

Tricor plc (“the Company” or “Tricor”)

FY 2012 Results – A challenging year in which great progress was achieved

Following a challenging year in which Tricor, with the support of its creditors and shareholders, was left with no option other than to file for a Creditors Voluntary Arrangement (“CVA”), the Company has emerged as a rejuvenated, financially stable business with a range of investments in exciting, scalable businesses that offer high growth potential.

Following the CVA, the Company was able to raise gross proceeds of £980,000, which facilitated its investment in Tricor Environmental Pte Ltd (“TEPL”), Tricor Minerals Pte Ltd (“TM”) and Tricor Resources Trading Pte Ltd (“TRT”). The combination of the CVA and the subsequent fundraises left Tricor with liabilities of less than £120,000.

The Company’s recent investments, TEPL, TM and TRT, are all focused on excavating and trading sand and iron sand (which is sand with a very high iron content) on two concession areas, which the Company has exclusive access to for a five-year period, in the Zambales region of the Philippines. The sites are strategically well located given their proximity to high demand local markets and international shipping routes that provide access to international markets.

TEPL, which is 100 per cent owned by Tricor, excavates and trades sand, selling to the nearby Singapore market, which is forecast to continue to be a substantial buyer of sand until at least 2030. Chahaya Shipping and Trading Co Pte Ltd is TEPL’s strategic partner. Operations commenced in mid-March 2013, with 113,000 metric tonnes (“mt”) of sand sold, generating revenue of £207,000. TEPL’s business became fully operational in April 2013 and in April and May combined, volumes increased significantly, with over 800,000 mt of sand sold. As expected, the business wound down during the monsoon season – usually from July to October – as, during that time, conditions make it difficult to load sand onto barges, with resumption of activity expected to commence in late October or early November.

TM, which is 72 per cent owned by Tricor, processes and trades iron sand, which is used as an input material in the steelmaking industry. TM is constructing an iron sand processing plant at its site at Porac in Zambales that is expected to have annual output of 200,000 mt and be production ready by the end of October 2013. TM has a five-year supply agreement with its strategic partner KGGD Pte Ltd (“KGGD”), whereby KGGD will purchase all iron sand that TM produces.

Whereas trading sand is a simple, cash generative but low margin venture, trading iron sand is a business with very high margin potential. As both TEPL and TM operate from exactly the same concession sites (where Tricor has exclusive access to two jetties, each capable of handling 750,000 mt of sand per month) the Company has the option to flex operations between its two businesses in order to maximise profits. Both businesses, which are adequately funded, are highly scalable. The opportunity exists to increase output for sand and iron sand at the current sites by acquiring more machinery and iron sand plants. In addition, the opportunity also exists to acquire additional sites and carry out the same businesses at those new sites.

Commenting on the progress Tricor has made in recent times, Fook Meng Chan, Chairman and CEO of Tricor, said:

“The 2012/13 financial year has been one of many challenges for Tricor. However, I am very pleased to report that the work that has been carried out and the investments the Company has made has resulted in a stable business with a number of exciting new initiatives that have the potential to deliver significant returns for our shareholders. Once our investments are firmly established and trading in line with management expectations, there is clear potential to increase the size, scale and scope of the businesses’ operations in response to market demand. I am excited about the future for the Company and look to the future with great optimism.”



For more information on Tricor, please visit: www.tricor-plc.org.uk

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