notice of GM

RNS Number : 2417V

Tricor PLC

10 January 2013

TRICOR PLC
("Tricor" or the "Company")

**Proposed Company Voluntary Arrangement, Capital Reorganisation
and Notice of general meeting**

Tricor will today post to shareholders a circular (the "**Circular**") convening a general meeting of the Company, to be held at 10.00 a.m. (Singapore time) on 29 January 2013 at 120 Robinson Road, #13-02, Singapore 068913, Singapore. The Circular contains details on, *inter alia*:

- a proposed company voluntary arrangement (CVA) for Tricor; and
- a proposed capital reorganisation.

An extract from the Circular is provided below and a full copy of the Circular is will shortly be available on the Company's website, www.tricor-plc.co.uk.

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Extracts from the Circular

All defined terms used in this announcement have the meaning set out at the end of this announcement.

Introduction

Tricor announced recently its interim results for the six months to 30 September 2012 and that it was evaluating strategies to ensure the continued survival of the Company. In order to achieve this, Tricor proposes to enter into a CVA and undertake the Capital Reorganisation.

Consequently, the Company is issuing this Circular to Shareholders setting out the

background to and the reasons for the Proposals and where appropriate seeking Shareholders' approval. Accordingly, a notice convening a General Meeting of the Company for 10:00 a.m. (Singapore time) on 29 January 2013 at 120 Robinson Road, #13-02, Singapore 068913, Singapore to consider the Resolutions is set out at the end of this Circular.

For the purposes of section 656 of the Act, the Company has suffered a serious loss of capital. Therefore, this Circular also contains the proposals of the Directors to deal with the serious loss of capital and the consequences for the Company.

In addition, Resolutions 4 to 7 that were not tabled at the Annual General Meeting on 31 October 2012 and the subsequent adjournments will be amended by the resolutions set out in the Notice.

Background to and reasons for the CVA

Since becoming an investing company on 28 October 2011, the Board has been seeking to make acquisitions in line with its investing policy and has evaluated several potential acquisition targets. At the same time the Board has also been vigorously pursuing the VAT claim against HMRC currently at tribunal in order to seek to recover the amounts owed to it. Should the Company prove to be successful at the tribunal, and this success leads to the recovery of these amounts as well as the dismissal of HMRC's counter-claim against the Company, then the Board expects that the Company will be able to satisfy its short term liabilities and remove the contingent liability resulting from HMRC's claim against the Company. However, as a result of the length of time the claim has been running and the uncertainty that its outcome places on the Company's financial position, the Board believes that this has affected the Company's ability to implement its investing policy.

In view of the fact that the Company had not implemented its investing policy within the time required by the AIM Rules, trading in the Company's Existing Ordinary Shares was suspended on AIM on 28 September 2012. The Company therefore has until 27 March 2013 to undertake a reverse takeover transaction (as defined in the AIM Rules) or otherwise substantially implement its investing policy in order to restore trading on AIM and avoid a cancellation of its listing altogether.

Unfortunately, the latest legal advice that has been received by the Company is that the outcome of the HMRC tribunal is likely to be after 27 March 2013 with the result that the Board believes that this will continue to prevent the Company from implementing its investing policy until at least that date. At the same time, the Company is facing mounting pressure from its Creditors.

In view of these timescales, as well as the mounting pressure from Creditors, the Directors have reluctantly concluded to call the General Meeting for the purpose of considering and voting on a proposal for the CVA, subject to the Creditors approving the CVA at the meeting of Creditors.

The CVA will eliminate the Company's indebtedness and liabilities and provide it with the requisite solvency so that it may seek to raise further funds to enable it to implement its investing policy, as required by the AIM Rules, or otherwise undertake a reverse takeover transaction such that a return to trading on AIM can be sought and the associated working capital requirements of the Company can be funded. In this regard, the directors are in discussions with potential investors with a view to securing investment into the Company conditional on the CVA being approved.

The objective of the CVA would be to enable Creditors and Shareholders to recover some value by holding shares in an AIM quoted investment company. Unless either the CVA is agreed or the VAT tribunal is settled in favour of the Company such that the Company is able to raise cash to implement its investing policy or undertake a reverse takeover by 27 March 2013, the Company will lose its listing on AIM and any value therein, and the tribunal is not currently expected to conclude before 27 March 2013.

If the CVA is not approved, the Directors believe that the Company will face an uncertain future as there are currently insufficient assets to repay the Creditors. In this situation it is likely that ahead of a cancellation of listing on AIM, the outcome will be for the Company to be placed into liquidation and in such circumstances there are unlikely to be any returns to Shareholders.

Terms of the CVA

In order to facilitate the proposed future activity of the Company and allow it to raise the required capital in order to substantially implement its investing policy, the Company proposes to enter into arrangements such that the Creditors will be offered, in aggregate, a total of 24,210,000 New Ordinary Shares. The New Ordinary Shares to be held by Creditors will represent approximately 92 per cent. of the Enlarged Ordinary Share Capital and will be held on trust in a nominee account until such time as the Creditors come forward to claim their New Ordinary Shares.

A further 1,300,000 New Ordinary Shares, representing approximately 5% of the Enlarged Ordinary Share Capital, will be issued in satisfaction of fees payable to Antony Batty & Company for services provided as insolvency practitioners to the Company with regard to the CVA.

The Directors expect that the CVA will be approved at the Creditors' Meeting to be held at 11:00 a.m. on 28 January 2013.

For the avoidance of any doubt, the CVA would not result in any distribution being made to Shareholders.

The Directors have requested that Antony Batty of Antony Batty & Company act as Nominee in respect of the proposal of the Directors for the CVA. Antony Batty has provided his consent to act and his Nominee's Report will be filed at Court as required.

A copy of the Directors' proposal incorporating the Nominee's Report, which provides further details on the CVA, will be available for download from the following website as of 10 January 2013:

www.thecreditorgateway.co.uk/abc/login

Password: tr52bs36yn

Should any Shareholder wish to receive a paper copy of the proposal please contact Antony Batty & Company LLP on 020 7831 1234, or email office@antonybatty.com.

Directors' and former directors' participation in CVA

Under the terms of the CVA, it is proposed that 450,000 New Ordinary Shares be issued to Chan Fook Meng and 225,000 New Ordinary Shares are issued to Nazim Khan in satisfaction of unpaid remuneration. In addition, Jersey Hills Holdings Limited ("Jersey Hills"), a company wholly owned by Chan Fook Meng, and Elaine Chiam (wife of Nazim Khan), hold convertible loan notes in the Company and would therefore be issued with a further 3,500,000 and 500,000 New Ordinary Shares respectively under the terms of the CVA. Jersey Hills is also a Creditor for outstanding expenses and would therefore be issued with a further 9,700 New Ordinary Shares under the terms of the CVA.

In addition, Ajay Rajpal, a former director of the Company within the last 12 months, is also expected to be issued with 112,500 New Ordinary Shares in satisfaction of unpaid remuneration.

Accordingly, assuming all Creditors make a valid claim under the CVA, the issue of New Ordinary Shares to the Directors and Ajay Rajpal under the CVA, and their total beneficial shareholdings after completion of the CVA, are expected to be as set out below. Should

fewer of the Creditors make a valid claim under the CVA then allocations of New Ordinary Shares to Directors and Ajay Rajpal may increase in accordance with a pro rata allocation of the 24,210,000 New Ordinary Shares being issued to Creditors as a whole who do make a valid claim under the CVA.

<i>Name</i>	<i>New Ordinary Shares issued under the CVA</i>	<i>Total New Ordinary Shares held</i>	<i>% of Enlarged Ordinary Share Capital</i>
Chan Fook Meng	3,959,700*	4,034,890*	15.35%
Nazim Khan (inc. wife)	725,000	732,060	2.79%
Ajay Rajpal (former director)	112,500	112,500	0.43%
Total	4,797,200	4,879,450	18.57%

** held by Jersey Hills Holdings Limited, a company wholly owned by Chan Fook Meng.*

The issue of the New Ordinary Shares under the CVA to the Directors and Ajay Rajpal constitute related party transactions pursuant to rule 13 of the AIM Rules. However, there are no independent directors for the purposes of providing the statement required by rule 13. Therefore, having consulted with the Directors, Allenby Capital Limited, the Company's nominated adviser, considers that the terms of the issue of New Ordinary Shares to Directors and Ajay Rajpal are fair and reasonable insofar as Shareholders are concerned.

Capital Reorganisation

At present the issued share capital of the Company consists of 7,742,017,003 Ordinary Shares of £0.0001 each. The Directors consider that the number of Existing Ordinary Shares in issue is excessively high and results in additional administration costs. In view of this, the Directors propose to reduce the total number by way of the Capital Reorganisation. The effect of the Capital Reorganisation will be to reduce the number of Ordinary Shares held by each member, but, save for fractional entitlements, the proportion of the total issued share capital of the Company held by each shareholder following the Capital reorganisation will be unchanged.

Under the Capital Reorganisation the Directors are proposing to consolidate the Existing Ordinary Shares on the basis of one new ordinary share of £1.00 each for every 10,000 Existing Ordinary Shares and the subsequent division of those new ordinary shares of £1.00 each into one New Ordinary Share and one new Deferred Share.

The New Ordinary Shares will carry the same rights as attached to the Existing Ordinary Shares (save for the reduction in nominal value).

The proposed Capital Reorganisation, if approved, will produce a number of fractional entitlements representing the fractional entitlements of New Ordinary Shares applicable to Shareholders with holdings of Existing Ordinary Shares which are not multiples of 10,000. Fractions of a share cannot be issued by the Company. Instead, they will be aggregated and sold for the benefit of the Company as the administrative cost of distributing the proceeds to shareholders concerned would outweigh the value of any individual fractional entitlements. Those shareholders who hold less than 10,000 Existing Ordinary Shares will not be entitled to any New Ordinary Shares arising on the completion of the Capital Reorganisation and will therefore no longer be shareholders in the Company.

Immediately following the Capital Reorganisation, but before completion of the CVA, the issued share capital of the Company will consist of 774,201 New Ordinary Shares of £0.00001 each and 774,201 Deferred Shares of £0.99999 each, (there are also two other classes of deferred shares in issue, following earlier capital reorganisation).

Share certificates in respect of the Existing Ordinary Shares will no longer be valid and new share certificates for the New Ordinary Shares will be issued or, in the case of

uncertificated holders, Euroclear (UK and Ireland) Limited will be instructed to credit the CREST participant's account with New Ordinary Shares.

The Deferred Shares will not entitle the holders to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return on capital on a winding up other than the nominal amount paid on such shares following a substantial distribution to holders of ordinary shares in the Company. Share certificates will not be issued in respect of the Deferred Shares.

It is proposed that the Articles of Association of the Company be amended to reflect the rights attaching to the Deferred Shares. A summary of the amendment to the Articles is set out in the appendix to this Circular. The Deferred Shares will not be admitted to trading on AIM.

The options, warrants and convertible notes that have been issued by the Company will be subject to adjustment to take account of the Capital Reorganisation.

General Meeting

If any of the Resolutions are not passed, the General Meeting will be adjourned and the Board will consider the Company's future position in respect of its current trading and working capital position. The Board will seek immediate advice regarding insolvency proceedings in relation to its assets.

The Notice convening the General Meeting at which the Resolutions will be proposed is set out at the end of this Circular. A summary of the Resolutions is set out below. Please note that unless all of the Resolutions are passed the proposals outlined in this Circular will not proceed and the Directors will be forced to implement proposals to put the Company into liquidation.

Ordinary resolutions

Resolution 1, which will be proposed as an ordinary resolution, seeks approval for the Capital Reorganisation and the proposed consolidation of the Existing Ordinary Shares on the basis of one new ordinary share of £1.00 each for every 10,000 Existing Ordinary Shares and the subsequent division of those new ordinary shares of £1.00 each into one New Ordinary Share and one new Deferred Share.

Resolution 2, which will be proposed as an ordinary resolution, seeks approval for the CVA.

Resolution 3, which will be proposed as an ordinary resolution, seeks to grant the Directors of the Company authority to allot New Ordinary Shares in the capital of the Company up an aggregate nominal amount of £1,000.00. This authority will expire at the next annual general meeting or, if later, 15 months after the passing of the Resolution.

Special resolutions

Resolution 4, which will be proposed as a special resolution, seeks approval for the amendment to the Articles of Association and the creation of the Deferred Shares.

Resolution 5, which will be proposed as a special resolution, seeks to dis-apply the statutory pre-emption rights over New Ordinary Shares authorised for allotment pursuant to Resolution 3.

Each Resolution is conditional on each of the other Resolutions being passed.

Section 656 of the Act

In addition, under section 656 Companies Act 2006, where the net assets of a public

company are half or less of its called up share capital the directors must call a general meeting of the company to consider whether any, and if so what, steps should be taken to deal with the situation. It is proposed that this will be discussed at the General Meeting and be dealt with by the Proposals.

Admission to trading on AIM

Application will be made for the 774,201 New Ordinary Shares being issued as a result of the Capital Reorganisation, the 24,210,000 New Ordinary Shares being issued under the CVA and the 1,300,000 New Ordinary Shares being issued in satisfaction of fees payable to Antony Batty & Company as insolvency practitioners to the Company to be admitted to trading on AIM and admission is expected to occur on 30 January 2013 ("Admission"). However, trading in the New Ordinary Shares will remain suspended until such time as the Company substantially implements its investing policy, which it is required to do by 27 March 2013.

On Admission, the Company will have in issue a total of 26,284,201 ordinary shares of £0.00001 each.

Action to be taken

Shareholders will find a Form of Proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received at the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 10:00 a.m. on 27 January 2013, being 48 hours before the time appointed for holding the General Meeting. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

Recommendation

The Directors consider the Proposals to be in the best interests of the Company, its creditors and the Shareholders as a whole as the only alternative may be liquidation which the Directors believe would deliver very little or no value to its creditors or Shareholders. The Directors therefore recommend that you vote in favour of the Resolutions as they intend to do themselves in respect of their shareholdings totalling 822,470,605 Existing Ordinary Shares representing approximately 10.62 per cent. of the Existing Ordinary Share capital.

If the Proposals are not approved by Shareholders it is likely that the Company will face an uncertain future as there are insufficient assets to repay the Creditors. In this situation it is likely that the outcome will be for the Company to be placed into liquidation and in such circumstances there are unlikely to be any returns to Shareholders.

Expected timetable of principal events

Publication of the Circular	9 January 2013
Latest time and date for receipt of Form of Proxy	10.00 a.m. on 27 January 2013
Creditors' Meeting	28 January 2013
General Meeting	10.00 a.m. (local time) on 29 January 2013
Record Date for Capital Reorganisation	29 January 2013
Capital Reorganisation becomes effective and CREST accounts credited with New Ordinary Shares	30 January 2013
Certificates for New Ordinary Shares despatched to shareholders	by 14 February 2013

Definitions

The following definitions apply throughout this document unless the context requires otherwise:

"Act"	the Companies Act 2006;
"AIM"	AIM, a market operated by the London Stock Exchange Plc;
"AIM Rules"	the AIM Rules for Companies, as published by the London Stock Exchange plc from time to time;
"Articles of Association"	the articles of association of the Company in force at the date of this Circular;
"Board" or "Directors"	the directors of the Company, whose names are set out on page 5 of this Circular;
"Capital Reorganisation"	the proposed consolidation of the Existing Ordinary Shares on the basis of one new ordinary share of £1.00 each for every 10,000 Existing Ordinary Shares and the subsequent division of those new ordinary shares of £1.00 each into one New Ordinary Share and one new Deferred Share pursuant to the Resolutions as described in this Circular;
"Circular"	this document;
"Company" or "Tricor"	Tricor plc, (registered number 02709891) with its registered office at Finsgate, 5-7 Cranwood Street, London EC1V 9EE;
"Creditors"	existing creditors of the Company;
"Creditors' Meeting"	the meeting of the Creditors to be convened on 28 January 2013;
"CVA"	the proposed Company Voluntary Arrangement of the Company as further described in this Circular;
"Deferred Shares"	deferred shares of £0.99999 in the capital of the Company to be created as part of the Capital Reorganisation, the rights attaching to which are summarised on page 8 of this Circular;
"Enlarged Ordinary Share Capital"	the issued ordinary share capital of the Company following the Capital Reorganisation and the CVA;
"Existing Ordinary Shares"	ordinary shares of £0.0001 each in the capital of the Company;
"Form of Proxy"	the form of proxy accompanying this Circular for use at the General Meeting;
"General Meeting" of "GM"	the General Meeting of the Company convened for 10.00 a.m. (Singapore time) on 29 January 2013 to approve the Resolutions, or any adjournment of the GM;
"HMRC"	Her Majesty's Revenue & Customs;
"Meetings"	the General Meeting and the Creditors' Meeting;
"New Ordinary Shares"	ordinary shares of £0.00001 each in the capital of the Company following the Capital Reorganisation;
"Notice"	the notice convening the GM set out in this Circular

"Proposals"	the CVA, the Capital Reorganisation, the Resolutions and other proposals set out in this Circular;
"Resolutions"	the ordinary and special resolutions to be proposed at the GM set out in the Notice; and
"Shareholders"	the holders of Existing Ordinary Shares.