

Notice of GM and New Funding

RNS Number : 3456Y

Tricor PLC

20 February 2013

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

New Funding and Notice of General Meeting

Tricor announces that it has successfully secured £480,000 of new funding by way of three interest free loans (the "Loans"). Tricor will utilise the funds raised by seeking investments in line with its approved investing policy and for working capital purposes.

The Company will seek to substantially implement its investing policy and apply for trading in its ordinary shares of 0.001p each ("Ordinary Shares") to resume on AIM before 28 March 2013, the date on which otherwise the Ordinary Shares will be cancelled from trading on AIM altogether, six months of suspension having passed.

The terms of the Loans are as follows :

- They are repayable at the discretion of the Company at any time within 2 years.
- They do not carry a coupon.
- £400,000 of the Loans will be used to make investments in line with the Company's investing policy and which will be secured against those investments. The Company has the right to transfer those investments to the relevant lenders at any time in full satisfaction of the £400,000.
- The balance £80,000 Loan is unsecured and will be used for working capital.
- The lenders will be issued with warrants to subscribe for, in aggregate, 88,100,000 Ordinary Shares ("Warrants") that can be exercised at any time up until 31 December 2017 at an exercise price of 0.5 pence per share, subject, in part, to certain resolutions being passed at a general meeting as detailed below.
- The Company shall convene a general meeting to seek authority for the directors to allot shares up to a nominal value of £10,000, further details of which are set out below.

The Loans have been provided by three investors in the amounts and with the number of Warrants as set out below:

Name of lender	Amount of Loan	No. of Warrants	Percentage of issued share capital that the Warrants would represent if exercised in full and no other Ordinary Shares have been issued
Goldslick Investments SA	£200,000	36,700,000	32.45%
Consiliou Growth Fund SPA	£200,000	36,700,000	32.45%
Landham Group Limited	£80,000	14,700,000	13.00%*
Total	£480,000	88,100,000	77.91%

*Excludes approximately 0.1% of the Company's issued share capital currently held by Landham Group Limited.

Background to and reasons for the Loans

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 ordinary shares was suspended on AIM on 28 September 2012. The Company therefore has until 27 March 2013, being six months later, to undertake a reverse takeover transaction (as defined in the AIM Rules) or otherwise substantially implement its investing policy in order to seek to restore trading on AIM and avoid a cancellation of its AIM admission altogether.

The Company has been seeking ways to implement its investing policy or to undertake a reverse takeover and avoid cancellation from AIM. However, these efforts have been hindered by the financial position of the Company and its liabilities, as well as the ongoing VAT tribunal with Her Majesty's Revenue and Customs ("HMRC") and the AIM suspension. Therefore the directors proposed the company voluntary arrangement ("CVA"), which was approved by creditors and shareholders last month. This left the Company debt free, but with limited cash resources. The Company continues to pursue its VAT claim with HMRC for monies owed to it, but the Company has no certainty as to whether such claim will be successful or the timing of it. As with all creditors at the time of the CVA, any liabilities with HMRC outstanding at that time will be settled by the CVA.

Meanwhile, the Board has been in negotiations with several parties with a view to securing funding which, due to the factors set out above, has not previously been forthcoming. Whilst the CVA has removed liabilities, the Company remains suspended on AIM with very little cash resources to ensure it can continue as a going concern, let alone to seek to implement its investing policy and lift the suspension on AIM. Given the circumstances, the Board of Tricor is therefore pleased to have agreed the Loans which, as well as providing working capital, will enable the Company to move forward such that it will have sufficient resources to seek to substantially implement its investing policy and restore trading on AIM before the cancellation date of 28 March 2013. Whilst the terms of the Loans include Warrants which could significantly dilute existing shareholders of the Company, the Board considers that in the circumstances the Company otherwise has little opportunity to secure the funding required and seek to maintain the Company's admission to AIM for the benefit of shareholders.

With the completion of the CVA, the Loans in place and the restoration of trading on AIM, the directors believe they will be in a better position to focus on the Company's investing policy and seeking further funds to implement this, in order to create value and generate returns for shareholders in the long run. This may include seeking to make a material acquisition in the short to medium term which will be deemed a reverse takeover transaction under the AIM Rules, such that the Company would become an operating business, should a suitable opportunity arise.

Notice of General Meeting

The terms of the Loans include the granting of the Warrants over 88,100,000 new Ordinary Shares. The directors' authority to allot shares under sections 551 and 561 of the Companies Act 2006 (the "Act"), as approved at the general meeting of the Company held on 29 January 2013, was limited to £1,000 nominal value (which equates to 100,000,000 Ordinary Shares). Currently, the Company does not have sufficient headroom remaining to allot all of the shares resulting from the exercise of all the Warrants due to subsequent share issues and can only allot a further 73,715,799 new Ordinary Shares. It is therefore a term of the Loans that the Company convenes a general meeting to seek authority pursuant to sections 551 and 561 of the Act to allot shares up to a nominal value of £10,000 (which equates to 1,000,000,000 Ordinary Shares). Section 551 of the Act refers to the granting to the directors of the Company of

authority to allot new Ordinary Shares in the capital of the Company and section 561 of the Act refers to dis-application of statutory pre-emption rights over new Ordinary Shares.

The increased authority to be sought will enable the directors not only to satisfy the exercise of the Warrants in full, but also to have the headroom and flexibility to raise substantial funding by the issue of Ordinary Shares that will not be subject to the statutory pre-emption procedures and when such funding becomes available, without undue delay and as may be required for future working capital purposes and to make investments in line with the Company's investing policy. Accordingly, a notice of general meeting seeking the authority will be sent to shareholders shortly.

Shareholders should be aware that should they approve the resolutions to be proposed at the general meeting, the directors will have the authority to allot and issue significantly more Ordinary Shares in the Company and the holders of Warrants will, assuming exercise of the Warrants in full and no other issues of Ordinary Shares in the meantime, have the ability to acquire a significant aggregate shareholding in the Company in excess of 50 per cent. of the as enlarged issued share capital, as set out above. In addition, two of the lenders could each acquire over 30 per cent. of the as enlarged issued share capital of the Company (assuming exercise of the Warrants in full and no other issues of Ordinary Shares in the meantime). As the Company is admitted to AIM and its place of central management and control is not deemed to be in the UK, Channel Islands or Isle of Man, it is not subject to the UK City Code on Takeovers and Mergers (the "Code") and the protections the Code affords to shareholders. Therefore, the holders of Warrants would be able to exercise their Warrants, or the Board may issue a substantial amount of new Ordinary Shares to new or present shareholders, such that these shareholders may acquire a shareholding in excess of 30 per cent. of the Company without having to make a general offer to all shareholders of the Company for all the remaining Ordinary Shares in issue, as would be required by the Code when a person or persons acting in concert with them acquires 30 per cent. or more of a Company's issued share capital. Notwithstanding this, the directors believe it is important that the Company has the flexibility afforded by the proposed authorities such that it can execute its investing policy and seek to raise funds in a timely manner should they be required.

Recommendation

The Board of Tricor believes that the Loans and the issue of the Warrants are in the best interests of the Company and shareholders as a whole in light of the factors set out above. Accordingly, the directors of Tricor recommend that shareholders vote in favour of the resolutions to be proposed at the general meeting, as they intend to do in respect of their own beneficial shareholdings.

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