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If you transfer or have transferred all of your Existing Ordinary Shares please send this document and the accompanying documents as soon as possible to the transferee, or to the stockbroker, bank or other agent through whom the transfer was effected for delivery to the transferee, except that such documents should not be sent to any jurisdiction as set out in the following paragraph.

The distribution of this document and the accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular such documents should not be distributed, forwarded to or transmitted in or into the United States or any Excluded Territory.

This document, which comprises (i) a circular prepared in accordance with Listing Rule 13.3, and (ii) a prospectus relating to Trifast prepared in accordance with the Prospectus Rules, has been approved as such by the Financial Services Authority. A copy of this document has been filed with the Financial Services Authority in accordance with paragraph 3.2.1 of the Prospectus Rules. This document has been made available to the public in accordance with paragraph 3.2.1 of the Prospectus Rules by the same being made available, free of charge, at Trifast’s registered office, details of which are set out on page 21 of this document.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Trifast set out on pages 17 to 20 (inclusive) of this document which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

See “Risk Factors” on pages 11 to 16 (inclusive) of this document for a discussion of certain factors that should be considered by any persons contemplating the Placing. Your attention is also drawn to the letter from the Chairman of Trifast set out in Part III of this document. NOTWITHSTANDING THIS, YOU SHOULD READ THE ENTIRE DOCUMENT AND ANY DOCUMENTS INCORPORATED BY REFERENCE.

TRIFAST PLC

(Incorporated and registered in England and Wales under number 1919797)

**Proposed acquisition of Power Steel and Electro-plating Works Sdn. Bhd.,
Proposed Placing of
21,621,622 new Ordinary Shares of 5 pence each
at 37 pence per share
and
Notice of General Meeting**

Arden Partners plc
Financial adviser, sponsor, broker and underwriter

The Existing Ordinary Shares are listed on the premium segment of the Official List and traded on the London Stock Exchange’s main market for listed securities. Application has been made to the Financial Services Authority and to the London Stock Exchange for the Placing Shares to be admitted to the premium segment of the Official List and to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that dealings in the Placing Shares will commence at 8.00 a.m. on 14 December 2011.

Arden Partners, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Trifast in relation to the Placing and will not be responsible to anyone other than Trifast for providing the protections afforded to clients of Arden Partners nor for providing advice in relation to the Placing or any other transaction or arrangement referred to in this document and, apart from the responsibilities and liabilities which may be imposed on Arden Partners by the FSMA, Arden Partners accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification, nor for any other statement made or purported to be made by it, or on its behalf, in connection with Trifast or the Placing. Arden Partners accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement.

Notice of the General Meeting of Trifast, to be held at 10.00 a.m. on 13 December 2011 at Trifast House, Bellbrook Park, Uckfield, TN22 1QW is set out at the end of this document. A Form of Proxy is enclosed for use by Shareholders in connection with the meeting. To be valid, Forms of Proxy, completed, or submitted electronically, in accordance with the instructions printed thereon, must be received at Trifast registrars, Computershare Investor Services PLC, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 11 December 2011. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

NOTICE TO OVERSEAS INVESTORS

The Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any of the Excluded Territories. The Placing Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within the United States (as defined in Rule 902 under Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of the states of the United States.

Neither the Placing Shares, the Form of Proxy, this document nor any other document connected with the Placing have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the Placing Shares, the Form of Proxy or the accuracy or adequacy of this document or any other document connected with this Placing. Any representation to the contrary is a criminal offence.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective Placee should consult their own solicitor, independent financial adviser or tax adviser for legal, financial or tax advice.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy for the General Meeting	10.00 a.m. on 11 December 2011
Time and date of General Meeting	10.00 a.m. on 13 December 2011
Admission and commencement of dealings in Placing Shares on London Stock Exchange	8.00 a.m. on 14 December 2011
Completion of the Acquisition (subject only to escrow arrangements)	14 December 2011
CREST accounts credited with Placing Shares	14 December 2011

Notes:

- (1) References to times in this timetable are to London (GMT) times unless otherwise stated.
- (2) The timing and occurrence of Admission and events following the General Meeting is dependent upon, and subject to, the approval of all of the Resolutions at the General Meeting.

Each of the times and dates in the above timetable is indicative only and subject to change, in which event details of the new times and/or dates will be notified to the UK Listing Authority and the London Stock Exchange and, where appropriate, Shareholders by means of an announcement made through a Regulatory Information Service.

PLACING STATISTICS

Issue Price	37p
Discount of Placing Shares to the closing middle market price of Existing Ordinary Shares on 15 November 2011, the latest business day prior to the publication of this document	5.7 per cent.
Number of Existing Ordinary Shares in issue as at 15 November 2011 (being the last practicable date prior to the publication of this document)	85,246,086
Number of new Ordinary Shares to be issued pursuant to the Placing	21,621,622
Number of Ordinary Shares in issue upon completion of the Placing ⁽¹⁾	106,867,708
Gross proceeds of the Placing	£8,000,000.14
Estimated net proceeds of the Placing	£7,166,000
Number of new Ordinary Shares as a percentage of the Enlarged Issued Share Capital	20.2 per cent.

- (1) Assumes no further exercise of options under the Share Option Schemes.

PART I

SUMMARY

THIS SUMMARY SHOULD BE READ SOLELY AS AN INTRODUCTION TO THIS DOCUMENT. ANY DECISION TO INVEST IN ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THIS DOCUMENT AS A WHOLE.

Civil liability attaches to the Company and the Directors who are responsible for the contents of this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document.

Where any claim relating to information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before any legal proceedings are initiated.

1. Introduction

Trifast is a global manufacturer and distributor of industrial fastenings made from carbon steel, high tensile steel, stainless steel, brass, nylon, aluminium, titanium and other corrosion resistant materials and is a leading supplier of “Vendor Managed Inventory” solutions, including category ‘c’ class components.

Over the last three years, the Trifast management team has successfully restructured Trifast’s operations across its European, Asian and USA businesses. The Board believes that Trifast is now well positioned to operate with a more appropriate cost structure and with better operating margins.

The Board of Trifast has conditionally agreed terms to acquire the entire issued share capital of Power Steel and Electro-plating Works Sdn. Bhd. (“PSEP”) for a maximum aggregate consideration of RM73.6 million (approximately £15.0 million at a conversion rate of GBP:RM4.9). RM7.1 million (approximately £1.4 million at a conversion rate of GBP:RM4.9) of the consideration is deferred and is to serve as a retention against which warranty and indemnity claims will be off-set (if proven or settled) under the terms of the Acquisition Agreement. The balance of the consideration of RM66.5 million (approximately £13.6 million at a conversion rate of GBP:RM4.9) will be satisfied by payment in cash on completion of the Acquisition. The cash consideration is to be funded in part by the proceeds of the Placing (which is expected to raise approximately £8 million (before expenses)) with the remainder of the cash consideration to be funded from the Bank Facility. The Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules and, as such, requires the prior approval of Shareholders. The Directors believe that the Acquisition and the Placing are in the best interests of Trifast and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend Shareholders to vote in favour of all the Resolutions to be proposed at the General Meeting.

2. Background to the Acquisition

Over the past decade much of Europe’s manufacturing has relocated to lower cost economies, primarily China and South East Asia. Whilst Trifast’s sales in Europe continue to grow, the Directors believe that it is clear that the markets in Asia are likely to have the largest growth opportunities, and the Directors believe that the acquisition of PSEP will form a key part of Trifast’s future expansion plans in the region.

The Directors believe that the Acquisition represents an excellent strategic fit for Trifast as PSEP operates as a manufacturer of highly engineered parts to the automotive, motorcycle and compressor industries. This will enable Trifast to offer an expanded range of threaded fasteners manufactured within the Enlarged Group’s facilities to these industry sectors which the Directors consider to be strategic for its global aspirations.

In addition the Directors believe that PSEP’s operational management team will benefit from Trifast’s global sales and marketing resources and will present opportunities beyond their current customer base. It will also allow Trifast to access PSEP’s client base.

The Directors expect the Acquisition to be earnings enhancing for the Group in the first full year of ownership on a self managing and standalone basis without the need for any synergies. This statement does not constitute a profit forecast nor should it be interpreted to mean that the future earnings per Ordinary Share of the Company following completion of the Acquisition will necessarily match or exceed historical earnings per Ordinary Share.

3. Information on PSEP

PSEP was incorporated in Malaysia in 1972 by Mr. Foo Poh Wah, the CEO and principal shareholder of the business.

Manufacturing commenced in 1973 producing standard parts for local consumption and in 1982 the management made the decision to diversify into more technically advanced fasteners enabling them to supply the emerging automotive industries in Malaysia. To achieve this they entered into a technical collaboration with Osaka Rashi Mfg Company in Japan which was then a fastener supplier to Mitsubishi and which in turn was the collaboration partner to Proton. Since then the business has focused on the cold forging of complex customised steel fasteners, and related components, principally for the automotive, motorcycle, and compressor industries in Malaysia and South East Asia and is now considered by the Directors of Trifast to be one of the most advanced fastener manufacturers in the region.

PSEP's customer base is long established and consists of approximately 60 active customers; the top 10 customers accounting for approximately 80 per cent. of its total revenue and of that Proton, the Malaysian automotive manufacturer, accounting for approximately 35 per cent. of total revenue.

A summary of the trading results for PSEP for the three years ended 31 August 2011, which has been extracted, without material adjustment, from the PSEP historical financial information in Part VI of this document, is set out below. Investors should read the whole of this document and not rely solely on the summarised financial information below.

	<i>Year ended 31 August</i>		
	<i>2009</i>	<i>2010</i>	
<i>2011</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue	54,954	69,809	62,748
Gross profit	13,132	22,615	17,454
Profit before tax (adjusted) ⁽¹⁾	9,771	13,854	10,716
Profit before tax	8,168	15,920	11,688
Total assets	68,290	71,448	77,475
Net cash	4,876	8,673	13,598
Total equity	49,973	53,607	61,911

(1) Before a positive retrospective price adjustment of RM3.25 million in 2010 with a major customer, and before a credit of RM0.97 million in 2011 in relation to an amount held from prior years for a possible claim for a repayment by a customer, which in 2011 became clear that this would not be payable.

4. Financial information on Trifast

The selected financial information on Trifast set out below as at and for the three years ended 31 March 2011 has been extracted, without material adjustment, from pages 46, 48 and 83 of Trifast's 2009 annual report and accounts, pages 55, 59 and 94 of Trifast's 2010 annual report and accounts and pages 68, 72 and 98 of Trifast's 2011 annual report and accounts.

The selected financial information on Trifast set out below as at and for the latest two interim periods ended 30 September 2011 has been extracted, without material adjustment, from Trifast's 2010 half-yearly report and from Trifast's 2011 half-yearly report.

Investors should read the whole document and not rely solely on the summarised financial information below.

	Year ended 31 March			6 months ended 30 September	
	2009	2010	2011	2010	2011
	£'000	£'000	£'000	£'000	£'000
Revenue	104,901	85,935	106,089	52,036	55,436
Gross profit	26,589	21,008	26,721	13,447	14,252
Operating profit (adjusted) ⁽¹⁾	3,338	1,065	4,327	1,993	2,667
Net financing costs (adjusted) ⁽²⁾	(797)	(150)	(554)	(271)	(297)
Profit before tax (adjusted) ⁽¹⁾	2,541	915	3,773	1,722	2,370
Intangible amortisation	(266)	(261)	(261)	(131)	(131)
One-off separately disclosed items	(13,273)	(3,462)	(990)	(114)	(113)
(Loss)/Profit before tax (reported)	(10,998)	(2,808)	2,522	1,477	2,126
Taxation	(520)	621	(879)	(310)	(613)
(Loss)/profit attributable to equity Shareholders of the parent company	(11,518)	(2,187)	1,643	1,167	1,513
(Loss)/earnings per share (adjusted) ⁽³⁾	(3.30p)	0.07p	3.03p	1.49p	1.84p
(Loss)/earnings per share (basic)	(17.98p)	(2.57p)	1.93p	1.37p	1.77p
Total assets	77,070	74,163	82,684	79,476	83,642
Net debt	(8,396)	(4,683)	(7,143)	(5,631)	(7,640)
Total equity	42,470	40,181	42,845	41,509	44,244

(1) Before intangible amortisation and other one-off separately disclosed items.

(2) Before £517,000 of refinancing costs shown under one-off separately disclosed items in 2010.

(3) Before intangible amortisation and other one-off separately disclosed items (net of any tax effect) and based on a diluted average number of shares.

5. Significant changes

There has been no significant or material change in the trading or financial position of the Group since 30 September 2011.

There has been no significant or material change in the trading or financial position of PSEP since 31 August 2011.

6. Operating and financial review

During the second half of the financial year ended 31 March 2009, Trifast began to witness the rapid global economic slow down across all industry sectors and geographic segments. Turnover reached its lowest point in the fourth quarter of the financial year ended 31 March 2009 (January to March 2009). This level remained unchanged for the first half of the financial year ended 31 March 2010 providing some degree of stability. In the second half of the financial year ended 31 March 2010 turnover gradually began to pick up as confidence started to return to the markets. This confidence continued throughout the financial year ended 31 March 2011 as Trifast began to see further re-stocking from customers returning back to underlying usages. The greatest geographical growth during this three year period was within Asia and the Directors believe that this area represents an excellent opportunity to grow in the future. Overall, the revenue growth has continued during the first six months to September 2011 with a seven per cent. half-on-half increase. Europe's revenue was up 19 per cent. and whilst Asia's revenue on a like for like basis remained flat, it reported a 10 per cent. improvement over its sales performance achieved in the second half of the year ended 31 March 2011.

7. Current trading and prospects

Trifast announced its results for the half-year to 30 September 2011 on 16 November 2011. The Group's first half performance to 30 September 2011 has seen revenue growth alongside an excellent increase in profitability over the comparable 2010 period. The Directors are pleased with continued trading and even with the current Eurozone difficulties, remain comfortable with current market expectations.

The Acquisition is complementary to the Group's business model and significantly strengthens its presence both within Asia and internationally. PSEP continues to experience satisfactory trading conditions and the Board is excited about the prospects for the Enlarged Group.

These statements do not constitute profit forecasts nor should they be interpreted to mean that future profits or dividends will necessarily match or exceed the Board's view of future financial performance.

8. Details of the Placing

Placees have agreed to subscribe for Placing Shares at the Issue Price of 37 pence per Placing Share. The Placing comprises in aggregate 21,621,622 Placing Shares (representing approximately 25.4 per cent. of Trifast's Existing Ordinary Shares). The Placing Shares will represent approximately 20.2 per cent. of the Enlarged Issued Share Capital.

The issue of the Placing Shares to the Placees under the Placing has been underwritten by Arden Partners, subject to certain conditions set out in the Placing and Underwriting Agreement details of which are set out at paragraph 7(v) of Part X. The Placing is conditional on, *inter alia*, the passing of the Resolutions at the General Meeting, the Placing and Underwriting Agreement having become unconditional and not having been terminated prior to Admission and Admission becoming effective by 14 December 2011.

The Issue Price at which the Placing Shares will be issued to Placees of 37 pence per Placing Share represents a 5.7 per cent. discount to the Closing Price of 39.25 pence per existing Ordinary Share on 15 November 2011 (the latest practicable date prior to the publication of this document).

The Placing Shares will, when issued and fully paid, rank in full for all dividends and distributions thereafter declared, made or paid, and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares. The Placing Shares will be in registered form and capable of being held in certificated form or uncertificated form in CREST.

Subject to passing the Resolutions it is expected that Admission will occur and that dealings in the Placing Shares will commence on the London Stock Exchange at 8.00 a.m. on 14 December 2011.

The Placing will raise approximately £8 million (before expenses) for the Company.

9. Summary timetable

The General Meeting is expected to take place at 10.00 a.m. on 13 December 2011. The latest time and date for receipt of Forms of Proxy for the General Meeting is 10.00 a.m. on 11 December 2011. It is expected that the Placing Shares will be issued, Admission will become effective and that dealings in all of the Placing Shares will commence on 14 December 2011.

10. Dilution of ordinary share capital upon completion of the Placing

Upon completion of the Placing and assuming no further exercise of any rights to subscribe for new Ordinary Shares under the Share Option Schemes, the Enlarged Issued Share Capital is expected to be 106,867,708 Ordinary Shares. On this basis, the Placing Shares will represent approximately 20.2 per cent. of the Enlarged Issued Share Capital.

Following issue of all of the Placing Shares to be allotted pursuant to the Placing and on the same basis as stated above, existing Shareholders who do not participate in the Placing will suffer an immediate dilution of approximately 20.2 per cent. in their interests in the Company.

11. Working capital

The Company considers that, taking into account the cash and other facilities available to it, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of publication of this document.

The Company considers that, taking into account the cash and other facilities available to it and the net proceeds receivable under the Placing, the working capital available to the Enlarged Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of publication of this document.

12. Risk factors

Existing Shareholders and prospective investors in Ordinary Shares should consider carefully all of the information set out in this document and the risks attaching to the Company before making any investment decision. The following is a summary of the key risk factors considered by the Directors to be inherent in an investment in the Ordinary Shares but do not necessarily comprise all those associated with an investment in the Company. Further details of some of the risks to the Company can be found at Part II of this document.

A. *Risks relating to the Enlarged Group's Business*

1. the risk of loss of key management, key customers, supplier relationships associated with the integration and completion of the Acquisition and IT and cultural differences could have a material adverse effect on the Enlarged Group's profitability as the future success of the Enlarged Group depends on the continued services of these persons
2. a downturn in key sectors or the failure of any key customers could have a material adverse effect on the Enlarged Group's business
3. the supply chains could be interrupted by factors beyond the Enlarged Group's control which could have a material adverse effect on the Enlarged Group's business
4. products failing either during a subsequent assembly process or after installation could damage the Enlarged Group's reputation
5. pricing pressures and the competitive nature of the global fastener market could weaken the Enlarged Group's competitive position
6. the lack of long term customer contracts does not guarantee contractual revenues and makes sales based on customer orders which could reduce
7. additional borrowings expose the Company to more interest rate risk.

B. *Risks relating to PSEP*

1. reliance on a significant key customer, Proton. The loss of this customer could have a material adverse effect on PSEP's future financial performance
2. risk of introduction of governmental changes or change of governmental policy in Malaysia such as the withdrawal of PSEP's manufacturing licence could have an adverse impact on the financial position of PSEP
3. environmental risk of contaminated land which could affect the resale value of the land and the risk of introduction of environmental regulations by the Malaysian Government which could result in remedial works for which PSEP would be liable.

C. *Risks relating to the Stock Market and more general risks*

1. significant changes in technology whereby a customer reduces the numbers or types of parts required could have a material adverse effect on the Enlarged Group's business

2. increases in the prices of raw materials could reduce the Enlarged Group's profitability if not passed on to customers
3. loss of key personnel could impact the future performance of the Enlarged Group
4. failure of information systems could result in lost data
5. the current economic conditions and uncertainties of the countries and markets in which the Enlarged Group operates could lead to bad debts
6. failure to approve the Placing may cause additional administrative expenses
7. the Enlarged Group's revenues, expenses and operating results could vary significantly from period to period as a result of a variety of factors, some of which are outside the Enlarged Group's control. This could have a material adverse effect on the Enlarged Group's performance
8. dilution of Shareholder holdings who do not participate in the Placing
9. investment in listed securities may go up as well as down and the market value of the Ordinary Shares can fluctuate and may not always reflect the underlying asset value
10. any change in the Companies tax status or in taxation legislation could affect the Enlarged Group's profitability and ability to maintain returns to shareholders
11. dividend growth is dependent on cash flow from future earnings
12. failure by Directors to manage growth effectively which could negatively affect the Enlarged Group's brand and operating results
13. if the Directors are unable to manage the foregoing international aspects of the Enlarged Group's business, their operating results and overall business will be significantly and adversely affected
14. movements in currency exchange rates can affect the Enlarged Group's financial performance
15. Shareholders in the US and Excluded Territories may not be able to participate in future equity offerings, and their shareholdings may be diluted as a consequence
16. the UK Bribery Act 2010 may impose an additional administrative burden on the Enlarged Group, and may expose the Enlarged Group to financial penalties if breached.

PART II

RISK FACTORS

Existing Shareholders, and prospective investors should be aware that an investment in the Company and the Group as enlarged by the Acquisition involves a degree of risk (which could materially and adversely affect the Company's business, financial condition or results of operations). In addition to the other information contained in this document, the following risk factors should be considered carefully in evaluating whether to make an investment. The Directors consider the following risks to be all the known material risks to existing Shareholders and potential investors in the Company. The risks and uncertainties described below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company and the Enlarged Group.

Investors should be aware that any investment in the Company involves a high degree of risk and should be made only by those with the necessary expertise to appraise the investment.

A. RISKS RELATING TO TRIFAST, PSEP AND THE ENLARGED GROUP

The following risks contained in this Part II of the document apply to each of Trifast, PSEP and the members of Enlarged Group (together the "Companies").

1. Risks associated with the Acquisition

Trifast is receiving the benefit of certain warranties and indemnities from the Vendors under the Acquisition Agreement. In the event of the insolvency of the Vendors, Trifast would have to bear any irrecoverable losses thereunder itself. The Directors have sought to mitigate this risk by structuring the Acquisition so that the payment of RM7.1 million (approximately £1.4 million at a conversion rate of GBP:RM4.9) of the aggregate consideration is deferred for 12 months and that this deferred element shall serve as a retention against which warranty and indemnity claims will be off-set (if proven or settled).

There are risks which may have a material adverse impact on the financial performance of the Enlarged Group that relate to difficulties in the integration of PSEP into the Group. These risks are loss of key management following the Acquisition, loss of key customers, loss of supplier relationships, difficulties in the integration of Information Technology ("IT") systems, any introduction of Malaysian laws restricting foreign ownership and cultural differences. As a result of these risks, Trifast may not realise all of the anticipated benefits of the Acquisition, either in a timely manner, or at all.

2. Customer and market risks

The Companies supply many multi-national original equipment manufacturers, contract equipment manufacturers and tier one and two automotive manufacturers.

If there is a downturn in any of the sectors in which the Companies operate (being electronics and telecommunications, general industrial, automotive, domestic appliances and other distributors), it could have a material adverse effect on the Companies' business.

The Companies have attempted to minimise this risk by operating across a variety of sectors.

3. Supply chains

The Companies' supply chains are global and they have many key suppliers in Asia, USA and Europe. These supply chains could be interrupted by factors beyond the Companies' control including, for example, the insolvency or failure of key suppliers, internal or external political, economic or social issues or natural disasters, any of which could have a material adverse effect on the Companies' business.

4. Product risk

The Companies are manufacturers and distributors of small components and as such sell many millions of parts each year. There is a risk of their parts failing either during a subsequent assembly process or after installation. This could result in litigation and/or a product recall, which could have a material adverse effect on the Companies' reputation, business and financial condition.

The Companies have not been notified within the last three years of any facts, matters or circumstances which could give rise to a material claim.

5. Pricing pressures and competition within the fasteners industry

The fasteners industry as a whole is subject to pricing pressures, both from competitors and customers, which could adversely impact the financial performance of the Companies.

Appearances of new competitors could weaken the Companies' competitive position. Other companies which are larger and have significantly more capital to invest in development than the Companies may emerge as new competitors.

6. Lack of long-term customer contracts

Long-term customer contracts are not generally a feature of the fastener industry. Consistent with that, a material part of the Companies' revenues, whilst generated from long-term customer relationships, are not subject to long-term contractual commitments. As a result the Companies do not have guaranteed contractual revenues and makes sales based on customer orders which could reduce.

7. Borrowings and interest rate risk

The Acquisition will result in the raising of additional debt finance, which will increase the overall levels of borrowing in the Enlarged Group. The Enlarged Group's borrowing costs are likely to increase as a result of this additional debt and may also increase further due to increases in interest rates as set by the lending institutions.

B. RISKS RELATING SPECIFICALLY TO PSEP

1. Significant key customer

Proton has historically been a significant customer of PSEP. There is no guarantee (contractual or otherwise) that these sales will continue in the future. The loss of this customer would have a material adverse effect on PSEP's future financial performance.

2. Governmental changes

Malaysia is a federal constitutional monarchy State which has adopted parliamentary democracy, and is considered to have a stable government, and which actively encourages inward investment. Malaysia is also a member of the South East Asian organisation for free trade (ASEAN). Should there be a change in government policy which had a detrimental effect on foreign owned businesses, such as changes to or the withdrawal of PSEP's manufacturing licence or increase in taxation, this could have an adverse impact on the financial position of PSEP.

3. Environmental Risk

PSEP owns the leasehold to land in Malaysia where industrial work has been carried out by it for 28 years. There is a risk that as a consequence of prolonged industrial use the land in question may have become contaminated and consequently this may affect the resale value of the land. In addition, if the Malaysian government were to introduce environmental regulations these could expose PSEP to the liability to carry out remedial environmental works at the land.

C. GENERAL RISKS

1. Technology changes

Should there be any significant changes in technology whereby a customer reduces the numbers or type of parts required or they are completely engineered out of a product then this could have a material adverse effect on the Companies' business.

To address this risk, the Companies work with their customers to keep developing and updating their product bases.

2. Raw materials

The products supplied by the Companies are predominantly made from steel or stainless steel and should there be an escalation in the price of these raw materials, which cannot be passed onto customers, this could have a material adverse effect on the Companies' profitability.

3. Loss of key personnel

The future success of the Companies is substantially dependent on the continued services and continuing contributions of the Companies' directors, senior management and other key personnel. The loss of the service of any of the Companies' directors, senior management or other key personnel could have a material adverse effect on the Companies' business.

The Companies have a policy of succession planning for directors and senior management to enable them to act quickly in the event of key personnel being lost.

4. Failure of information systems

The Companies are dependent on the efficient and uninterrupted operation of their information technology and computer systems, which are vulnerable to damage or interruption from power loss, telecommunications failure, sabotage, vandalism or similar misconduct. Any such damage or interruption could have a material adverse effect on the Companies' business.

The Companies have procedures in place to back up and protect data held on the information technology and computer systems to minimise the risk of loss of data.

5. Bad debts

The operating and financial performance of the Enlarged Group is influenced by the economic conditions of the countries and markets in which it operates. Over recent years the Enlarged Group, like other industries, has operated against the backdrop of a global economic downturn that has been longer and deeper than previous recessions. Uncertainty remains as to the extent of any recovery and there is still the potential for a "double dip" recession or slow recovery, which could lead to bad debts for the Enlarged Group.

The Companies have an active policy to monitor aged debts and provide against potential bad debts and in addition, the Company carries Credit insurance on significant customers. The Companies have not been required to write off any material bad debts in the last three years.

6. Failure to approve Placing

The Placing is conditional on all of the Resolutions being approved at the General Meeting. If any of the Resolutions are not approved at the General Meeting, the Company will be unable to complete the Placing. Unless the Placing is approved the Company will be unable to proceed with the Acquisition and therefore the Company will not be enlarged and will continue to operate at its current size.

7. Fluctuation of revenues, expenses and operating results

The Companies' revenues, expenses and operating results could vary significantly from period to period as a result of a variety of factors, some of which are outside the Companies' control. These factors include general economic conditions, conditions specific to the market, cyclical trends in revenues, capital expenditure and other costs and the introduction of new products or services by the Companies or their competitors. In response to a changing, competitive environment, the Companies may elect from time to time to make certain pricing, service or marketing decisions that could have a material adverse effect on the Companies' revenues, results of operations and financial condition.

8. Dilution of shareholdings

The effect of the Placing will be to reduce the proportionate ownership and voting interests in the Ordinary Shares of holders of existing Ordinary Shares who do not participate in the Placing on a *pro rata* basis. The Placing Shares represent 20.2 per cent. as a percentage of the Enlarged Issued Share Capital.

9. Investment in listed securities

Existing Shareholders and prospective investors should be aware that the value of an investment in Trifast may go down as well as go up. The market value of the Ordinary Shares can fluctuate and may not always reflect the underlying asset value.

10. Taxation

Any change in any of the Companies' tax status or in taxation legislation in the UK or in the jurisdictions in which it operates could affect the Companies' profitability and ability to maintain returns to Shareholders.

Statements in this document concerning the taxation of investors in the Ordinary Shares of Trifast are based on current UK tax law and practice, which is subject to change. The taxation of an investment in Trifast depends on the individual circumstances of investors.

11. Dividends

Dividend payments on the Ordinary Shares will rely on cash flow from earnings derived from the underlying subsidiaries of Trifast. The dividend policy outlined in paragraph 11 of Part V of this document should not be construed as a dividend forecast. Any change in the tax treatment of dividends or interest received by the Company may reduce the level of income received by the Shareholders from their holding of Ordinary Shares compared to what they might otherwise have received.

12. Growth management

If the Directors do not effectively manage the Companies' growth, the quality of their products and services may suffer. This could negatively affect the Companies' brand and operating results. Growth has placed, and is expected to continue to place, a strain on managerial, administrative, operational and financial resources and infrastructure. Future success will depend, in part, upon the ability of senior management to manage growth effectively. This may require the Companies to:

- implement additional management information systems;
- further develop operating, administrative, financial and accounting systems and controls;
- hire additional personnel;
- develop additional levels of management within the Companies;
- locate additional office space in various countries; and
- maintain close co-ordination among manufacturing, operations, legal, finance, sales and marketing and customer service and support organisations.

13. International risk

The Companies are also subject to the following risks in managing an organisation operating outside the UK:

- challenges caused by distance, language and cultural differences;
- general economic conditions in each country or region;
- fluctuations in currency exchange rates;
- frequent regulatory changes in less established legal systems;
- political unrest, terrorism and the potential for other hostilities;
- environmental risk such as major storms, tsunami, earthquake or flooding;
- public health risks, particularly in areas in which the Companies have significant operations;
- longer payment cycles and difficulties in collecting accounts receivable;
- overlapping tax regimes;
- the Companies' ability to repatriate funds held by their international subsidiaries at favourable tax rates or at all;
- difficulties in transferring funds to or from certain countries; and
- reduced protection for intellectual property rights in some countries.

If the Directors are unable to manage the international aspects of the Companies' business outlined above, their operating results and overall business may be significantly and adversely affected.

The Companies are subject to international laws and regulations which may be uncommon or different from those applicable in the United Kingdom and which may increase the cost of doing business in these countries. Possible violations of such laws and regulations could result in fines and/or criminal sanctions against the Companies' officers or their employees.

14. Currency risk

Due to the global nature of their business, the Companies trade in many currencies. Primarily these are: Sterling, US dollar, Singapore dollar, Taiwan dollar, Malaysian Ringgits, Chinese RMB and the Euro. Movements in currency exchange rates can therefore affect the Companies' financial performance.

15. Participation of Shareholders in US and Excluded Territories in future offerings

English company law includes pre-emptive rights for existing Shareholders to subscribe for further issues of shares for cash or issues for cash of securities convertible into or rights to acquire shares, unless such pre-emptive rights are disapplied by a Shareholder resolution. Shareholders in the US and Excluded Territories, however, may not be entitled to exercise these rights unless the shares offered are registered under the Securities Act (in the US, or equivalent in the Excluded Territories) or an exemption from the registration requirements of the Securities Act is available. The Company has no current intention to seek such registration and intends to evaluate, at the time of any future pre-emptive share offering, the costs and potential liabilities associated with registration or qualifying for an exemption, as well as the indirect benefits to the Company of enabling Shareholders in the US and Excluded Territories to participate in the offering and any other factors it considers appropriate at the time, prior to making a decision as to whether to file a registration statement under the Securities Act (or equivalent legislation in the Excluded Territories) or to utilise an exemption from the registration requirements of the Securities Act (or equivalent legislation in the Excluded Territories). The consequence of this may result in Shareholders in the US and Excluded Territories having their interests in the Company's shares diluted.

16. Bribery Act 2010

On 1 July 2011 the Bribery Act 2010 came into force in the UK. This legislation affects the Company as a company registered in England and Wales. In addition to providing penalties against bribing another person, being bribed, and bribing foreign public officials, the Bribery Act 2010 also includes a new obligation on UK commercial organisations to prevent bribery. This latter offence has caused considerable concerns in commercial circles as the offence can be committed where a third party associated with the company (including employees) bribes a third party for the purposes of obtaining or retaining a benefit for the company. A defence to this offence exists where the company in question has adequate procedures in place to prevent associated persons undertaking such conduct. The Company's response has been to develop an 'anti-bribery' policy which is communicated to employees and provides clear and direct communication channels to the Board for employees if they suspect that bribery is occurring (or is at risk of occurring) within the Enlarged Group. This is, however, relatively new legislation and it is unclear as yet how this will be implemented and enforced by the authorities in the UK.

PART III

LETTER FROM THE CHAIRMAN

TRIFAST PLC

(Incorporated under the Companies Acts 1948-81 and registered in England and Wales under number 1919797)

Directors

Malcolm Diamond MBE (*Executive Chairman*)

Jim Barker (*Chief Executive Officer*)

Mark Belton (*Group Finance Director*)

Geoff Budd (*Group Commercial Director*)

Seamus Murphy (*Director of Operations*)

Glenda Roberts (*Group Sales Director*)

Neil Chapman*

Jonathan Shearman*

Trifast House

Bellbrook Park

Uckfield

TN22 1QW

* *Independent Non-Executive Director*

16 November 2011

To Shareholders and, for information only, to the holders of options under the Share Option Schemes

Dear Shareholder,

**Proposed acquisition of Power Steel and Electro-plating Works Sdn. Bhd. (“PSEP”),
proposed Placing of up to 21,621,622 new Ordinary Shares
of 5 pence each at 37 pence per share
and notice of General Meeting**

1. Introduction

The Board of Trifast has conditionally agreed terms to acquire the entire issued share capital of PSEP for a maximum aggregate consideration of RM73.6 million (approximately £15.0 million at a conversion rate of GBP:RM4.9) RM7.1 million (approximately £1.4 million at a conversion rate of GBP:RM4.9) of the consideration is deferred and is to serve as a retention against which warranty and indemnity claims will be off-set (if proven or settled) under the terms of the Acquisition Agreement. The balance of the consideration of RM66.5 million (approximately £13.6 million at a conversion rate of GBP:RM4.9) will be satisfied by payment in cash on completion of the Acquisition. The cash consideration is to be funded in part by the proceeds of the Placing with the remainder of the cash consideration to be funded from the Bank Facility.

The Bank Facility is a new facility which the Company has entered into with DBS for the purposes of funding the Acquisition and the drawdown is inter-conditional upon the Placing and Acquisition. The Bank Facility comprises a five year term loan of up to S\$16.0 million at a fixed interest rate of 3.14 per cent. per annum. The loan is repayable by four quarterly instalments of up to S\$0.80 million each year. The facility is subject to quarterly testing on the Asian Group as follows:

- Tangible net worth to exceed S\$20 million
- Consolidated Tangible net worth to exceed S\$35 million
- Net Debt to EBITDA to be less than a ratio of two
- Debt Service cover to exceed a ratio of 1.2 times.

All terms of the Bank Facility are agreed except for the interest rate on the STL Facility and the SBLC which will be agreed at drawdown if the Company uses either facility.

The terms of the Bank Facility are summarised at paragraph 7(iii) of Part X of this document.

The Company proposes to raise £8 million (before expenses) by the issue of 21,621,622 new Ordinary Shares. The Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules and, as such, requires the prior approval of Shareholders. Shareholder approval is also required to authorise the allotment of the Placing Shares and to disapply the pre-emption rights set out in the Act. The Placing is underwritten by Arden Partners as further set in paragraph 7(v) of Part X.

Of the Placing Shares, 3,637,000 Placing Shares have been conditionally placed with Henderson Global Investors Ltd. and 850,000 Placing Shares have been conditionally placed with Michael Clifford Timms, both of whom are substantial Shareholders and therefore both of whom are a related party of the Company for the purposes of the Listing Rules by virtue of being entitled to exercise more than 10 per cent. of the votes able to be cast at general meetings of the Company.

Each of the Acquisition, the Bank Facility drawdown and the Placing are inter-conditional, *inter alia*, on the passing by Shareholders of Resolutions 1, 2, 3, 4 and 5 at a General Meeting of the Company being convened for 10.00 a.m. on 13 December 2011. The purpose of this document is to provide you with details of the Acquisition, the Placing, and the Resolutions to be proposed at the General Meeting and to explain why your Board considers that these proposals are in the best interests of Trifast and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions at the General Meeting. In the event that Resolutions 1, 2, 3, 4 and 5 are not passed, the Acquisition and the Placing will not proceed. You are recommended to read the whole of this document and not rely on only part of it.

A summary of the background to and reasons for the Acquisition can be found at paragraphs 1 and 2 of Part V of this document, and further information regarding the Placing and Underwriting Agreement can be found at paragraph 10 of Part V. Your attention is also directed to the risks in connection with the Acquisition at Part II of this document.

2. Further information in relation to the Placing and use of proceeds

All the Placing Shares have been conditionally placed by Arden Partners at an Issue Price of 37 pence per Placing Share, to raise approximately £8 million (before expenses). The Placing is conditional upon, amongst other things, fulfilment of the following conditions:

- (a) the passing of the Resolutions at the General Meeting without amendment;
- (b) the Placing and Underwriting Agreement having become unconditional in all respects save for completion of the Placing;
- (c) the Company having complied with its obligations under the Placing and Underwriting Agreement in all material respects to the extent that such obligations are required to be performed prior to Admission;
- (d) the Acquisition Agreement having become unconditional in all respects save for completion of the Placing; and
- (e) Admission having become effective at or before 8.00 a.m. on 14 December 2011.

Pursuant to the Placing and Underwriting Agreement, Arden Partners has agreed to the extent that Placees fail to subscribe for such Placing Shares other than the Excluded Shares, itself to subscribe at the Issue Price for such Placing Shares not taken up.

The proceeds of the Placing will be used by the Company as part of the consideration for the Acquisition. Further information about the Acquisition can be found at paragraph 2 of Part V.

3. Admission, settlement and CREST

Applications will be made for the Placing Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's Main Market. It is expected that, subject to the passing of the Resolutions, the Placing Shares will be issued, Admission will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on 14 December 2011.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue. The Placing Shares will be in registered form and capable of being held in certificated form or uncertificated form in CREST.

Further information on CREST can be found in paragraph 13(e) of Part X and the notes to the Notice of the General Meeting.

4. Related party transaction

Of the Placing Shares, 3,637,000 Placing Shares have been conditionally placed with Henderson Global Investors Ltd. and 850,000 Placing Shares have been conditionally placed with Michael Clifford Timms, both of whom are substantial Shareholders and therefore both of whom are a related party of the Company for the purposes of the Listing Rules by virtue of being entitled to exercise more than 10 per cent. of the votes able to be cast at general meetings of the Company. Their participation in the Placing constitutes a related party transaction for the purposes of those rules. Pursuant to the Placing and Underwriting Agreement, Arden Partners, as agent for the Company, has conditionally placed with Henderson Global Investors Ltd. such Placing Shares on the terms of a Placing Letter between Arden Partners and Henderson Global Investors Ltd., and has conditionally placed with Michael Clifford Timms such Placing Shares on the terms of a Placing Letter between Arden Partners and Michael Clifford Timms.

As Henderson Global Investors Ltd. is a related party for the purposes of the Listing Rules, it has undertaken not to vote on Resolution 4 set out in the Notice of General Meeting (which relates to the approval of the related party transaction) and to use its reasonable endeavours to ensure that its associates do not so vote.

As Michael Clifford Timms is a related party for the purposes of the Listing Rules, he has undertaken not to vote on Resolution 5 set out in the Notice of General Meeting (which relates to the approval of the related party transaction) and to use his reasonable endeavours to ensure that his associates do not so vote.

5. General Meeting

Each of the Acquisition, the Bank Facility drawdown and the Placing are inter-conditional, *inter alia*, on the passing by Shareholders of Resolutions 1, 2, 3, 4 and 5 at the General Meeting.

You will find set out at the end of this document a notice convening a General Meeting of the Company to be held at 10.00 a.m. on 13 December 2011 to consider and, if thought fit, pass the following Resolutions:

1. an ordinary resolution to approve the Acquisition;
2. an ordinary resolution to grant the section 551 authority to the Directors under the Act;
3. a special resolution to grant the section 561 authority to the Directors under the Act;
4. an ordinary resolution to approve the subscription of Placing Shares by Henderson Global Investors Ltd., a related party; and
5. an ordinary resolution to approve the subscription of Placing Shares by Michael Clifford Timms, a related party.

Resolutions 2 and 3 will permit, *inter alia*, the allotment of Shares to be allotted under the Placing. Further detail on these authorities appears in paragraph 3(d) of Part X of this document.

The Listing Rules require that the Acquisition (being a Class 1 transaction for the purposes of the Listing Rules) be approved by the members of the Company in general meeting and this is the reason for resolution number 1.

Resolution number 2 will, if passed, give the Directors general authority to allot up to 57,244,191 new Ordinary Shares (representing 67 per cent. of the issued ordinary share capital of the Company as at 15 November 2011, being the latest practicable date prior to the publication of this document). Resolution number 3 will, if passed, empower the Directors to allot up to 26,965,008 new Ordinary Shares for cash other

than pre-emptively (representing 32 per cent. of the issued ordinary share capital of the Company as at 15 November 2011, being the latest practicable date prior to the publication of this document).

Save in respect of the issue of the Placing Shares pursuant to the Placing and any issues of new Ordinary Shares which may be required to be made pursuant to the Share Option Schemes, the Directors currently have no plans to issue any new Ordinary Shares. However, the Directors believe it to be in the best interests of the Company for the Board to be granted the authorities contained in Resolutions 2 and 3 to enable the Board to issue new Ordinary Shares for cash other than pre-emptively (subject to normal institutional guidelines) to take advantage of appropriate opportunities should they arise without needing to go back to Shareholders for prior approval. No Ordinary Shares are currently held in treasury by the Company.

Following the issue of the Placing Shares (provided that no other Ordinary Shares are issued before that date) the Directors will continue to have general authority under Resolution 2 to allot up to 35,622,569 new Ordinary Shares (representing 33 per cent. of the issued ordinary share capital of the Company as at 15 November 2011, being the latest practicable date prior to the publication of this document), and will be empowered under Resolution 3 to allot up to 5,343,385 new Ordinary Shares for cash other than pre-emptively (representing 5 per cent. of the issued ordinary share capital of the Company as at 15 November 2011, being the latest practicable date prior to the publication of this document).

Resolutions 4 and 5 are to approve the participation in the Placing by Henderson Global Investors Ltd. and Michael Clifford Timms respectively. This is to comply with the Listing Rules which require Shareholder approval in respect of the participation of Henderson Global Investors Ltd. and Michael Clifford Timms, as related parties, in the Placing. Henderson Global Investors Ltd. and Michael Clifford Timms are related parties for the purposes of the Listing Rules by virtue of being each entitled to exercise more than 10 per cent. of the votes able to be cast at general meetings of the Company and their participation in the Placing constitutes a related party transaction for the purposes of those rules.

Following Admission, assuming that the Resolutions are passed and that there is no further exercise of options under the Share Option Schemes, the Company will have an issued share capital of £5,343,385 divided into 106,867,708 Ordinary Shares.

6. Action to be taken

Shareholders will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the meeting, you are asked to complete the Form of Proxy in accordance with the instructions thereon and return it by post to the Company's registrars, Computershare Investor Services PLC, so as to be received as soon as possible and, in any event, not later than 10.00 a.m. on 11 December 2011. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

7. Recommendation

The Board believes that the Acquisition, the Placing, and the Resolutions are in the best interests of Trifast and its Shareholders as a whole.

The Board, having been so advised by Arden Partners, considers that the terms of the participation of Henderson Global Investors Ltd. and Michael Clifford Timms in the Placing are fair and reasonable so far as Shareholders are concerned. In giving its advice Arden Partners has taken into account the commercial assessments of the Directors.

Accordingly, the Board unanimously recommends Shareholders to vote in favour of all of the Resolutions to be proposed at the General Meeting, as those Directors, who are also Shareholders, intend to do in respect of their own beneficial holdings of Ordinary Shares which amount, in aggregate, to 1,851,933 Existing Ordinary Shares, representing approximately 2.17 per cent. of the Existing Ordinary Shares.

Yours sincerely,

Malcolm Diamond MBE
Chairman

PART IV

PERSONS RESPONSIBLE AND ADVISERS

1. Persons responsible

Trifast and the Directors, whose names appear below, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of Trifast and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. Directors, company secretary and advisers of the Company

Directors	Malcolm Diamond MBE (<i>Executive Chairman</i>) Jim Barker (<i>Chief Executive Officer</i>) Mark Belton (<i>Group Finance Director</i>) Geoff Budd (<i>Group Commercial Director</i>) Seamus Murphy (<i>Director of Operations</i>) Glenda Roberts (<i>Group Sales Director</i>) Neil Chapman* Jonathan Shearman*
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* *Independent Non-Executive Director*

Company secretary	Mark Belton
Registered office	Trifast House Bellbrook Park Uckfield TN22 1QW
Financial adviser, broker, underwriter and sponsor	Arden Partners plc 125 Old Broad Street London EC2N 1AR
Registered auditor and reporting accountant	KPMG Audit Plc 15 Canada Square London E14 5GL Chartered Accountants regulated by ICAEW
Solicitors to the Company	Charles Russell LLP Compass House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ
Solicitors to the Placing	CMS Cameron McKenna LLP 160 Aldersgate Street London EC1A 4DD
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

PART V

INFORMATION ON TRIFAST, THE ACQUISITION AND THE PLACING AND UNDERWRITING AGREEMENT

1. Introduction to and details of the Acquisition

The Board of Trifast has conditionally agreed terms to acquire the entire issued share capital of PSEP.

The maximum aggregate consideration payable by the Company for the Acquisition is RM73.6 million (approximately £15.0 million at a conversion rate of GBP:RM4.9). RM7.1 million (approximately £1.4 million at a conversion rate of GBP:RM4.9) of the consideration is deferred and is to serve as a retention against which warranty and indemnity claims will be off-set (if proven or settled) under the terms of the Acquisition Agreement. The balance of the consideration of RM66.5 million (approximately £13.6 million at a conversion rate of GBP:RM4.9) will be satisfied by payment in cash on completion of the Acquisition. The cash consideration is to be funded in part by the proceeds of the Placing (which is expected to raise approximately £8 million gross of expenses of the Placing, the Acquisition and Admission) with the remainder of the cash consideration to be funded from the Bank Facility.

The Listing Rules require that the acquisition of PSEP (being a Class 1 transaction for the purposes of the Listing Rules) be approved by the members of the Company in general meeting and a resolution to approve the same is set out in the notice of General Meeting which appears at the end of this document.

The other principal terms of the Acquisition are as follows:

An agreement (the “Acquisition Agreement”) dated 15 November 2011 has been entered into between the Company and the Vendors pursuant to which the Vendors have agreed to sell the entire issued share capital of PSEP to the Company in consideration of an amount RM73.6 million (approximately £15.0 million at a conversion rate of GBP:RM4.9). RM7.1 million (approximately £1.4 million at a conversion rate of GBP:RM4.9) of the consideration is deferred and is to serve as a retention against which warranty and indemnity claims will be off-set (if proven or settled) under the terms of the Acquisition Agreement. The balance of the consideration of RM66.5 million (approximately £13.6 million at a conversion rate of GBP:RM4.9) will be satisfied by payment in cash on completion of the Acquisition.

The agreement is conditional on the passing of resolutions 1, 2, 3, 4 and 5 set out in the Notice of General Meeting and the Placing and Underwriting Agreement being unconditional in all respects, other than as may relate to Admission.

Pursuant to the terms of the Acquisition Agreement, the Vendors have agreed to provide certain warranties and indemnities customary for a transaction of this nature in relation to PSEP as well as a tax covenant. The liability of the Vendors under warranties, indemnities and the tax covenant is capped at RM71 million. Any claim must be made by 31 March 2014 (or 31 December 2017 in the case of a claim under the tax covenant). The Vendors (with the exception of one minority corporate shareholder with whom PSEP has a collaborative relationship) have also entered into non-compete and non-solicitation covenants to protect the goodwill of PSEP for a period of 5 years.

2. Background to and reasons for the Acquisition

Over the last three years, the Trifast management team, led by Jim Barker, has restructured Trifast’s operations across its European, Asian and USA businesses.

The number of Trifast sites has been rationalised and the management organisation has been streamlined. The Board believes that Trifast is now well positioned to operate with a more appropriate cost structure and with better operating margins. In addition the Directors reinstated the global sales team and reinvigorated the existing sales force, which the Directors believe has had a positive effect on ‘new business wins’.

Following this restructuring, the Group is now focused on expanding the business both organically and by acquisition. In addition to the proposed acquisition of PSEP, the Board will continue to look at further acquisition opportunities as well as investing in new facilities and operations.

Trifast's core competencies are the design, manufacture and distribution of industrial fastenings to the electronics and telecommunications, general industrial, automotive, domestic appliances and other distributors industries in Europe, Asia and America.

Over the past decade much of Europe's manufacturing has relocated to lower cost economies, primarily China and South East Asia. Whilst Trifast's sales in Europe continue to grow the Directors believe it is clear that the markets in Asia are likely to have the largest growth opportunities, and the Directors believe that the acquisition of PSEP will form a key part of Trifast's future expansion plans in the region.

The Directors believe that the Acquisition represents an excellent strategic fit for Trifast as PSEP operates as a manufacturer of highly engineered parts to the automotive, motorcycle and compressor industries. This will enable Trifast to offer a fuller range of threaded fasteners manufactured within the Enlarged Group's facilities to these industry sectors which the Directors consider to be strategic for its global aspirations.

In addition the Directors believe that PSEP's operational management team will benefit from Trifast's global sales and marketing resources and will present opportunities beyond its current customer base, whilst simultaneously allowing Trifast access to PSEP's client base.

The acquisition of PSEP will enable the Group to increase the size of its overall business with negligible overlap with Trifast's existing business and is consistent with Trifast's strategy to grow by acquisition whilst capitalising on investment and organic growth opportunities. There is also a significant opportunity to grow the combined businesses in Asia by investing in new facilities, plant and machinery.

The Directors expect the Acquisition to be earnings enhancing for the Group in the first full year of ownership on a self managing and standalone basis without the need for any synergies. This statement does not constitute a profit forecast nor should it be interpreted to mean that the future earnings per Ordinary Share of the Group following completion of the Acquisition will necessarily match or exceed historical earnings per Ordinary Share.

The Directors firmly believe that PSEP offers an exciting opportunity for growth in the Asian market given the strong rationale and compelling financial case.

3. Information on Trifast

3.1. *History of Trifast*

Trifast's business was established in 1973 by Mike Timms and Mike Roberts under the name of TR Fastenings and was originally a distributor of industrial fastenings.

In 1976, a small plant was established to manufacture products for the sheet metal industry. Shortly after this, the business acquired the manufacturing rights and the trade name "Hank" from a subsidiary of GKN, transforming the business into a manufacturer and distributor.

In 1984 the two founders retired and appointed Malcolm Diamond as Managing Director.

Between 1982 and 1993, manufacturing sites were established in Northampton and Telford and nationwide distribution facilities set up through branches in Belfast, Scotland, Manchester, Newton Aycliffe, Wales, Bracknell and Cambridge.

By 1990, it had become apparent to the Company that many of its customers were looking for a more sophisticated method of supply and, because of this, the Company developed and introduced a "Vendor Managed Inventory" system. This resulted in a substantial increase in UK turnover and provided the Company with a platform to establish itself internationally.

To enable the Company to capitalise on potential growth opportunities, it was decided to float the business on the London Stock Exchange and this was successfully completed in February 1994 under the name of Trifast plc.

The Company then set about international expansion. As well as acquiring businesses in Norway, Holland, Sweden and Southern Ireland it established greenfield sites in France and Hungary. In Asia, manufacturing sites were acquired in Singapore, Malaysia and Taiwan and a greenfield distribution site was set up in China. This provided the Group with a lower cost product, whilst still maintaining quality, and also enabled it to service Asian customers more efficiently.

In 2001, 42 per cent. of Trifast's revenue was generated from the high-tech sector and consequently the dot-com crash had a severe effect on sales and profits. Faced with this sudden and unexpected situation, the Group's strategy and structure had to be re-evaluated in order to position the Company for recovery and it was at this stage that Jim Barker was appointed CEO, following Malcolm Diamond's retirement after eighteen years at the head of the Company.

During 2001 and 2002, the manufacturing sites in Northampton and Telford were closed in favour of the lower cost Asian facilities. In addition, overlapping distribution sites in the UK were closed and the management structure streamlined to match the new level of business.

It was also agreed that the Company would exit low margin logistics work, from which it was felt that value could not be added for its Shareholders, and would concentrate on the key skills of fastening design, manufacture and distribution.

Following the acquisition of Serco Ryan in 2005 and subsequent consolidation, the merged entity had recovered sales and profitability by mid-2007 comparable with levels prior to the dot-com crash in 2001. Jim Barker then retired as CEO in May 2007 and was succeeded by his deputy Stephen Auld.

By the end of 2008 the Company's sales and profitability fell sharply, and in March 2009 the then Board of Trifast resigned (with the exception of Geoff Budd), and Malcolm Diamond returned in a new role as Executive Chairman, and Jim Barker was appointed as CEO with the backing of key investors.

Neil Chapman joined the Board in March 2009 as Senior Independent Non Executive Director and Jonathan Shearman as Independent Non Executive Director in July 2009.

In July 2010 the Board was further strengthened with the internal appointments of Mark Belton (Group Finance Director), Glenda Roberts (Group Sales Director) and Seamus Murphy (Director of Operations) and the financial recovery of the Company is now on track with management expectations.

3.2 *Overview of Trifast's principal activities, products and markets*

Trifast is a global manufacturer and distributor of industrial fastenings made from carbon steel, high tensile steel, stainless steel, brass, nylon, aluminium, titanium and other corrosion resistant materials and is a leading supplier of "Vendor Managed Inventory" solutions, including category 'c' class components.

Trifast operates out of 20 distribution sites (13 in Europe, five in Asia and two in the USA) and has five manufacturing facilities in the following locations: UK (one), Taiwan (two), Singapore (one) and Malaysia (one). The UK manufacturing facility specialises in sheet metal fasteners, including "Hank" branded products, with Singapore and Malaysia primarily manufacturing and supplying products for the electronics and telecommunications industries. The Taiwan facility primarily provides certain automotive products for the US and European markets.

In the year ended 31 March 2011, the sales breakdown by customer markets was: electronics and telecommunications 24 per cent., general industrial 34 per cent., automotive 20 per cent., domestic appliances 6 per cent., and other distributors 16 per cent. The sales breakdown by geographical destination was: UK 54 per cent., Mainland Europe/USA 20 per cent., and Asia 26 per cent.

The table below, extracted from Trifast's accounting records, summarises the development of Trifast's revenues from its existing core sectors, and demonstrates the dilution from electronics and telecommunications to automotive, thereby diversifying the Group's risk in any one Sector.

	2009		Year ended 31 March				6 months ended 30 September			
	£'000	%	2010		2011		2010		2011	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Group sales by Market Sector⁽¹⁾										
Electronics and telecommunications	36,658	34.9	26,350	30.7	25,633	24.2	13,884	26.7	14,330	25.8
General Industrial	32,559	31.0	25,868	30.1	35,614	33.6	15,233	29.3	16,321	29.4
Automotive	15,481	14.8	14,538	16.9	20,936	19.7	9,887	19.0	10,955	19.8
Domestic Appliances	6,703	6.4	6,354	7.4	6,425	6.1	3,527	6.8	3,488	6.3
Other Distributors	13,500	12.9	12,825	14.9	17,481	16.5	9,505	18.2	10,342	18.7
	<u>104,901</u>		<u>85,935</u>		<u>106,089</u>		<u>52,036</u>		<u>55,436</u>	

(1) Unaudited

A summary of the development of Trifast's revenues by geographical destination and net profit before separately disclosed items, as extracted without material adjustment from Trifast's annual accounts for the three years ended 31 March 2011, and the figures from the two most recent half-yearly reports, is demonstrated in the tables below. This shows that whilst the Asian region is clearly important in terms of both revenue and profit contributions, the Directors believe there is further growth potential in this region.

	2009		Year ended 31 March				6 months ended 30 September			
	£'000	%	2010		2011		2010		2011	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Group sales by Geographical Destination										
United Kingdom	58,881	56.2	46,464	54.0	57,125	53.8	27,688	53.2	29,178	52.7
Mainland Europe/USA	20,717	19.7	18,027	21.0	21,509	20.3	9,979	19.2	11,886	21.4
Asia	25,303	24.1	21,444	25.0	27,455	25.9	14,369	27.6	14,372	25.9
	<u>104,901</u>		<u>85,935</u>		<u>106,089</u>		<u>52,036</u>		<u>55,436</u>	

	2009		Year ended 31 March		2011		6 months ended 30 September	
	£'000		2010		2011		2010	2011
	£'000		£'000		£'000		£'000	£'000
Net profit before separately disclosed items⁽¹⁾								
United Kingdom	789		(590)		2,048		700	1,184
Mainland Europe/USA	732		(341)		(46)		(136)	282
Asia	3,906		2,787		3,215		2,095	1,854
Common Costs	<u>(2,886)</u>		<u>(941)</u>		<u>(1,444)</u>		<u>(937)</u>	<u>(950)</u>
	<u>2,541</u>		<u>915</u>		<u>3,773</u>		<u>1,722</u>	<u>2,370</u>

(1) Before intangible amortisation and other one-off separately disclosed items.

3.3 Selected financial information on Trifast

The selected financial information on Trifast set out below as at and for the three years ended 31 March 2011 has been extracted, without material adjustment, from pages 46, 48 and 83 of Trifast's 2009 annual report and accounts, pages 55, 59 and 94 of Trifast's 2010 annual report and accounts and pages 68, 72 and 98 of Trifast's 2011 annual report and accounts.

The selected financial information on Trifast set out below as at and for the latest two interim periods ended 30 September 2011 has been extracted, without material adjustment, from Trifast's 2011 half-yearly report and from Trifast's 2010 half-yearly report.

Investors should read the whole document and not rely solely on the summarised financial information below.

	<i>Year ended 31 March</i>			<i>6 months ended 30 September</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	104,901	85,935	106,089	52,036	55,436
Gross profit	26,589	21,008	26,721	13,447	14,252
Operating profit (adjusted) ⁽¹⁾	3,338	1,065	4,327	1,993	2,667
Net financing costs (adjusted) ⁽²⁾	(797)	(150)	(554)	(271)	(297)
Profit before tax (adjusted) ⁽¹⁾	2,541	915	3,773	1,722	2,370
Intangible amortisation	(266)	(261)	(261)	(131)	(131)
One-off separately disclosed items	(13,273)	(3,462)	(990)	(114)	(113)
(Loss)/Profit before tax (reported)	(10,998)	(2,808)	2,522	1,477	2,126
Taxation	(520)	621	(879)	(310)	(613)
(Loss)/profit attributable to equity Shareholders of the parent company	(11,518)	(2,187)	1,643	1,167	1,513
(Loss)/earnings per share (adjusted) ⁽³⁾	(3.30p)	0.07p	3.03p	1.49p	1.84p
(Loss)/earnings per share (basic)	(17.98p)	(2.57p)	1.93p	1.37p	1.77p
Total assets	<u>77,070</u>	<u>74,163</u>	<u>82,684</u>	<u>79,476</u>	<u>83,642</u>
Net debt	<u>(8,396)</u>	<u>(4,683)</u>	<u>(7,143)</u>	<u>(5,631)</u>	<u>(7,640)</u>
Total equity	<u>42,470</u>	<u>40,181</u>	<u>42,845</u>	<u>41,509</u>	<u>44,244</u>

(1) Before intangible amortisation and other one-off separately disclosed items.

(2) Before £517,000 of refinancing costs shown under one-off separately disclosed items in 2010.

(3) Before intangible amortisation and other one-off separately disclosed items (net of any tax effect) and based on a diluted average number of shares.

The financial statements and audit reports referred to above are incorporated by reference herein. This information has been made public and can be accessed by visiting Trifast's website at www.trifast.com.

An Operating and Financial Review relating to the Group in respect of the three years ended 31 March 2011 is set out in Part VII of this document.

4. Information on PSEP

4.1 Overview of PSEP's principal activities, products and markets

PSEP was incorporated in Malaysia in 1972 by Mr. Foo Poh Wah, the CEO and principal shareholder of the business.

Manufacturing commenced in 1973 producing standard parts for local consumption and in 1982 the management made the decision to diversify into more technically advanced fasteners enabling them to supply the emerging automotive industries in Malaysia. To achieve this they entered into a technical collaboration with Osaka Rashi Mfg Company in Japan which was then a fastener supplier to Mitsubishi and which in turn was the collaboration partner to Proton. Since then the business has focused on the cold forging of complex customised steel fasteners, and related components, principally for the automotive, motorcycle, and compressor industries in Malaysia and South East Asia and is now considered by the Directors of Trifast to be one of the most advanced fastener manufacturers in the region.

PSEP's customer base is long established and consists of approximately 60 active customers; the top 10 customers accounting for 80 per cent. of its total revenue and of that Proton, the Malaysian automotive manufacturer, accounting for 35 per cent. of total revenue.

PSEP currently employs 170 full time employees and operates from two factories with a combined square meterage of 18,210m² in Shah Alam, Malaysia. These sites are located approximately 45 minutes from Kuala Lumpur international airport.

By double shifting, and a relatively small amount of capital expenditure and labour costs, it should be possible to increase the output of the factory from 350 tonnes per month to 600 tonnes per month.

The management team of PSEP is well known to Trifast's management team in Asia and over the last decade the two teams have collaborated on a number of projects and have built a considerable amount of mutual trust and respect.

The majority of the business is currently owned by Mr. Foo and other members of his family and it has been agreed by the board of PSEP that on his retirement they should seek a trade sale so that the investors could be rewarded for their support over the years. At the age of 84, Mr. Foo has now decided it is time to retire and control over the sale of 100 per cent. of the share capital is now in the hands of Mr. Foo and Mrs. Phaik San (his daughter). Operationally, the business has been run by the Executive Director, Mr. Foo's son, Charlie Foo, for over 15 years and Charlie has agreed to remain employed by PSEP for a minimum period of three years.

4.2 *Financial information on PSEP*

The audited results of PSEP for the three years ended 31 August 2011 are set out in the PSEP historical financial information in Part VI of this document.

The PSEP historical financial information in Part VI of this document shows that PSEP had net assets and gross assets as at 31 August 2011 of RM61,911,000 and RM77,475,000 respectively. A summary of the trading results for PSEP as extracted, without material adjustment, from the PSEP historical financial information in Part VI of this document is set out below. Investors should read the whole of this document and should not just rely on the summary below:

	<i>Year ended 31 August</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue	54,954	69,809	62,748
Gross profit	13,132	22,615	17,454
Profit before tax (adjusted) ⁽¹⁾	9,771	13,854	10,716
Profit before tax	8,168	15,920	11,688
Total assets	<u>68,290</u>	<u>71,448</u>	<u>77,475</u>
Net cash/(net debt)	<u>4,876</u>	<u>8,673</u>	<u>13,598</u>
Total equity	<u>49,973</u>	<u>53,607</u>	<u>61,911</u>

(1) Before a positive retrospective price adjustment of RM3.25 million in 2010 with a major customer, and before a credit of RM0.97 million in 2011 in relation to an amount held from prior years for a possible claim for a repayment by a customer, which in 2011 became clear that this would not be payable.

5. **Current trading and prospects of the Enlarged Group**

The Group's first half performance to 30 September 2011 has seen revenue growth alongside an excellent increase in profitability over the comparable 2010 period. The Directors are pleased with continued trading and even with the current Eurozone difficulties, remain comfortable with current market expectations.

The Acquisition is complementary to the Group's business model and significantly strengthens its presence both within Asia and internationally. PSEP continues to experience satisfactory trading conditions and the Board is excited about the prospects for the Enlarged Group.

The Board believes that the combination of PSEP and Trifast, with the cross-selling opportunities available, will enhance the prospects of the Enlarged Group.

6. Dilution of Ordinary Share capital

Upon completion of the Placing, the Enlarged Issued Share Capital of Trifast is expected to be 106,867,708 Ordinary Shares (assuming no further exercise of options to acquire new Ordinary Shares under the Share Option Schemes). On this basis the Placing Shares will represent approximately 20.2 per cent. of the Company's Enlarged Issued Share Capital and the Existing Ordinary Shares will represent approximately 79.8 per cent. of the Company's Enlarged Issued Share Capital. Following issue of all of the Placing Shares to be allotted pursuant to the Placing and on the same basis as stated above, existing Shareholders will suffer an immediate dilution of approximately 20.2 per cent. in their interests in the Company to the extent they do not participate in the Placing.

7. Capitalisation and indebtedness

Set out below is a statement of capitalisation and a statement of indebtedness in relation to Trifast. The financial information has been prepared from the unaudited results of the Group, without material adjustment, as at 30 September 2011:

	<i>As at 30 September 2011 £'000</i>
Shareholders' equity	
Share capital	4,262
Share premium account	12,167
Other reserves	27,815
	<hr/> 44,244
Total current debt	
Guaranteed	–
Secured	13,631
Unguaranteed/unsecured	–
	<hr/> 13,631
Total non-current debt (excluding current portion of long-term debt)	
Guaranteed	–
Secured	333
Unguaranteed/unsecured	–
	<hr/> 333
Total capitalisation	<hr/> 58,208
Net indebtedness of the Group as at 30 September 2011 is set out below:	
Cash and cash equivalents	6,324
Trading securities	–
	<hr/> 6,324
Liquidity	
Current bank debt	(12,298)
Current portion of non-current debt	(1,333)
Other current financial debt	–
	<hr/> (13,631)
Current financial debt	<hr/> (13,631)
Net current financial indebtedness	(7,307)
Non-current bank loans	(333)
	<hr/> (7,640)
Net financial indebtedness	<hr/> (7,640)

- (1) The secured debt includes credit agreements for which unlimited multilateral company guarantees have been given by each of the companies within the Group that is party to the agreement.
- (2) The statement of net financial indebtedness does not include accrued interest payable on the secured loans of £13,964,000 as at 30 September 2011.
- (3) There are no material contingent liabilities as at 30 September 2011.
- (4) There has been no material change in the capitalisation and indebtedness of the Group since 30 September 2011.

8. Capital resources

Cash outflow from operating activities before tax in 2011 was £1.05 million compared to a cash inflow of £3.91 million in 2010. Net debt increased from £4.68 million at 31 March 2010 to £7.14 million at 31 March 2011. This resulted in an increased gearing level of 16.7 per cent. in 2011 (2010: 11.7 per cent.).

Net interest payable increased to £0.55 million in 2011 (2010: £0.15 million, before £517,000 of refinancing costs, shown as a one-off separately disclosed items) with the gross interest payable being £0.58 million (2010: £0.25 million, before £517,000 of refinancing costs, shown as a one-off separately disclosed items). This increase in interest payable was due to the bank facilities being renegotiated in February 2010 resulting in higher bank charges and also the increase in business during 2011 resulting in an increase of working capital required, which in turn raised net debt. Net Interest Cover in 2011 was 9.5 times, from 14.2 times in 2010. Trifast's policy in relation to satisfying its capital requirements is to utilise a combination of operating cash flow and external financing. This policy and the capital needs of the business are reviewed regularly by the Directors and to date has provided more than adequate headroom for the Company's requirements.

The terms of the Current Bank Facility are summarised at paragraph 7(i) of Part X of this document.

As at 30 September 2011, net debt rose by £0.50 million to £7.64 million, mainly as a result of an increase in working capital requirements.

9. Banking arrangements

9.1 UK bank facilities

The terms of the Current Bank Facility are summarised at paragraph 7(i) of Part X of this document.

The current facility available to Trifast is as follows:

- A term loan of £4.00 million with HSBC Bank plc ("Facility B"). The loan is repayable by four quarterly instalments of £0.33 million each year. As at 30 September 2011 the total amount outstanding was £1.67 million.

A term loan of £2.00 million with HSBC plc ("Facility A") was also made available to Trifast in February 2010, and this was repaid in full in October 2010.

In addition the current facilities available to the UK subsidiaries of Trifast are as follows:

- An Asset Based Lending Agreement (ABLA) relating to £15.80 million of multi-currency facilities with HSBC Invoice Finance (UK) Limited. The ABLA Facilities are made available to the following members of the Group:
 - TR Fastenings Limited (up to a sub limit of £13.50 million);
 - TR Fastenings Limited – separately secured over assets of Trifast (up to a sub limit of £1.80 million);
 - Lancaster Fastener Company Limited (up to a sub limit of £0.50 million).

<i>Date</i>	<i>Acquisition</i>	<i>Limit</i>	<i>Rate</i>	<i>Term</i>
24 Feb 10	HSBC TERM Facility A	£2.00m	4% over base	12 months; fully repaid October 2010
24 Feb 10 (amended 14 Jan 11)	HSBC TERM Facility B	£4.00m	3.75% over LIBOR	3 years final repayment December 2012
24 Feb 10	HIF ABLA Inventory	£4.00m	2.50% over base	3 years
24 Feb 10	HIF ABLA – Property	£1.80m	2.00% over base	5 years
24 Feb 10	HIF ABLA – Receivables	£10.00m	2.00% over base	3 years

The Current Bank Facility is reviewed on an annual basis to ensure that it is sufficient for the Group's requirements. The Current Bank Facility will next be reviewed in July 2012.

The Term Loan is secured by corporate guarantees and debentures over the Group's UK, Singapore and Swedish entities. On the acquisition of PSEP, HSBC has agreed to release the security over the Singapore entities.

The ABLA facility is secured over the receivables and stock of the UK entities and the property of Trifast.

The current term facilities are subject to quarterly covenant testing as follows:

- Interest cover: Underlying EBITDA to net interest to exceed a ratio of three.
- Cash flow cover: adjusted cash flow to debt service to exceed a ratio of one.

9.2 *Other facilities*

- TR Fastenings AB (Sweden) has a working capital facility of SEK2.00 million with Svenska Handelsbanken AB
- TR Formac Pte Limited (Singapore) has an overdraft facility of S\$0.5 million with DBS Bank.
- TR Norge AS (Norway) has an overdraft facility of NOK1.00 million with DnBNOR Bank.
- TR Miller Holding B.V. (Holland) has an overdraft facility of €0.06 million with ABN-AMRO Bank.

In conjunction with the Acquisition, DBS has conditionally agreed to provide the Bank Facility. The Bank Facility comprises a five year term loan of up to S\$16.00 million at a fixed rate of 3.14 per cent. per annum. The loan is repayable by four quarterly instalments of up to S\$0.80 million each year. The facility is subject to quarterly testing on the Asian Group as follows:

- Tangible net worth to exceed S\$20 million
- Consolidated Tangible net worth to exceed S\$35 million
- Net Debt to EBITDA to be less than a ratio of two
- Debt Service cover to exceed a ratio of 1.2 times.

All terms of the Bank Facility are agreed except for the interest rate on the STL Facility and SBLC which will be agreed at drawdown if the Company uses either facility. The terms of the Bank Facility are summarised at paragraph 7(iii) of Part X of this document.

The Group holds cash in the following currencies: US dollar, Euro, Pound Sterling, New Taiwanese dollar, Swedish Krone, Malaysian Ringgit, Chinese RMB, Singapore dollar, Hungarian HUF, Norwegian Krone, Indian Rupees and Japanese Yen. In respect of Treasury Management, the Company's policy is to monitor exchange rates and buy and sell currencies in order to minimise the

open exposure to foreign exchange risk. Where possible, cash pooling has been arranged to maximise the use of total cash resources and reduce interest payments.

Trifast expects to continue to satisfy its funding requirements, other than for the Acquisition, from its existing cash balances, cash generation within its business and from external debt.

10. Placing and Underwriting Agreement

Placees have agreed to subscribe for the Placing Shares at an Issue Price of 37 pence per Placing Share. The Placing comprises in aggregate 21,621,622 Placing Shares (representing approximately 25.4 per cent. of Trifast's existing issued Ordinary Shares) and will therefore raise approximately £8 million (before expenses). The Placing Shares will represent approximately 20.2 per cent. of the Company's issued Ordinary Shares following Admission.

The Issue Price at which the Placing Shares will be issued to Placees of 37 pence per Placing Share represents a 5.7 per cent. discount to the Closing Price of 39.25 pence per existing Ordinary Share on 15 November 2011 (the last business day before the announcement of the Placing).

The issue of the Placing Shares to Placees under the Placing has been underwritten by Arden Partners, subject to certain conditions as set out in the Placing and Underwriting Agreement.

The Directors believe that raising funds by way of a placing (as opposed to a rights issue or open offer) will provide the certainty of funds required for the Acquisition and is more cost effective than a rights issue or open issue.

All the Placing Shares have been conditionally placed with the Placees by Arden Partners at the Issue Price of 37 pence per Placing Share, raising approximately £8 million (before expenses). The Placing is conditional upon, amongst other things, fulfilment of the following conditions:

- (a) the passing of the Resolutions at the General Meeting without amendment;
- (b) the Placing and Underwriting Agreement having become unconditional in all respects save for completion of the Placing;
- (c) the Company having complied with its obligations under the Placing and Underwriting Agreement in all material respects to the extent that such obligations are required to be performed prior to Admission;
- (d) the Acquisition Agreement having become unconditional in all respects save for completion of the Placing; and
- (e) Admission having become effective at or before 8.00 a.m. on 14 December 2011.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the existing issued Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue. The Placing Shares will be in registered form and capable of being held in certificated form or uncertificated form in CREST.

The participation of Henderson Global Investors Ltd. and Michael Clifford Timms, both related parties by virtue of being a substantial Shareholder of the Company for the purposes of the Listing Rules, in the Placing, are classed as a related party transactions and therefore subject to Shareholder vote.

A summary of the material terms of the Placing and Underwriting Agreement is set out in paragraph 7(v) of Part X.

Applications will be made for the Placing Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's Main Market. It is expected that Admission will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on 14 December 2011.

The Placing is conditional, amongst other things, on Shareholder approval, which will be sought at a General Meeting convened for 10.00 a.m. on 13 December 2011. A notice convening the General Meeting at which the Resolutions are to be proposed is set out at the end of this document.

11. Dividend policy

Since the interim dividend paid out by Trifast during the financial year ended 31 March 2009, there have been no further dividend distributions. It is the Board's desire to address dividend yield during the current fiscal year providing sufficient cash resources are available. This statement does not constitute a dividend forecast nor should it be interpreted to mean that any future dividends will necessarily match or exceed historical dividends.

PART VI

PSEP HISTORICAL FINANCIAL INFORMATION

KPMG Audit Plc
15 Canada Square
London
E14 5GL

The Directors
Trifast plc
Trifast House
Bellbrook Park
Uckfield
East Sussex
TN22 1QW

16 November 2011

Dear Sirs,

Power Steel and Electro-plating Works Sdn. Bhd. (“PSEP”)

We report on the financial information set out on pages 35 to 51 of the combined Class 1 circular and prospectus dated 16 November 2011 of Trifast plc. This financial information has been prepared for inclusion in the combined Class 1 circular and prospectus relating to the proposed acquisition of PSEP dated 16 November 2011 of Trifast plc on the basis of the accounting policies set out in note 1 to the financial information. This report is required by Listing Rule 13.5.21R of the Listing Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Trifast plc are responsible for preparing the financial information on the basis of preparation set out in note 1 and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rules 13.4.1R(6) and paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the combined Class 1 circular and prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the combined Class 1 circular and prospectus dated 16 November 2011, a true and fair view of the state of affairs of Power Steel and Electro-plating Works Sdn. Bhd. as at the dates stated and of its income statement and its statements of comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows for the periods then ended in accordance with the basis of preparation set out in note 1 and in accordance with the International Financial Reporting Standards as described in note 1 and has been prepared in a form that is consistent with the accounting policies adopted in Trifast plc's latest annual accounts.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG Audit Plc

Income statement*for the years ended 31 August 2009, 2010 and 2011*

	<i>Note</i>	<i>2009 RM'000</i>	<i>2010 RM'000</i>	<i>2011 RM'000</i>
Continuing operations				
Revenue		54,954	69,809	62,748
Cost of sales		(41,822)	(47,194)	(45,294)
Gross profit		13,132	22,615	17,454
Other operating income	3	1,138	981	968
Distribution expenses		(1,323)	(1,693)	(1,561)
Total administrative expenses		(4,409)	(5,798)	(5,081)
Operating profit/(loss)	4, 5, 6	8,538	16,105	11,780
Financial income	7	197	251	245
Financial expenses	7	(567)	(436)	(337)
Net financing costs		(370)	(185)	(92)
Profit before tax	2	8,168	15,920	11,688
Taxation	8	(1,559)	(2,425)	(2,925)
Profit for the period		6,609	13,495	8,763

Statement of comprehensive income*for the years ended 31 August 2009, 2010 and 2011*

	<i>2009 RM'000</i>	<i>2010 RM'000</i>	<i>2011 RM'000</i>
Profit/(loss) for the year	6,609	13,495	8,763
Other comprehensive income:			
Other comprehensive income recognised directly in equity net of income tax	—	—	—
Total comprehensive income recognised for the year	6,609	13,495	8,763

Statement of changes in equity
for the years ended 31 August 2009, 2010 and 2011

	<i>Share Capital RM'000</i>	<i>Retained Earnings RM'000</i>	<i>Total Equity RM'000</i>
Balance at 1 September 2008	4,587	38,947	43,534
<i>Total comprehensive income for the year:</i>			
Profit for the year	—	6,609	6,609
Total comprehensive income recognised for the year	—	6,609	6,609
Transactions with owner, recorded directly in equity			
Dividends	—	(170)	(170)
Total transactions with owners	—	(170)	(170)
Balance at 31 August 2009	<u>4,587</u>	<u>45,386</u>	<u>49,973</u>
Balance at 1 September 2009	4,587	45,386	49,973
<i>Total comprehensive income for the year:</i>			
Profit for the year	—	13,495	13,495
Total comprehensive income recognised for the year	—	13,495	13,495
Transactions with owner, recorded directly in equity			
Dividends	—	(9,861)	(9,861)
Total transactions with owners	—	(9,861)	(9,861)
Balance at 31 August 2010	<u>4,587</u>	<u>49,020</u>	<u>53,607</u>
Balance at 1 September 2010	4,587	49,020	53,607
<i>Total comprehensive income for the year:</i>			
Profit for the year	—	8,763	8,763
Total comprehensive income recognised for the year	—	8,763	8,763
Transactions with owner, recorded directly in equity			
Dividends	—	(459)	(459)
Total transactions with owners	—	(459)	(459)
Balance at 31 August 2011	<u>4,587</u>	<u>57,324</u>	<u>61,911</u>

Statements of financial position
at 31 August 2009, 2010 and 2011

	<i>Note</i>	<i>2009</i> <i>RM'000</i>	<i>2010</i> <i>RM'000</i>	<i>2011</i> <i>RM'000</i>
Non-current assets				
Property, plant and equipment	9	30,863	30,891	29,740
Total non-current assets		<u>30,863</u>	<u>30,891</u>	<u>29,740</u>
Current assets				
Stocks	11	12,907	12,279	18,734
Trade and other receivables	12	10,590	13,487	10,994
Cash and cash equivalents	13	13,930	14,791	18,007
Total current assets		<u>37,427</u>	<u>40,557</u>	<u>47,735</u>
Total assets		<u>68,290</u>	<u>71,448</u>	<u>77,475</u>
Current liabilities				
Other interest-bearing loans and borrowings	14, 18	2,771	2,293	1,829
Trade and other payables	15	4,422	6,735	6,914
Tax payable		296	1,327	518
Provisions	23	–	–	–
Total current liabilities		<u>7,489</u>	<u>10,355</u>	<u>9,261</u>
Non-current liabilities				
Other interest-bearing loans and borrowings	14, 19	6,283	3,825	2,580
Deferred tax liabilities	10	3,845	2,961	3,023
Retirement benefits	16	700	700	700
Total non-current liabilities		<u>10,828</u>	<u>7,486</u>	<u>6,303</u>
Total liabilities		<u>18,317</u>	<u>17,841</u>	<u>15,564</u>
Net assets		<u>49,973</u>	<u>53,607</u>	<u>61,911</u>
Equity				
Share capital		4,587	4,587	4,587
Retained earnings		45,386	49,020	57,324
Total equity		<u>49,973</u>	<u>53,607</u>	<u>61,911</u>

Statements of cash flows

for the years ended 31 August 2009, 2010 and 2011

	Note	2009 RM'000	2010 RM'000	2011 RM'000
Cash flows from operating activities				
Profit/loss for the year		6,609	13,495	8,763
Adjustments for:				
Depreciation, amortisation and impairment		2,359	2,602	2,861
Financial income		(197)	(251)	(245)
Financial expenses		567	436	337
(Gain)/loss on sale of property, plant and equipment		(90)	(86)	8
Taxation		1,559	2,425	2,925
		<u>10,807</u>	<u>18,621</u>	<u>14,649</u>
Operating cash inflow before changes in working capital and provisions				
Change in trade and other receivables		(1,021)	(3,160)	2,489
Change in stocks		(1,954)	629	(6,455)
Change in trade and other payables		(2,105)	2,576	183
Cash generated from operations		<u>5,727</u>	<u>18,666</u>	<u>10,866</u>
Tax paid		(1,322)	(2,278)	(3,672)
Net cash (used)/from operating activities		<u>4,405</u>	<u>16,388</u>	<u>7,194</u>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		90	86	–
Interest received		197	251	245
Acquisition of property, plant and equipment	9	(2,745)	(2,631)	(1,719)
Net cash (used)/from investing activities		<u>(2,458)</u>	<u>(2,294)</u>	<u>(1,474)</u>
Cash flows from financing activities				
Proceeds from new loan	14, 19	6,105	3,810	3,600
Repayment of long term borrowings	14, 19	(7,546)	(6,746)	(5,308)
Dividend paid		(170)	(9,861)	(459)
Interest paid		(568)	(436)	(337)
Net cash from financing activities		<u>(2,179)</u>	<u>(13,233)</u>	<u>(2,504)</u>
Net change in cash and cash equivalents		(232)	861	3,216
Cash and cash equivalents at 1 September	13	14,162	13,930	14,791
Cash and cash equivalents at 31 August	13	<u>13,930</u>	<u>14,791</u>	<u>18,007</u>

1. Accounting policies

(a) Significant accounting policies

Power Steel and Electro-plating Works Sdn. Bhd. (“PSEP”) is a company incorporated in Malaysia. The registered office details are 4th Floor, Lin Ho Building, 15 Jalan Hang Lekiu, 50100 Kuala Lumpur, Malaysia.

Statement of Compliance

The financial information of PSEP has been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”) for the first time in the period from 1 September 2008 and consistent with Trifast plc’s own accounting policies.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in this financial information.

IFRS not yet applied

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these financial statements. The following are those standards and interpretations that it is expected may have an impact on PSEP’s financial statements.

- *IFRS 7 Financial Instruments: Disclosures* has been amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity’s exposure to risks arising from financial instruments. This amendment will apply to PSEP’s 2012 financial statements but is not expected to have a material impact. IFRS 7 has been further amended for additional disclosures that are required over transfers of financial assets, e.g. securitisations and should enable users to understand the possible effects of any risks that may remain with the transferor. This amendment will apply to PSEP’s 2013 financial statements but is not expected to have a material impact.
- *IFRIC 14 Prepayments of a Minimum Funding Requirement* has been amended to remove unintended consequences arising from the treatment of prepayments when there is a minimum funding requirement (MFR). The amendment results in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment will apply to PSEP’s 2012 financial statements but is not expected to have a material impact.
- *IFRS 9 Financial Instruments* has been amended to simplify the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. This is applicable for PSEP’s 2014 financial statements but is not expected to have a material impact.

(b) Basis of preparation

The financial statements are prepared in Malaysian Ringgit, rounded to the nearest thousand. They are prepared on the historical cost basis with the exception of certain items which are measured at fair value or deemed cost as disclosed in the accounting policies below.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects current and future periods.

Management consider that there are no judgements made by them in the application of IFRS that have significant effect on the financial statements nor are there estimates with a significant risk of material adjustment in the next year.

(c) **Foreign currency**

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Malaysian Ringgit at the foreign exchange rate ruling at that date.

(d) **Property, plant and equipment**

(i) *Owned assets*

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy h).

The company's freehold properties are stated at their deemed cost at 1 September 2008, which is their fair values at that date based on external valuations on an open market basis, plus any subsequent additions at cost, less depreciation.

(ii) *Depreciation*

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The depreciation rates are as follows:

Freehold and long leasehold buildings	–	2 per cent. per annum on a straight-line basis or the period of the lease
Short leasehold properties	–	period of the lease
Motor vehicles	–	20 per cent. on a straight-line basis
Plant and machinery	–	10 per cent. per annum on a straight-line basis
Fixtures, fittings and office equipment	–	8–50 per cent. per annum on a straight-line basis

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment. Where relevant, residual values are reassessed annually.

(iii) *Assets under hire purchase*

Plant and equipment held under hire purchase arrangements are capitalised in the financial statements and are depreciated on the same basis as owned property, plant and equipment. The corresponding obligation relating to remaining capital payments are treated as a liability. The interest element of the hire purchase instalment is charged to the income statement over the period of the hire purchase and accounted for on the sum-of-digits method.

(iv) *Subsequent costs*

PSEP recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to PSEP and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(e) **Trade and other receivables**

Trade and other receivables are stated at their fair value, and subsequently at cost less impairment losses (see accounting policy h).

(f) **Stocks**

Stocks are stated at the lower of cost and net realisable value with provision being made for obsolete and slow-moving items. In determining the cost of raw materials, consumable and goods purchased for resale, a first-in first-out purchase price is used and includes expenditure incurred in acquiring the stocks and bringing them to their existing location and condition. For work in progress and finished

goods manufactured by PSEP, cost is taken as production cost, which includes an appropriate proportion of attributable overheads based on normal operating capacity.

(g) ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and which form an integral part of PSEP's cash management are included as a component of cash and cash equivalents only for the purpose of the statement of cash flows.

(h) ***Impairment***

The carrying amounts of PSEP's assets, other than stocks (see accounting policy f), and deferred tax assets (see accounting policy p), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy h(i)).

Financial assets are considered to be impaired if objective evidence indicates that one or more events has had a negative effect on the estimated future cashflows of that asset.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(i) ***Calculation of recoverable amount***

The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(ii) ***Reversals of impairment***

An impairment loss on any other asset is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) ***Share capital – Dividends***

Dividends to PSEP's Shareholders are recognised as a liability and deducted from Shareholders' equity in the period in which the Shareholders' right to receive payment is established.

(j) ***Interest-bearing borrowings***

Interest-bearing borrowings are recognised initially at fair value. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost.

(k) ***Employee benefits***

(i) ***Defined contribution plans***

Obligations for contributions to statutory pension funds which are defined contribution plans are recognised as an expense in the Income Statement as incurred.

(ii) ***Defined benefit plans***

The company has constructive obligations to pay non-contractual retirement benefits in the form of lump sum payments to employees who remain in service until retirement. These obligations are unfunded. The company accrues the projected future liability based on periodic actuarial valuations, with the change being recognised through profit and loss. In the intervening years between actuarial valuations, the profit and loss expense reflects the actual payments in the year, which the directors consider to be reasonable on the grounds of materiality and the stability of the workforce.

(l) ***Provisions***

A provision is recognised in the balance sheet when PSEP has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(m) ***Trade and other payables***

Trade and other payables are stated at cost.

(n) ***Revenue***

Revenue from the sale of goods rendered is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer. In accordance with normal practice, this will be on invoicing of goods, generally at the time of despatch.

(o) ***Expenses***

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method and interest receivable on funds invested. Interest income is recognised in the income statement as it accrues, using the effective interest method. Net finance costs also include arrangement fees and related costs recognised in line with accounting policy (j).

(p) ***Taxation***

Tax on the profit or loss for the periods presented comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences in relation to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend. Information as to the calculation of income tax on the profit or loss for the period presented is included in note 8.

(q) ***Underlying measure of profits and losses***

The Directors of Trifast plc believe that underlying operating profit and underlying profit before tax provide additional guidance to statutory measures to help understand the underlying performance of the business during the financial period. The term underlying is not defined under International Financial Reporting Standards. It is a measure that the Directors of Trifast plc believe provides additional information on the underlying performance of the business internally and is not intended to be a substitute measure for Adopted IFRSs' GAAP measures. These underlying measures are defined by the Directors of Trifast plc as follows:

Underlying operating profit is profit before taxation and separately disclosed items (see note 2).

It should be noted that the definitions of underlying items being used in these financial statements are those viewed as appropriate by the Directors of Trifast plc and they may not be comparable with the term 'underlying' as defined by other companies within both the same sector or elsewhere.

2. Underlying profit

	2009 RM'000	2010 RM'000	2011 RM'000
Profit from continuing operations before tax	8,168	15,920	11,688
Customers selling price revision approval ⁽¹⁾	1,603	(2,066)	–
Release of amounts held for possible repayment ⁽²⁾	–	–	(972)
Underlying Profit before tax	<u>9,771</u>	<u>13,854</u>	<u>10,716</u>

(1) In 2010, after lengthy negotiations with a major customer a positive retrospective price adjustment totaling RM3.25 million was agreed and accounted for in the year ended 31 August 2010. The table above allocates the effect of this price adjustment to the prior years to which they are attributable.

(2) The results of 2011 include a credit of RM0.97 million in relation to an amount being held from prior years for a possible claim for repayment by a customer. In 2011 it became clear that this would not be payable and therefore it has been credited to Revenue in the year ended 31 August 2011.

3. Other operating income

	2009 RM'000	2010 RM'000	2011 RM'000
Rental income on land and buildings	709	635	711
Gain on disposal of plant and equipment	90	86	–
Other	339	260	257
	<u>1,138</u>	<u>981</u>	<u>968</u>

4. Expenses and auditors' remuneration

Included in profit for the year are the following:

	<i>Note</i>	2009 RM'000	2010 RM'000	2011 RM'000
Depreciation	9	2,359	2,602	2,861
Net foreign exchange loss/(gain)		371	1,129	(147)
Auditors' remuneration:				
Audit of the statutory financial statements		<u>18</u>	<u>20</u>	<u>25</u>

5. Staff numbers and costs

The average number of persons employed by PSEP (including its directors) during the year, was as follows:

	<i>Number of employees</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
No. of employees	161	164	176
	<u>161</u>	<u>164</u>	<u>176</u>

The aggregate payroll costs of these persons were as follows:

	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Wages and salaries (including bonus)	6,008	6,734	7,822
Other pension costs (see note 16)	615	594	696
	<u>6,623</u>	<u>7,328</u>	<u>8,518</u>

6. Directors' emoluments

	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Directors' emoluments	1,077	1,291	1,535
	<u>1,077</u>	<u>1,291</u>	<u>1,535</u>

7. Financial income and expense

	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Financial income – interest receivable	197	251	245
Financial expenses			
Interest payable on bank loans	537	407	308
Other bank charges	30	29	29
Total financial expenses	<u>567</u>	<u>436</u>	<u>337</u>

8. Taxation

	<i>2009</i>	<i>2010</i>	<i>2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current Malaysian tax expense:			
Current year	1,741	3,715	2,798
Adjustments for prior years	(319)	(406)	65
Total current tax	<u>1,422</u>	<u>3,309</u>	<u>2,863</u>
Deferred tax expense (note 10)			
Origination and reversal of temporary differences	163	97	(276)
Adjustments for prior years	(26)	(981)	338
	<u>137</u>	<u>(884)</u>	<u>62</u>
Total income tax charge in income statement	<u>1,559</u>	<u>2,425</u>	<u>2,925</u>

	2009 RM'000	2010 RM'000	2011 RM'000
Reconciliation of effective tax rate ("ETR") and tax expense			
Profit for the period	6,609	13,495	8,763
Tax from continuing operations	1,559	2,425	2,925
Profit before tax	<u>8,168</u>	<u>15,920</u>	<u>11,688</u>
Malaysian corporation tax rate	25%	25%	25%
Tax using the Malaysian corporation tax rate	2,042	3,980	2,922
Non-deductible expenses	291	239	139
Non-taxable income	(60)	–	–
Tax incentive	(369)	(407)	(364)
Adjustments in respect of prior years	(345)	(1,387)	403
Other reconciling items	–	–	(175)
Total income tax charge in income statement	<u>1,559</u>	<u>2,425</u>	<u>2,925</u>
Effective tax rate	<u>19%</u>	<u>15%</u>	<u>27%</u>

9. Property, plant and equipment

	<i>Land and buildings</i> RM'000	<i>Plant and equipment</i> RM'000	<i>Fixtures and fittings</i> RM'000	<i>Motor vehicles</i> RM'000	<i>Total</i> RM'000
Cost or deemed cost					
Balance at 1 September 2008	18,390	25,205	2,864	1,520	47,979
Additions	1,531	2,459	186	344	4,520
Disposals	–	(134)	–	(445)	(579)
Balance at 31 August 2009	<u>19,921</u>	<u>27,530</u>	<u>3,050</u>	<u>1,419</u>	<u>51,920</u>
Balance at 1 September 2009	19,921	27,530	3,050	1,419	51,920
Additions	–	1,698	557	376	2,631
Disposals	–	–	(818)	(234)	(1,052)
Balance at 31 August 2010	<u>19,921</u>	<u>29,228</u>	<u>2,789</u>	<u>1,561</u>	<u>53,499</u>
Balance at 1 September 2010	19,921	29,228	2,789	1,561	53,499
Additions	–	1,559	72	88	1,719
Disposals	–	(173)	(1)	(74)	(248)
Balance at 31 August 2011	<u>19,921</u>	<u>30,614</u>	<u>2,860</u>	<u>1,575</u>	<u>54,970</u>
Depreciation and impairment					
Balance at 1 September 2008	–	16,127	2,134	1,017	19,278
Depreciation charge for the year	337	1,681	165	175	2,358
Disposals	–	(134)	–	(445)	(579)
Balance at 31 August 2009	<u>337</u>	<u>17,674</u>	<u>2,299</u>	<u>747</u>	<u>21,057</u>
Balance at 1 September 2009	337	17,674	2,299	747	21,057
Depreciation charge for the year	319	1,754	265	264	2,602
Disposals	–	–	(817)	(234)	(1,051)
Balance at 31 August 2010	<u>656</u>	<u>19,428</u>	<u>1,747</u>	<u>777</u>	<u>22,608</u>

	<i>Land and buildings</i> RM'000	<i>Plant and equipment</i> RM'000	<i>Fixtures and fittings</i> RM'000	<i>Motor vehicles</i> RM'000	<i>Total</i> RM'000
Balance at 1 September 2010	656	19,428	1,747	777	22,608
Depreciation charge for the year	317	1,907	416	221	2,861
Disposals	–	(173)	(1)	(65)	(239)
Balance at 31 August 2011	<u>973</u>	<u>21,162</u>	<u>2,162</u>	<u>933</u>	<u>25,230</u>
Net book value					
At 31 August 2009	<u>19,584</u>	<u>9,856</u>	<u>751</u>	<u>672</u>	<u>30,863</u>
At 31 August 2010	<u>19,265</u>	<u>9,800</u>	<u>1,042</u>	<u>784</u>	<u>30,891</u>
At 31 August 2011	<u>18,948</u>	<u>9,452</u>	<u>698</u>	<u>642</u>	<u>29,740</u>

The net book value of land and buildings comprises long leasehold land and buildings.

RM20.5 million (2010: RM20.5 million) of land and buildings have been recognised at a deemed cost that is equal to their fair value at 1 September 2008 (the transition date) as allowable under IFRS.

The above property, plant and equipment values include assets under hire purchase agreements with a net book value of RM6.2 million at 31 August 2009, RM4.8 million at 31 August 2010 and RM3.9 million at 31 August 2011.

10. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	2009 RM'000	2010 RM'000	2011 RM'000
Property, Plant and equipment			
– capital allowances	2,709	1,982	2,182
– revaluation surplus	1,129	1,129	1,129
Other timing differences	7	(150)	(288)
Net tax liabilities	<u>3,845</u>	<u>2,961</u>	<u>3,023</u>

Movement during the year

	1 Sept 2010 RM'000	<i>Recognised in Income</i> RM'000	31 Aug 2011 RM'000
Property, Plant and equipment			
– capital allowances	1,982	200	2,182
– revaluation surplus	1,129	–	1,129
Other timing differences	(150)	(138)	(288)
Net tax liabilities	<u>2,961</u>	<u>62</u>	<u>3,023</u>

Movement during the year

	1 Sept 2009 RM'000	<i>Recognised in Income</i> RM'000	31 Aug 2010 RM'000
Property, Plant and equipment			
– capital allowances	2,709	(727)	1,982
– revaluation surplus	1,129	–	1,129
Other timing differences	7	(157)	(150)
Net tax liabilities	<u>3,845</u>	<u>(884)</u>	<u>2,961</u>

Movement during the year

	<i>1 Sept 2008</i> <i>RM'000</i>	<i>Recognised in</i> <i>Income</i> <i>RM'000</i>	<i>31 Aug 2009</i> <i>RM'000</i>
Property, Plant and equipment			
– capital allowances	2,577	132	2,709
– revaluation surplus	1,129	–	1,129
Other timing differences	2	5	7
Net tax liabilities	<u>3,708</u>	<u>137</u>	<u>3,845</u>

11. Stocks

	<i>2009</i> <i>RM'000</i>	<i>2010</i> <i>RM'000</i>	<i>2011</i> <i>RM'000</i>
Raw materials and consumables	6,992	6,868	9,526
Work in progress	1,374	1,798	2,366
Finished goods and goods resale	4,541	3,613	6,842
	<u>12,907</u>	<u>12,279</u>	<u>18,734</u>

12. Trade and other receivables

	<i>2009</i> <i>RM'000</i>	<i>2010</i> <i>RM'000</i>	<i>2011</i> <i>RM'000</i>
Trade receivables	10,293	13,170	10,788
Non trade receivables and prepayments	297	317	206
	<u>10,590</u>	<u>13,487</u>	<u>10,994</u>

13. Cash and cash equivalents

	<i>2009</i> <i>RM'000</i>	<i>2010</i> <i>RM'000</i>	<i>2011</i> <i>RM'000</i>
Cash and cash equivalents per balance sheet	13,930	14,971	18,007
Cash and cash equivalents per cash flow statements	<u>13,930</u>	<u>14,791</u>	<u>18,007</u>

14. Other interest-bearing loans and borrowings

<i>Initial Loan Value</i>	<i>Rate</i>	<i>Maturity</i>	<i>2009</i> <i>RM'000</i>	<i>2010</i> <i>RM'000</i>	<i>2011</i> <i>RM'000</i>
Current					
Term loans – secured	Base+ 1% to 1.50%	2011–2018	806	394	409
Term loans – secured	6.50%	2011	506	493	–
Bankers acceptances – secured	3.64%		200	400	400
Hire purchase	2.26% to 4.0%		1,259	1,006	1,020
			<u>2,771</u>	<u>2,293</u>	<u>1,829</u>
Non-current					
Term loans – secured	Base+ 1% to 1.50%	2011–2018	2,955	1,996	1,770
Term loans – secured	6.50%	2011	493	–	–
Bankers acceptances – secured	3.77%		–	–	–
Hire purchase	2.26% to 4.0%		2,835	1,829	810
			<u>6,283</u>	<u>3,825</u>	<u>2,580</u>

The term loans and bankers' acceptances are secured by:

- (i) A first and second legal charge over PSEP's long term leasehold buildings.
- (ii) A first fixed charge over the company's certain machinery and equipment.
- (iii) Joint and several guarantee by certain directors of PSEP.

15. Trade and other payables

	2009 RM'000	2010 RM'000	2011 RM'000
Trade payables	3,272	5,308	5,422
Non-trade payables and accrued expenses	1,150	1,427	1,492
	<u>4,422</u>	<u>6,735</u>	<u>6,914</u>

16. Employee benefits

Pension plans – defined contribution

PSEP's contribution to statutory pension funds are charged to the income statement in the year to which they are related. Once the contributions have been paid, PSEP has no further payments obligations.

	2009 RM'000	2010 RM'000	2011 RM'000
The total expense relating to these plans:	615	594	696

At the end of each financial year, there were nil outstanding pension contributions.

Pension plans – defined benefit

The company makes lump sum payments to retiring employees subject to certain qualifying criteria. Payments are based on the number of years employment and earnings, subject to a pre-determined maximum. The company's projected liabilities based on an actuarial valuation and the expense recognised in the income statement were:

	2009 RM'000	2010 RM'000	2011 RM'000
Expense recognised in income statement	<u>86</u>	<u>75</u>	<u>84</u>
Recognised liability	<u>700</u>	<u>700</u>	<u>700</u>

The principal assumptions applied to the most recent actuarial valuation of the liabilities were:

Discount rate	5.75 per cent.
Projected future salary increases	5.50 per cent.
Employee leaver rate	4 per cent. per annum

17. Capital and reserves

Capital and reserves – PSEP

Share Capital

	Number of Ordinary Shares		
	2009	2010	2011
In issue at 31 August	4,586,523	4,586,523	4,586,523
	2009	2010	2011
	RM'000	RM'000	RM'000
<i>Allotted, called up and fully paid</i>			
Ordinary shares of RM1.00 each	4,587	4,587	4,587

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the company.

Dividends

During the year the following dividends were declared and paid by PSEP:

	2009	2010	2011
	RM'000	RM'000	RM'000
Final paid 2008 – 3.7 sen per ordinary share	170	–	–
Interim paid 2009 – 7.5 sen per ordinary share	–	344	–
Final paid 2009 – 7.5 sen per ordinary share	–	344	–
Special interim 2010 – 200 sen per ordinary share	–	9,173	–
Final paid 2010 – 7.5 sen per ordinary share	–	–	459
	170	9,861	459

18. Financial instruments

(a) Fair values of financial instruments

There is no difference between the fair values and the carrying values shown in the balance sheet.

(b) Financial instruments risks

Exposure to credit, interest rate and currency risks arises in the normal course of PSEP's business, and PSEP continues to monitor and reduce exposure accordingly.

(i) Credit risk

Credit risk is the risk of financial loss to PSEP if a customer fails to meet its contractual obligations and arises principally from PSEP receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Credit evaluations are performed on any new customers. All overdue debts are monitored regularly.

The carrying amount of trade receivables represents the maximum credit exposure for the Company. Therefore, the maximum exposure to credit risk at the balance sheet date was RM10.79 million (2010: RM13.17 million) being the total carrying amount of trade receivables net of an allowance. Management do not consider there to be any significant unimpaired credit risk in the year end balance sheet (2010: RM nil).

The amount of trade receivables at 31 August 2011 which were beyond 90 days from their due date was RM1.19 million, being 11 per cent. of the gross trade receivables balance at that date.

(ii) *Liquidity and interest risk*

PSEP holds loans and cash balances as shown below, which are subject to interest rate changes. The facilities are secured against certain assets of PSEP and personal guarantees (see note 14).

Liquidity headroom

Trading forecasts show that the current facilities provide sufficient liquidity headroom.

Interest risk

PSEP monitors closely all loans outstanding, which currently incur interest at fixed and floating rates.

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature.

	<i>Effective interest rate %</i>	<i>Total</i>	<i>0 to <1 years</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>
2009					
Cash and cash equivalents	–	13,930	13,930	–	–
Secured term loans	6.7	(4,760)	(1,312)	(1,307)	(2,141)
Hire purchase liabilities	4.8	(4,094)	(1,259)	(2,835)	–
Bankers acceptances	8.8	(200)	(200)	–	–
		<u>4,876</u>	<u>11,159</u>	<u>(4,142)</u>	<u>(2,141)</u>
2010					
Cash and cash equivalents	–	14,791	14,791	–	–
Secured term loans	5.3	(2,883)	(887)	(409)	(1,587)
Hire purchase liabilities	5.1	(2,835)	(1,006)	(1,829)	–
Bankers acceptances	7.0	(400)	(400)	–	–
		<u>8,673</u>	<u>12,498</u>	<u>(2,238)</u>	<u>(1,587)</u>
2011					
Cash and cash equivalents	–	18,007	18,007	–	–
Secured term loans	6.4	(2,179)	(409)	(413)	(1,357)
Hire purchase liabilities	5.0	(1,830)	(1,020)	(810)	–
Bankers acceptances	7.3	(400)	(400)	–	–
		<u>13,598</u>	<u>16,178</u>	<u>(1,223)</u>	<u>(1,357)</u>

All assets and liabilities other than hire purchase liabilities bear interest at a floating rate and are therefore due to change within one year.

(iii) *Foreign currency risk*

PSEP is exposed to foreign currency risk on sales, purchases and cash borrowings that are denominated in a currency other than local functional currency.

Operational foreign exchange exposure

Where possible PSEP tries to invoice to customers and buy from suppliers in Malaysian Ringgit.

Monetary assets/liabilities

PSEP continues to monitor exchange rates and will buy and sell currencies when favourable to minimize open exposure to foreign exchange risk. PSEP does not speculate on rates.

Cash and cash equivalents

	<i>Singapore</i> <i>RM'000</i>	<i>US Dollar</i> <i>RM'000</i>	<i>Euro</i> <i>RM'000</i>	<i>Japanese</i> <i>Yen</i> <i>RM'000</i>	<i>Total</i> <i>RM'000</i>
31 August 2009	<u>689</u>	<u>97</u>	<u>755</u>	<u>647</u>	<u>2,188</u>
31 August 2010	<u>676</u>	<u>571</u>	<u>1,687</u>	<u>479</u>	<u>3,413</u>
31 August 2011	<u>1,750</u>	<u>312</u>	<u>1,550</u>	<u>264</u>	<u>3,876</u>

(iv) Capital Management

Identification of the total funding requirement is achieved via a detailed cash flow forecast which is renewed and updated on a monthly basis.

The capital structure of the company is presented below

	<i>2009</i> <i>RM'000</i>	<i>2010</i> <i>RM'000</i>	<i>2011</i> <i>RM'000</i>
Cash and cash equivalents (note 13)	13,930	14,971	18,007
Borrowings (note 14)	<u>(9,054)</u>	<u>(6,118)</u>	<u>(4,409)</u>
Net Debt	4,876	8,853	13,598
Equity	<u>(49,973)</u>	<u>(53,607)</u>	<u>(61,911)</u>
Capital	<u>(45,097)</u>	<u>(44,754)</u>	<u>(48,313)</u>

19. Capital commitments

During the year ended 31 August 2011, PSEP entered into a contract to purchase plant and equipment for RM0.30 million. As at 31 August 2010 there was RM0.16 million of plant and equipment purchases contracted but not provided for. As at 31 August 2009 there were no outstanding capital commitments.

PART VII

OPERATING AND FINANCIAL REVIEW IN RESPECT OF TRIFAST'S BUSINESS

The financial information in this Part VII has been prepared in accordance with International Financial Reporting Standards, as adopted by the EU. Investors should read the whole of this document and not just rely on the key or summarised information below.

1. Business overview

Trifast is a global manufacturer and distributor of industrial fastenings made from carbon steel, high tensile steel, stainless steel, brass, nylon, aluminium, titanium and other corrosion resistant materials and is a leading supplier of "Vendor Managed Inventory" solutions including category 'c' components.

Trifast operates from 20 distribution sites (13 in Europe, five in Asia and two in the USA) and has five manufacturing facilities: in the UK (one), Taiwan (two), Singapore (one) and Malaysia (one). The UK manufacturing facility specialises in sheet metal fasteners, including "Hank" branded products, with Singapore and Malaysia primarily manufacturing and supplying products for the electronics and telecommunications industries. The Taiwan facility primarily provides certain automotive products for the US and European markets.

2. Financial highlights

Save to the extent expressly stated otherwise, the selected financial information on Trifast set out below as at and for the three years ended 31 March 2011 has been extracted, without material adjustment, from pages 46, 48 and 83 of Trifast's 2009 annual report and accounts, pages 55, 59 and 94 of Trifast's 2010 annual report and accounts and pages 68, 72 and 98 of Trifast's 2011 annual report and accounts which are incorporated by reference herein.

The selected financial information on Trifast set out below as at and for the latest two interim periods ended 30 September 2011 has been extracted, without material adjustment, from Trifast's 2010 half-yearly report and from Trifast's 2011 half-yearly report which are incorporated by reference herein.

This information has been made public and can be accessed by visiting Trifast's website at www.trifast.com.

	<i>Year ended 31 March</i>			<i>Six months ended 30 September</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	104,901	85,935	106,089	52,036	55,436
Gross profit	26,589	21,008	26,721	13,447	14,252
Operating (loss)/profit					
Adjusted ⁽¹⁾	3,338	1,065	4,327	1,993	2,667
Reported	(10,201)	(2,141)	3,076	1,748	2,423
Net financing costs					
Adjusted ⁽²⁾	(797)	(150)	(554)	(271)	(297)
Reported	(797)	(667)	(554)	(271)	(297)
Profit before tax (adjusted) ⁽¹⁾	2,541	915	3,773	1,722	2,370
Intangible amortisation	(266)	(261)	(261)	(131)	(131)
One-off separately disclosed items	(13,273)	(3,462)	(990)	(114)	(113)
(Loss)/profit before tax (reported)	(10,998)	(2,808)	2,522	1,477	2,126
Taxation	(520)	621	(879)	(310)	(613)
(Loss)/profit attributable to equity					
Shareholders of the parent company	(11,518)	(2,187)	1,643	1,167	1,513

	Year ended 31 March			Six months ended 30 September	
	2009	2010	2011	2010	2011
	£'000	£'000	£'000	£'000	£'000
(Loss) from discontinued operations (net of income tax)	(3,792)	–	–	–	–
(Loss)/Earnings per share					
Adjusted diluted ⁽³⁾	(3.30p)	0.07p	3.03p	1.49p	1.84p
Basic	(17.98p)	(2.57p)	1.93p	1.37p	1.77p
Dividends per share	0.93p	–	–	–	–
Total equity	42,470	40,181	42,845	41,509	44,244
Net debt	(8,396)	(4,683)	(7,143)	(5,631)	(7,640)
Employees (average)	1,039	868	886	878	867

- (1) Before intangible amortisation and other one-off separately disclosed items.
- (2) Before £517,000 of refinancing costs shown under one-off separately disclosed items in 2010.
- (3) Before intangible amortisation and other one-off separately disclosed items (net of any tax effect) and based on a diluted average number of shares.

3. Group operating financial performance (2009, 2010, and 2011)

3.1 Turnover

During the second half of the financial year ended 31 March 2009, Trifast began to witness the rapid global economic slow down across all industry sectors and geographic segments. Turnover reached its lowest point in the fourth quarter of the financial year ended 31 March 2009 (January to March 2009). This level remained unchanged for the first half of the financial year ended 31 March 2010 providing some degree of stability. In the second half of the financial year ended 31 March 2010 turnover gradually began to pick up as confidence started to return to the markets. This confidence continued throughout the financial year ended 31 March 2011 as Trifast began to see further re-stocking from customers returning back to underlying usages. In addition, during 2010 the Board re-instated the global sales team and reinvigorated the existing sales force, which brought on 'new business wins' during 2011 particularly within the automotive sector. The greatest geographical growth during this three year period was within Asia and the Directors believe that this area represents an excellent opportunity to grow in the future.

Overall, the revenue growth has continued during the first six months to September 2011 with a seven per cent. half-on-half increase. Europe's revenue was up 19 per cent. and whilst Asia's revenue on a like for like basis remained flat, it reported a 10 per cent. improvement over its sales performance achieved in the second half of the year ended 31 March 2011.

The table below, extracted from Trifast's accounting records, summarises the development of Trifast's revenues from its existing core sectors and demonstrates the dilution from electronics and telecommunications to automotive, thereby diversifying the Group's risk in any one sector.

Group sales by Market Sector ⁽¹⁾	Year ended 31 March						6 months ended 30 September			
	2009		2010		2011		2010		2011	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Electronics and										
Telecommunications	36,658	34.9	26,350	30.7	25,633	24.2	13,884	26.7	14,330	25.8
General Industrial	32,559	31.0	25,868	30.1	35,614	33.6	15,233	29.3	16,321	29.4
Automotive	15,481	14.8	14,538	16.9	20,936	19.7	9,887	19.0	10,955	19.8
Domestic Appliances	6,703	6.4	6,354	7.4	6,425	6.1	3,527	6.8	3,488	6.3
Other Distribution	13,500	12.9	12,825	14.9	17,481	16.5	9,505	18.2	10,342	18.7
	<u>104,901</u>		<u>85,935</u>		<u>106,089</u>		<u>52,036</u>		<u>55,436</u>	

- (2) Unaudited.

A summary of the development of Trifast's revenues by geographical destination and net profit before separately disclosed items, as extracted without material adjustment from Trifast's annual accounts for the three years ended 31 March 2011 and the figures from the two most recent half-yearly reports, is demonstrated in the tables below.

This shows that whilst the Asian region is clearly important in terms of both revenue and profit contributions, the Directors believe there is further growth potential in the region.

<i>Group sales by Geographical Destination</i>	<i>Year ended 31 March</i>						<i>6 months ended 30 September</i>			
	<i>2009</i>		<i>2010</i>		<i>2011</i>		<i>2010</i>		<i>2011</i>	
	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
United Kingdom	58,881	56.2	46,464	54.0	57,125	53.8	27,688	53.2	29,178	52.7
Mainland Europe/USA	20,717	19.7	18,027	21.0	21,509	20.3	9,979	19.2	11,886	21.4
Asia	25,303	24.1	21,444	25.0	27,455	25.9	14,369	27.6	14,372	25.9
	<u>104,901</u>		<u>85,935</u>		<u>106,089</u>		<u>52,036</u>		<u>55,436</u>	

<i>Net profit before separately disclosed items¹</i>	<i>Year ended 31 March</i>			<i>6 months ended 30 September</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
United Kingdom	789	(590)	2,048	700	1,184
Mainland Europe/USA	732	(341)	(46)	(136)	282
Asia	3,906	2,787	3,215	2,095	1,854
Common Costs	(2,886)	(941)	(1,444)	(937)	(950)
	<u>2,541</u>	<u>915</u>	<u>3,773</u>	<u>1,722</u>	<u>2,370</u>

(1) Before intangible amortisation and other one-off separately disclosed items.

The Directors believe that the Acquisition represents an excellent strategic fit for Trifast as PSEP operates as a manufacturer of highly engineered parts to the automotive, motorcycle and compressor industries. This will enable Trifast to offer a full range of threaded fasteners manufactured within the Enlarged Group's facilities to these industry sectors which the Directors consider to be strategic for its global aspirations.

3.2 **Profitability**

The change in turnover over the past three year period has affected Trifast's profitability directly. As turnover dropped, the Directors had to cut overheads around the Group to bring them in line with the reduced turnover. This has resulted in one-off separately disclosed items, which are explained in detail later.

During 2009 and 2010, stock levels needed to be reduced to generate cash; however stock was not sold off at a discount, instead Trifast traded itself out from its lowest point. In addition, Trifast absorbed high foreign exchange losses and rising raw material prices and by efficiencies it created elsewhere it ensured that gross margin percentages remained relatively stable during this period. Now the impetus is on future margin enhancement over the forthcoming years.

When monitoring the profitability of Trifast, the Directors focus on adjusted profit before tax and goodwill and consider this level to be a better reflection of the true underlying performance of the business. The table below shows the one-off separately disclosed items to reported pre tax profit.

<i>One-off exceptional items table</i>	<i>Year ended 31 March</i>			<i>6 months ended 30 September</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Underlying profit before tax	2,541	915	3,773	1,722	2,370
Goodwill impairments	(8,303)	–	–	–	–
Restructuring costs	(3,701)	(3,420)	(801)	–	–
Sale of associate	–	332	–	–	–
Impairment of associate	(659)	–	–	–	–
Settlement of claim	(555)	–	–	–	–
Expense of changing bank facilities	–	(517)	–	–	–
Intangible amortisation	(266)	(261)	(261)	(131)	(131)
IFRS 2 share-based payment charges	(55)	143	(189)	(114)	(113)
(Loss)/profit from continuing operations before tax	(10,998)	(2,808)	2,522	1,477	2,126

Included in the above table are credits/(costs) in relation to IFRS 2 share-based payment charges and intangible amortisation costs (customer relationship valuation upon the Serco Ryan acquisition). The Directors do not feel that these costs reflect the true underlying performance of the on-going business.

The description of the other separately disclosed items are explained in more detail within the respective years below.

3.3 *Interest*

During the latter part of 2009, Trifast benefited from the decrease in the Bank base rates and tight control over working capital and its cash resources. This trend continued further into 2010; however given the losses incurred in the second half of 2009 and the flat turnover during the start of 2010, an EBITDA covenant was breached in September 2009, which resulted in Trifast's banking facilities being renegotiated. These were agreed in February 2010 and the cost of the renegotiations were shown as a separately disclosed item. During 2011 net interest increased due to higher bank charges under the new facilities and there was an increase in net debt as more working capital was required to support the increase in business.

3.4 *Dividends*

Since the interim dividend paid out by Trifast during the financial year ended 31 March 2009, there have been no further dividend distributions. It is the Board's desire to address dividend yield during the current fiscal year providing sufficient cash resources are available. This statement does not constitute a dividend forecast nor should it be interpreted to mean that future profits or dividends will necessarily match or exceed historical profits or dividends.

4. **Significant events**

4.1 *Restructuring*

In March 2009 the former Board of Trifast resigned (with the exception of Geoff Budd) and Malcolm Diamond returned in a new role as Executive Chairman and Jim Barker as CEO with the backing of key investors. At this time, the share price had dropped to its lowest point of 8.5p, investors were disillusioned, and staff morale was low. Against a backdrop of weakening markets and lack of visibility, Trifast's new management team led by Jim Barker began restructuring Trifast's operations across its European, Asian and USA businesses.

4.2 *Significant events impacting on 2009 results*

The following events had a material impact on the performance of Trifast in the year to 31 March 2009:

- Demand from Trifast's customers in predominantly all product and geographical sectors fell rapidly, as the global recession began to take effect during the second half of the year.
- In the fourth quarter of the financial year ending 31 March 2009, the EU imposed anti-dumping duties on steel components from China. Its Chinese manufacturing subsidiary previously exported into the European market and with the imposition of an 86 per cent. anti-dumping duty it meant that it would soon become uncompetitive.

Separately disclosed items (see table at paragraph 3.2 of this Part VII):

- To ensure that Trifast continued to be profitable, the Board undertook a restructuring programme worldwide, the total cost of which was £3.70 million. £1.75 million was in relation to redundancy/compensation payments and £1.95 million in relation to site closures, downsizing and mergers within the UK and US operations. Included in the above payments was £0.66 million related to compensation payments to Directors for loss of office as a result of the Board changes. This restructuring programme was estimated to provide annual savings of circa £4.00 million.
- Given the uncertain global economic environment, the Board reviewed the carrying value of its investments in conjunction with external valuers and impaired goodwill for the following entities:
 - Serco Ryan (UK within TR Fastenings Limited) £6.20 million
 - TR Fastenings AB (Sweden) £0.60 million
 - Special Fasteners Engineering Co. Limited (Taiwan) £1.50 million

These impairments had no cash impact.

- Trifast had a 25 per cent. investment in Techfast Holding Bhd, a company listed on the Kuala Lumpur Stock Exchange. Given the deterioration of Techfast's share price and the Board's view of the recoverable amount, the remaining value of the investment in Techfast was fully impaired at a cost of £0.66 million. The impairment had no cash impact.
- In order to prevent further legal costs being incurred, a long-standing legal claim going back to 2002 in relation to alleged defects in products supplied by Special Fasteners Engineering Co. Limited (SFE) was settled in December 2008 for US\$0.90 million (£0.56 million) without prejudice and without admission of liability.

Discontinued operations

- During March 2009, a review was undertaken as to the commercial and strategic viability of retaining TR Keba Limited (Turkey). The Board decided that given the economic uncertainty it did not want to continue to fund a loss-making subsidiary and subsequently agreed to sell the company back to TR Keba's Management team. The sale resulted in a discontinued loss of £3.79 million, comprising £0.81 million relating to goodwill impairment, £0.84 million relating to TR Keba's operational losses and £2.14 million loss on disposal.

4.3 *Significant events impacting on 2010 results*

The following events had a material impact on the performance of Trifast in the year to 31 March 2010:

- Revenue remained at the low levels of the fourth quarter of the 2009 financial year for the first half of 2010 and then began to gradually rise in the second half. Asia was the first area to see demand increase, followed slowly by Mainland Europe, then the UK and USA.
- Adverse foreign exchange costs during the year resulted in a swing between 2009 and 2010 of £1.07 million.
- Overheads were reduced by £3.25 million compared to the 2009 financial year as a result of the saving initiatives already implemented; however excluding the foreign exchange swing noted above, the true overhead savings were £4.32 million.

Separately disclosed items:

- Further restructuring was undertaken totalling £3.42 million during 2010. £2.80 million was in relation to further closures and downsizing of sites within the UK and £0.62 million refers to redundancy/compensation payments, £0.56 million of which related to the UK.
- In September 2009, Trifast sold its 25 per cent. shareholding in the associate undertaking, Techfast Holding Bhd. The sale generated a one-off gain and a positive cash impact of £0.33 million.
- In February 2010, Trifast renegotiated its banking facilities and secured new more flexible banking arrangements. The cost of achieving this was £0.52 million in respect of one-off legal, due diligence, and bank arrangement fees. Further, to protect against significant interest rate increases, Trifast took out a three per cent. fixed cap interest rate hedging instrument for three years.

4.4 *Significant events impacting on 2011 results*

The following events had a material impact on the performance of Trifast in the year to 31 March 2011:

- Revenue increased by over 23 per cent. compared to the prior year. The greatest growth was seen in Asia particularly in the first half of the year. The UK represented the largest proportion of sales at 53.8 per cent. and also showed continual solid growth.
- Overheads increased by £2.44 million compared to 2010; however, of this increases £0.92 million related to bonuses to reward staff, a key motivational move by the Board as many employees through the difficult times had not received a pay rise for almost three years. In addition further foreign exchange losses of £0.64 million arose with the majority incurred in Asia, where the local currencies continued to strengthen against Sterling, the US Dollar and the Euro.
- Despite the significant increase in revenue, average headcount during the year rose by a modest 2.1 per cent. to 886 from 868 in 2010.
- The UK made the greatest positive swing of £3.01 million year-on-year in underlying profit. This was due to the restructuring initiatives that were implemented in the previous years and the steady revenue growth being achieved within the UK.

Separately disclosed items:

- Restructuring cost items of £0.80 million comprised £0.63 million of costs involved in moving Trifast's Chinese manufacturing plant in Suzhou from the 'free trade zone' into the local premises of one of Trifast's strategic alliance partners, thereby cutting down on overheads, whilst at the same time increasing the capacity to serve the local markets more profitably. The remaining £0.17 million relates to 'rightsizing' the Group's portfolio of UK properties in order to match the size of the properties with the needs of the on-going operations.

- The adjusted diluted Earnings per Share (EPS), which in the Directors' opinion best reflects the underlying performance of Trifast, increased significantly from 0.07p in 2010 to 3.03p.

4.5 *Significant events impacting on the six months to 30 September 2011 results*

- Group revenue increased half-on-half by seven per cent. to £55.44 million (HY2010: £52.04 million). Europe's revenue was up 19 per cent. and whilst Asia's revenue on a like for like basis remained flat, it reported a 10 per cent. improvement over its sales performance achieved in the second half of the year ended 31 March 2011.
- Gross margins increased 1.1 percentage points over the second half period ended 31 March 2011 bearing witness to the early impact of the contract price increases and improved sourcing initiatives.
- Return on Capital Employed (ROCE) broke into double digits at 10.3 per cent. (FY 2011: 8.7 per cent.).

5. Tax

The effective tax rates were as follows:

	<i>Year ended 31 March</i>			<i>Six months ended 30 September</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
Effective Tax Rate (ETR)	(4.7%)	22.1%	34.9%	21%	28.8%

In 2009 despite Trifast making pre-tax losses of £11.00 million, there was a tax charge of £0.52 million. This was due to the non-tax deductibility of the significant impairments made during the year. All of the current tax charge related to overseas operations.

In 2010, Trifast had a tax credit of £0.62 million, which reflected the increase in TR Fastenings Limited's deferred tax asset in relation to brought forward losses.

In 2011, Trifast had a tax charge of £0.88 million, of which all of the current tax related to overseas operations. Trifast's blended tax rate based on geographical tax regimes was 20 per cent. The majority of the difference between this rate and the ETR was potential 'deferred tax assets' of £0.33 million that could not be recognised. Of this, the majority related to losses and the move costs of the Chinese manufacturing plant from the 'free trade zone' in Suzhou; and excluding these costs the ETR would have been 26.8 per cent.

6. Cash position and financing

6.1 *Year to 31 March 2009*

In 2009 the Group operating cash flow before tax was £5.91 million. This was as a result of a conscious stock reduction programme by the Board, particularly in the second half of the year to reflect the current down turn in the economy and the continual tight control over receivables. During the year, Trifast's net debt position remained relatively constant at £8.40 million; however given the reduced level of profits in the second half of the year, net interest cover, on a pre one-off separately disclosed items basis, dropped from 8.9 times to 5.7 times. The key cash flow items in the year were:

- Reduction in trade receivables and trade payables to align the business with the reduction in the demand during the second half of the year. This generated a net £2.23 million cash flow;
- Reduction in stock generated £2.75 million;
- Capital expenditure reduced from £1.11 million in 2008 to £0.73 million in 2009 as the Board took on a leaner view on its capital expenditure requirements; only investing for legal, health & safety requirements or for genuine cash-generating opportunities;
- £3.00 million was identified as a cash outflow from the one-off separately disclosed items, of which £1.20 million was incurred during 2009;

- (e) During the year £2.73 million was repaid on outstanding acquisition loans; and
- (f) Total dividends paid out during the year to Shareholders amounted to £2.38 million (final 2008 £1.59 million; interim 2009 £0.79 million).

6.2 *Year to 31 March 2010*

In 2010 the Group operating cash flow before tax was £3.91 million; the continual reduction in stock of £3.75 million during the year being the main driver. Net debt improved significantly from £8.40 million in 2009 to £4.68 million as at 31 March 2010 and net interest cover, on pre one-off separately disclosed items basis, improved from 5.7 times to 14.2 times. The key cash flow items in the year were:

- (a) Reduction in stock generated £3.75 million.
- (b) In February 2010 the Group's banking facilities were changed. The existing Gross debt of £14.82 million was repaid and the overdraft facility of £6.00 million cancelled; replacing these were a three-year Asset Based Lending Agreement (ABLA) facility of £13.50 million (as at March 2010, £7.22 million was utilised), a bridging loan of £2.00 million and a term loan of £4.00 million (as at 31 March 2010 the amount outstanding was £4.88 million). This resulted in a Gross debt reduction of £2.72 million.
- (c) The sale of the Trifast associate Techfast Holding Bhd. generated £0.33 million of cash.
- (d) The cash paid out on the one-off separately disclosed items during the year was £2.61 million, which reflected the underlying cash generation of £6.52 million.
- (e) Capital expenditure was low at £0.22 million.

6.3 *Year to 31 March 2011*

In 2011 the Group operating cash flow before tax was (£1.05 million), the main driver for this being the increase in stock, which was required to support the growth in the business. This in turn resulted in the net debt rising in the year to £7.14 million. The net interest cover, on a pre one-off separately disclosed items basis, reduced from 14.2 times to 9.5 times as a result of the increased net debt and higher interest and banking charges. The key cash flow items in the year were:

- (a) An increase in stock required £4.68 million of cash to support the growth in the business.
- (b) The cash paid out on the one-off separately disclosed items was £0.90 million during the year, which reflected a true underlying use of cash of £0.15 million.
- (c) Capital expenditure in the year was £0.30 million.
- (d) Trifast's bridging loan of £2.00 million was fully repaid in October 2010 and in November 2010 Trifast's outstanding term loan of £3.00 million, which originally had a provisional repayment date of December 2010 was extended to December 2012. As at 31 March 2011, Trifast's term loan was £2.33 million. Trifast's gross debt increased by £2.18 million reflecting the additional borrowing required on the ABLA facility in the UK to support the increased business. Gearing remained low at 16.7 per cent.

6.4 *Six months to 30 September 2011*

The operating cash flow before tax for the period was £0.34 million reflecting the increase in stock, and the net debt of £7.64 million was up slightly from £7.14 million as at 31 March 2011. The net interest cover increased to 10.3 times (FY 2011: 9.5 times) reflecting the increasing profitability of the Group. The key cash flow items in the period were:

- (a) An increase of stock of £2.45 million;
- (b) Capital expenditure in the period of £0.22 million;

- (c) The Group's bank asset-based lending facility was increased by £1.68 million to £15.8 million and interest rates reduced by 0.5 per cent.; and
- (d) Gearing rose slightly to 17.3 per cent. (FY 2011: 16.7 per cent.).

7. Banking arrangements

7.1 UK Bank Facilities

The terms of the Current Bank Facility are summarised at paragraph 7(i) of Part X of this document.

The current facility available to Trifast is as follows:

A term loan of £4.00 million with HSBC Bank plc ("Facility B"). The loan is repayable by four quarterly instalments of £0.33 million each year. As at 30 September 2011 the total amount outstanding was £1.67 million.

A term loan of £2.00 million with HSBC plc ("Facility A") was also made available to Trifast in February 2010, and this was repaid in full in October 2010.

In addition, the current facilities available to the UK subsidiaries of Trifast are as follows:

- An Asset Based Lending Agreement (ABLA) relating to £15.80 million of multi-currency facilities with HSBC Invoice Finance (UK) Limited. The ABLA Facilities are made available to the following members of the Group:
 - TR Fastenings Limited (up to a sub limit of £13.50 million);
 - TR Fastenings Limited – separately secured over assets of Trifast (up to a sub limit of £1.80 million); and
 - Lancaster Fastener Company Limited (up to a sub limit of £0.50 million).

<i>Date</i>	<i>Description</i>	<i>Limit</i>	<i>Rate</i>	<i>Term</i>
24 February 2010	HSBC Term Facility A	£2.00m	4.00% over Base	12 months; fully repaid October 2010
24 February 2010; (amended 14 January 2011)	HSBC Term Facility B	£4.00m	3.75% over LIBOR	3 years; final repayment December 2012
24 February 2010	HIF ABLA - Inventory	£4.00m	2.50% over Base	3 years
24 February 2010	HIF ABLA - Property	£1.80m	2.00% over Base	5 years
24 February 2010	HIF ABLA - Receivables	£10.00m	2.00% over Base	3 years

The Current Bank Facility is reviewed on an annual basis to ensure that it is sufficient for the Group's requirements. The Current Bank Facility will next be reviewed in July 2012.

The Term Loan is secured by corporate guarantees and debentures over the Group's UK, Singapore and Swedish entities. On the acquisition of PSEP, HSBC has agreed to release the security over the Singapore entities.

The ABLA facility is secured over the receivables and stock of the UK entities and the property of Trifast.

The current term facilities are subject to quarterly covenant testing as follows:

- Interest cover: underlying EBITDA to net interest to exceed a ratio of three.
- Cash flow cover: adjusted cash flow to debt service to exceed a ratio of one.

7.2 *Other Facilities*

- TR Fastenings AB (Sweden) has a working capital facility of SEK2.00 million with Svenska Handelsbanken AB.
- TR Formac Pte Limited (Singapore) has an overdraft facility of S\$0.5 million with DBS Bank.
- TR Norge AS (Norway) has an overdraft facility of NOK1.00 million with DnBNOR Bank.
- TR Miller Holding B.V. (Holland) has an overdraft facility of €0.06 million with ABN-AMRO Bank.

In conjunction with the Acquisition, DBS has conditionally agreed to provide the Bank Facility. The Bank Facility comprises a five year term loan of up to S\$16.00 million at a fixed interest rate of 3.14 per cent. per annum. The loan is repayable by four quarterly instalments of up to S\$0.80 million each year. The facility is subject to quarterly testing on the Asian Group as follows:

- Tangible net worth to exceed S\$20 million
- Consolidated Tangible net worth to exceed S\$35 million
- Net Debt to EBITDA to be less than a ratio of two
- Debt Service cover to exceed a ratio of 1.2 times

All terms of the Bank Facility are agreed except for the interest rate on the STL Facility and the SBLC which will be agreed at drawdown if the Company uses either facility. The terms of the Bank Facility are summarised at paragraph 7(iii) of Part X of this document.

The Group holds cash in the following currencies: US dollar, Euro, Pound Sterling, New Taiwanese dollar, Swedish Krone, Malaysian Ringgit, Chinese RMB, Singapore dollar, Hungarian HUF, Norwegian Krone, Indian Rupees and Japanese Yen. In respect of Treasury Management, the Company's policy is to monitor exchange rates and buy and sell currencies in order to minimise the open exposure to foreign exchange risk. Where possible, cash pooling has been arranged to maximise the use of total cash resources and reduce interest payments.

Trifast expects to continue to satisfy its funding requirements, other than for the Acquisition, from its existing cash balances, cash generation within its business and from external debt.

8. **Accounting policies**

The financial statements for the years ended 31 March 2009, 2010 and 2011 and the half-yearly reports ended 30 September 2010 and 2011 have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU.

9. **Corporate activities**

Trifast purchased the entire share capital of Keba Limited (Turkey) in February 2006 and a 25 per cent. shareholding in Techfast Holdings Bhd (Malaysia) in November 2006. In March 2008, TR France SARL was wound up on a voluntary basis. In March 2009, Keba Limited was sold back to Keba's management team and in September 2009 Trifast sold its 25 per cent. shareholding in Techfast Holdings Bhd. Since 2009 the Group has been concentrating on its major restructuring plans, which are now complete. During this period the Directors have been actively reviewing various acquisition possibilities but have maintained a cautious approach to fulfilling Trifast's strategic requirements and high expectations. The Directors believe that the Group is now well positioned to make the proposed acquisition of PSEP and will continue to consider further propositions.

PART VIII

PRO FORMA FINANCIAL INFORMATION

PART A: ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

KPMG Audit Plc
15 Canada Square
London
E14 5GL

The Directors
Trifast plc
Trifast House
Bellbrook Park
Uckfield
TN22 1QW

16 November 2011

Dear Sirs,

Trifast plc (“Trifast”)

We report on the pro forma financial information (the ‘Pro forma financial information’) set out in Part VIII of the combined Class 1 circular and prospectus dated 16 November 2011, which has been prepared on the basis described in Part B, for illustrative purposes only, to provide information about how the proposed acquisition of Power Steel and Electro-plating Works Sdn. Bhd. (“PSEP”) and the Placing might have affected the financial information presented on the basis of the accounting policies adopted by Trifast in preparing the financial statements for the period ended 31 March 2011. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Service Authority and paragraph 20.2 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with those paragraphs and for no other purpose.

Responsibilities

It is the responsibility of the Directors of Trifast to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Service Authority and paragraph 20.2 of Annex I of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the date of their issue.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rules 13.4.1R(6) and paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the combined Class 1 circular and prospectus.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Reporting issued by the Auditing Practices Board of the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors of Trifast.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Trifast.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Trifast.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG Audit Plc

PART B: UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma statement of net assets and income statement (the ‘unaudited pro forma financial information’) has been prepared in order to meet the requirements of the Prospectus Directive Regulation, the associated guidance issued in the Committee of European Securities Regulators’ (which has officially become the European Securities and Markets Authority (ESMA) on 1 January 2011) recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses no. 809/2004, and in accordance with item 13.3.3 of the Listing Rules.

The unaudited pro forma financial information has been prepared to illustrate the effect of the acquisition of PSEP and the Placing on the net assets of Trifast as if they had taken place at 30 September 2011 and on the results of Trifast as if they had taken place at 1 April 2010. This unaudited pro forma financial information has been prepared for illustrative purposes and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Enlarged Group’s actual financial position or results.

The financial information on which the pro forma financial information is based has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and on the basis of the accounting policies of Trifast.

Pro forma statement of net assets

	<i>Pro forma adjustments</i>				
	<i>Trifast as at 30 September 2011 (Note 1)</i>	<i>PSEP as at 31 August 2011 (Note 2)</i>	<i>Placing (Note 3)</i>	<i>Acquisition (Note 4)</i>	<i>Enlarged Group (Note 5)</i>
<i>All figures in £'000</i>					
Non-current assets					
Property, plant and equipment	6,649	6,069	–	–	12,718
Intangible assets	16,365	–	–	2,386	18,751
Equity investments	–	–	–	–	–
Deferred tax assets	1,980	–	–	–	1,980
Total non-current assets	<u>24,994</u>	<u>6,069</u>	<u>–</u>	<u>2,386</u>	<u>33,449</u>
Current assets					
Stocks	27,414	3,823	–	–	31,237
Trade and other receivables	24,910	2,244	–	–	27,154
Cash and cash equivalents	6,324	3,675	7,166	(6,548)	10,617
Total current assets	<u>58,648</u>	<u>9,742</u>	<u>7,166</u>	<u>(6,548)</u>	<u>69,008</u>
Total assets	<u>83,642</u>	<u>15,811</u>	<u>7,166</u>	<u>(4,162)</u>	<u>102,457</u>
Current liabilities					
Bank overdraft	19	–	–	–	19
Other interest-bearing loans and borrowings	13,612	373	–	1,500	15,485
Trade and other payables	20,444	1,411	–	1,449	23,304
Tax payable	1,389	106	–	–	1,495
Provisions	640	–	–	–	640
Total current liabilities	<u>36,104</u>	<u>1,890</u>	<u>–</u>	<u>2,949</u>	<u>40,943</u>

Pro forma adjustments

<i>All figures in £'000</i>	<i>Trifast as at 30 September 2011 (Note 1)</i>	<i>PSEP as at 31 August 2011 (Note 2)</i>	<i>Placing (Note 3)</i>	<i>Acquisition (Note 4)</i>	<i>Enlarged Group (Note 5)</i>
Non-current liabilities					
Other interest-bearing loans and borrowings	333	526	–	6,000	6,859
Provisions	2,702	143	–	–	2,845
Deferred tax liabilities	259	617	–	–	876
Total non-current liabilities	<u>3,294</u>	<u>1,286</u>	<u>–</u>	<u>6,000</u>	<u>10,580</u>
Total liabilities	<u>39,398</u>	<u>3,176</u>	<u>–</u>	<u>8,949</u>	<u>51,523</u>
Net assets	<u>44,244</u>	<u>12,635</u>	<u>7,166</u>	<u>(13,111)</u>	<u>50,934</u>

Notes to unaudited pro forma statement of net assets

- (1) Figures shown as at 30 September 2011 of Trifast have been extracted, without material adjustment, from Trifast's 2011 unaudited half-yearly report and are incorporated by reference herein. This information has been made public and can be accessed by visiting Trifast's website at www.trifast.com.
- (2) Figures shown as at 31 August 2011 of PSEP have been extracted, without material adjustment and converted on the basis of the following conversion rate GBP:RM4.9, from the historical financial information in Part VI of this document. The proforma presentational currency of GBP is not part of PSEP's or Trifast's accounting policies.
- (3) Figure represents the estimated net Placing proceeds of £7,166,000.
- (4) Figures reflect Acquisition adjustments. The combination has been accounted for as an acquisition in accordance with IFRS 3. The pro forma net assets statement does not give effect to fair value adjustments to net assets arising from the purchase price being greater than the book value of the net assets acquired. The pro forma purchase price premium has been attributed to intangible assets, being the difference between the consideration payable (£15,021,000) less PSEP's net assets at 31 August 2011 (£12,635,000), and no pro forma amortisation nor impairment charge has been applied to the goodwill balance (£2,386,000) in the period presented. The fair value adjustments, when finalised post-acquisition, may be material.

£6,548,000 net cash outflow (£7,500,000 loan (SGD 15,000,000 converted on the basis of the following conversion rate GBP:SGD 2), less Acquisition payments of £13,572,000 (being £15,021,000 consideration, less £1,449,000 deferred consideration), less other transaction costs of £401,000 (being stamp duty, accounting and legal fees), and less bank arrangement fees of £75,000 in relation to the new loan facility).

£7,500,000 loan facility relating to the Acquisition (£1,500,000 loan payable within 1 year and £6,000,000 after 1 year).

£1,449,000 trade and other payables being deferred consideration assuming there are no claims under the warranty and indemnity terms in the Acquisition Agreement.

- (5) No account has been taken of trading or other transactions of Trifast or its subsidiaries since 30 September 2011 and of PSEP since 31 August 2011.

Pro forma consolidated income statement

	<i>Pro forma adjustments</i>			
	<i>Trifast</i> <i>year ended</i> <i>31 March</i> <i>2011</i> <i>(Note 1)</i>	<i>PSEP</i> <i>year ended</i> <i>31 August</i> <i>2011</i> <i>(Note 2)</i>	<i>Acquisition</i> <i>and Placing</i> <i>(Note 3)</i>	<i>Enlarged</i> <i>Group</i> <i>(Note 4)</i>
<i>All figures in £'000</i>				
Revenue	106,089	12,806	–	118,895
Cost of sales	(79,368)	(9,244)	–	(88,612)
Gross profit	<u>26,721</u>	<u>3,562</u>	<u>–</u>	<u>30,283</u>
Other operating income	207	198	–	405
Distribution expenses	(1,941)	(319)	–	(2,260)
Administrative expenses before separately disclosed items	(20,660)	(1,037)	–	(21,697)
– IFRS2 (charge)/credit	(189)	–	–	(189)
– Intangible amortisation	(261)	–	–	(261)
– Restructuring costs	(801)	–	–	(801)
– Transaction costs	–	–	(401)	(401)
Total administrative expenses	<u>(21,911)</u>	<u>(1,037)</u>	<u>(401)</u>	<u>(23,349)</u>
Operating profit	3,076	2,404	(401)	5,079
Financial income	27	50	–	77
Financial expenses	(581)	(69)	(262)	(912)
Net financing costs	<u>(554)</u>	<u>(19)</u>	<u>(262)</u>	<u>(835)</u>
Profit/(loss) before tax	2,522	2,385	(663)	4,244
Taxation	(879)	(597)	–	(1,476)
Profit/(loss) for the period (attributable) to equity shareholders of the parent company)	<u>1,643</u>	<u>1,788</u>	<u>(663)</u>	<u>2,768</u>

Notes to pro forma consolidated income statement

- Figures shown for the year ended 31 March 2011 of Trifast have been extracted, without material adjustment, from Trifast's 2011 audited Annual Report which are incorporated by reference herein. This information has been made public and can be accessed by visiting Trifast's website at www.trifast.com.
- Figures shown for the year ended 31 August 2011 of PSEP have been extracted, without material adjustment and converted on the basis of the following conversion rate GBP:RM4.9, from the historical financial information in Part VI of this document. The proforma presentational currency of GBP is not part of Trifast's or PSEP's accounting policies.
- Other transaction costs of £401,000 (being stamp duty, accounting and legal fees) and interest expenses of £262,000 (interest at a 3.1 per cent. fixed rate on the new loan facility of £7,500,000 (being £233,000 p.a.), bank arrangement fees of £75,000 amortised over five years (being £15,000 p.a.) and 1 per cent. interest rate on the deferred consideration assuming there are no claims under the warranty and indemnity terms in the Acquisition Agreement relating to the deferred consideration (being £14,000 p.a.).
- No account has been taken of trading or other transactions of Trifast or its subsidiaries since 31 March 2011 and of PSEP since 31 August 2011.

PART IX

DIRECTORS, EMPLOYEES AND CORPORATE GOVERNANCE

1. Directors

The Directors of the Company and their respective functions are as follows:

*Malcolm Diamond MBE (Executive Chairman) **

*Jim Barker (Chief Executive Officer) **

Mark Belton (Group Finance Director)

Geoff Budd (Group Commercial Director)

Seamus Murphy (Director of Operations)

Glenda Roberts (Group Sales Director)

*Neil Chapman (Senior Independent Non-Executive Director) *^A#*

*Jonathan Shearman (Independent Non-Executive Director) *^A#*

^A Member of the Audit Committee

Member of the Remuneration Committee

* Member of the Nominations Committee

The business address of each of the Directors is Trifast House, Bellbrook Park, Uckfield, TN22 1QW.

2. Relevant expertise and experience of Directors

Malcolm Diamond MBE, Executive Chairman

Malcolm was appointed as Chairman to the Board on 18 March 2009 having previously retired from Trifast in 2002 following a successful career spanning nearly 20 years with the Company as CEO. He was the principal driver of Trifast's founding strategic development, led the PLC listing on the London Stock Exchange in 1994, and achieved Trifast's objectives of improving market penetrations and a strong global presence. Malcolm is now responsible for investor relations, and supporting with mentoring marketing, plus revising Trifast's USA business plan and directing its implementation.

Jim Barker, Chief Executive

Jim initially spent 10 years working with Trifast before leaving to form Fastener Techniques which was subsequently acquired by Trifast in 1993. Jim joined the Board in 1995 as Purchasing Director before playing a major role in overseeing the development of the Group's Far East and Scandinavian businesses. He was appointed Chief Executive in April 2002 until his retirement in 2007 and during this time guided the successful development of Trifast.

Jim was reappointed as CEO to the Board on 18 March 2009. He is focused on direct interaction with Trifast's key country and regional team leaders responsible for sales, purchasing and sourcing in order to sustain the strategic business recovery plan instigated in April 2009.

He is also Chairman of The British Association of Fastener Distributors and a member of the CBI South-East Council.

Mark Belton, Group Finance Director

Mark was appointed to the Board on 16 June 2010, and he is responsible for all aspects of Group finance, Company Secretariat and provides support to Trifast operations. Mark qualified as a Chartered Accountant at KPMG in 1994 and joined Trifast in 1999. He was promoted to Group Accountant in 2000 and European Financial Controller in 2003. Mark became Group Financial Controller and Company Secretary in 2004, and joined the European Operating Board in 2006.

Geoffrey Budd, Group Commercial Director

Geoff joined Trifast in 1976 and was appointed Executive Member of the Board in 1986. He has extensive knowledge of the industry, and European and Asian markets. Geoff was recently reappointed Managing Director of Trifast as well as fulfilling the role of Group Commercial Director. He is currently heading up Trifast's "product focused sales" strategy drive. Previously Geoff has been responsible for Group Manufacturing and Asia business, and has also held a number of management positions in sales and purchasing.

Seamus Murphy, Director of Operations

Seamus was appointed to the Board on 16 June 2010. He is responsible for the on-going development and strategic direction of Trifast's European and US businesses with the objective of maximizing operational efficiencies across the network. Seamus joined Trifast as part of the Serco Ryan acquisition in 2005, taking on the role of European Purchasing and IT Director within Trifast. He is a qualified accountant with extensive commercial experience gained over 20 years in multi-site distribution; 10 years as Finance Director at Serco Ryan, prior to the business being acquired by Trifast, and seven years with British Steel Distribution.

Glenda Roberts, Group Sales Director

Glenda was appointed to the Board on 16 June 2010 and her key focus is the further enhancement of the sectors, in particular IT/Electronics, and in the BRICS countries on new business development. She has more than 30 years experience in the fastenings industry, from manufacture through to distribution. Glenda has been with Trifast for 21 years as the Global Account Director for eight years and in 2010 she took on the role as Group Sales Director. She has extensive experience in working with the multinationals globally, and has spent time working in China, Eastern Europe, Mexico and India as the newer markets emerged. The knowledge and skills she has gained in this time enabled her to re-launch Trifast's sales strategy in 2009, and refocus the Sales team into the areas and industry sectors.

Neil Chapman, Senior Independent Non-Executive Director

Neil was appointed on 24 March 2009 as senior independent Non-Executive Director and Chairman of the Company's Audit Committee and Nominations Committee. He is a former Senior Partner of KPMG's South East region, and has extensive experience across a variety of disciplines and sectors including technology, commercial and industrial products. Other current roles include: Group Finance Director of Endeavour Holdings Ltd and Managing Director of Rivervale Cars Ltd.

Jonathan Shearman, Independent Non-Executive Director

Jonathan was appointed on 1 July 2009 as an independent Non-Executive Director and Chairman of the Company's Remuneration Committee. He has extensive City experience having worked within the stock broking and investment community for 15 years. Jonathan has other current consultancy roles in Investment Banking, IT and the charitable sector.

3. Key individuals important to PSEP's business

Foo Poh Wah (Mr Foo)

Mr. Foo is the CEO of PSEP. He founded PSEP in 1972 and began operations manufacturing standard bolts and screws in 1973. Since then, under his guidance, the Company now supplies customised precision fasteners to automakers, tiers one to three OEM automotive sectors and compressor manufacturers. Mr. Foo has extensive fastener experience which he has acquired during a career that has spanned 54 years. Mr. Foo intends to retire from PSEP at the conclusion of the Acquisition.

Foo Yet Loong (Charlie)

Charlie started his career with PSEP in 1973 supervising the manufacturing plant. He worked his way through the ranks to become an Executive Director, a post that he currently holds. Charlie has extensive knowledge of the fastener industry and has in his time overseen business development, sales, engineering

and design. Charlie has committed to continue to work for PSEP for at least a further three years following the completion of the Acquisition.

Foo Phaik San (Eleanor Lip)

Eleanor joined PSEP in 1989 and currently holds the position of Director of Corporate Affairs, with specific responsibilities in finance, personnel, purchasing, quality and management information systems. Prior to this she has worked for companies in or involved with the pharmaceutical industry.

Low Lik San

Low Lik San is PSEP General Manager and has held this post since February 2011. Prior to this he has had 10 years experience at a senior level within other companies involved with the automotive sector. His overall experience in this industry spans 25 years.

4. Directors' appointments

Listed below are the names of companies and partnerships (other than Trifast and subsidiary undertakings of Trifast) of which the Directors are or were directors or partners at any time in the previous five years. Where the relevant Director no longer holds such post, the date of the relevant resignation is listed next to the company/partnership.

<i>Director</i>	<i>Company</i>	<i>Date of cessation (where relevant)</i>
Malcolm Diamond	Unicorn AIM VCT 11 Investment Fund	December 2009
	Jacksons Fencing Ltd	August 2007
	My Marketing Ltd	March 2009
	Dechra Pharmaceuticals Plc	November 2010
	Bluesky Partnership	March 2011
	Unicorn AIM VCT 1 and 11 (merged Board)	
	CWO Ltd	
Jim Barker	Cathedral Works Organisation Ltd	
	None	
Mark Belton	None	
Geoff Budd	None	
Seamus Murphy	None	
Glenda Roberts	None	
Neil Chapman	Endeavour Holdings Ltd	
	Key Frames Ltd	
	Rivervale Cars Ltd	
	Victoria Road Service & MOT Ltd	
	Rivervale of Brighton Ltd	
	Rothbury Services Ltd.	
	Jonathan Shearman	A>D Ltd
	AmorethanD Ltd	
	Jubilee Asset Management Ltd	
	Christian Centre Nottingham (company and charitable body)	
	T Street Ltd	
	Cathcon Trust (charity)	

None of the Directors has in the previous five years:

- (a) been convicted of any fraudulent offence or been declared bankrupt;
- (b) been a director of any company which has been placed in receivership or liquidation;

- (c) been a partner in any partnership which has been placed in receivership or liquidation; or
- (d) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and has not been disqualified by a court from acting as member of the administrative, management or supervisory bodies of the Company or from acting in the management or conduct of the affairs of any company.

In the case of those Directors who have roles as directors of companies which are not a part of the Enlarged Group (as described in this paragraph 4), although there are no current conflicts of interest, it is possible that the fiduciary duties owed by those Directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Enlarged Group. Subject as aforesaid, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private interests and/or duties to third parties.

Save for the Directors the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

5. Employees of Trifast

<i>Employees by geographical location:</i>	<i>As at 31 March</i>			<i>As at 30 September</i>	
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
UK	462	415	415	409	419
Mainland Europe/USA	110	112	111	108	108
Asia	340	343	354	368	333
Total	<u>912</u>	<u>870</u>	<u>880</u>	<u>885</u>	<u>860</u>
Average number in the year	<u>1,039</u>	<u>868</u>	<u>886</u>	<u>878</u>	<u>867</u>

6. Audit Committee

The Audit Committee of the Board consists of Neil Chapman as Chairman and Jonathan Shearman. It is responsible for ensuring that the financial performance of the Group is properly measured and reported on and it achieves this through regular reviews of financial reports, contact with external auditors and questioning of key financial staff. It reviews external auditors' reports relating to financial reporting and control matters. It is also responsible for ensuring the ongoing objectivity and independence of external auditors and achieves this by reviewing and approving audit scope and fees as well as the level of non-audit work carried out by the Group's auditors.

The Audit Committee's terms of reference includes all matters indicated by Disclosure and Transparency Rule 7.1 and the Combined Code.

7. Remuneration Committee

The Remuneration Committee consists of Jonathan Shearman as Chairman and Neil Chapman. It is responsible for setting the remuneration of executive Directors, for establishing and monitoring the level and structure of senior management's remuneration and for the operation of the Group's share option schemes.

The Remuneration Committee's terms of reference include all matters indicated by the Combined Code.

8. Corporate Governance

The Board is committed to principles of good corporate governance and the Directors are satisfied that the Company, as at the date of this document and as at 31 March 2011 being the last published set of annual report and accounts, complies with the UK Corporate Governance Code (the "Combined Code") save for provision A.3.1. Provision A.3.1 of the Combined Code requires that the Chairman should meet the independence criteria on appointment and that a chief executive should not go on to be a Chairman of the same company. The current Chairman, Malcolm Diamond, holds an executive position, and was previously

the chief executive officer of Trifast, and therefore on his appointment he did not meet this requirement. However, the Board believes that as Malcolm sits as Chairman and as a Non-Executive Director in other companies, his experience from these appointments and his previous knowledge of Trifast is invaluable, and can be best delivered through the position of Chairman.

8.1 *The Board*

The Company has a Chairman and Chief Executive, each having his own separate responsibilities. The Chairman is responsible for the effective working of the Board and the Chief Executive is responsible for all operational matters.

The Board, which is constituted to have a balance between executive and non-executive Directors and includes a nominated senior independent non-executive Director, Neil Chapman, meets regularly throughout the year. The members of the Board and their respective roles are described on pages 67 to 69 of this document. Neil Chapman and Jonathan Shearman are considered to be independent non-executive Directors. Non-executive Directors hold meetings at which the executive Directors are not present.

The Board meets at least five times per year to deal with matters specifically reserved for its decision. These matters include agreeing and monitoring strategic plans and financial targets, major decisions on resource, overseeing management of the Company in the interest of the Shareholders, ensuring processes are in place to manage major risks, corporate governance issues, litigation and reporting to Shareholders. The executive managers of the business make day-to-day operating decisions to ensure proper management of the Company's business and implement the Board's approved strategy to deliver operational performance. They recommend strategy and plans to the Board, make routine decisions on resources and ensure that adequate operational and financial controls are in place.

All Directors have full and timely access to information to assist them in performing their duties, to independent professional advice and to the services of the Company Secretary, who is responsible to the Board for ensuring adherence to Board procedures and compliance with applicable rules and regulations. All Directors are covered by appropriate insurances for legal action which may be taken against them relating to the performance of their duties as a Director.

8.2 *Appointment of Directors*

The appointment of Directors is overseen by the Nominations Committee. Its members are Neil Chapman, as Chairman, Jonathan Shearman, Malcolm Diamond and Jim Barker.

8.3 *Board performance appraisal*

Individual performance evaluation of executive Directors other than the Chief Executive and Chairman is carried out by the Chief Executive and the results reviewed with the Chairman and the Remuneration Committee. Evaluation of the Chief Executive's and Chairman's performance is carried out by the non-executive Directors. Non-executive Directors are appraised by the Chairman taking account the views of the executive Directors.

The Board as a whole addresses its overall performance as a body and those of its committees at least annually.

8.4 *Re-election of Directors*

A minimum of one third of the Directors retire by rotation annually and each Director is subject to re-election at the first opportunity after their appointment and thereafter at least every three years.

8.5 *Internal financial control and reporting*

The Directors are responsible for the Group's system of internal controls and as such have put in place a framework of controls to ensure that the ongoing financial performance is measured in a timely and correct manner and that risk is identified as early as is practicably possible. There is a comprehensive

budgeting system and monthly management accounts are prepared which compare actual results against both the budget and the previous year. They are reviewed and approved by the Board.

8.6 *Operational control, compliance and risk management*

The Group operates comprehensive procedures for identifying and considering significant business risks. These involve regular formal risk consideration at operational reviews undertaken by the Board.

The Group's system of internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance that financial information is relevant, reliable and accurate and that the Group's assets are correctly accounted for and adequately safeguarded.

8.7 *Relations with Shareholders*

The Company reports to Shareholders twice a year. The Company despatches the notice of its annual general meeting, together with a description of the items of special business, at least 21 days before the meeting. Each substantially separate issue is the subject of a separate resolution and all Shareholders have the opportunity to put questions at the annual general meeting. The senior independent non-executive Director and the chairmen of the Audit and Remuneration Committees normally attend the annual general meeting and will answer questions which may be relevant to their work. The Chairman advises the meeting of the details of proxy votes cast on each of the individual resolutions after they have been voted on in the meeting.

The Chairman and the non-executive Directors seek to maintain a good and continuing understanding of the Shareholders' objectives and views.

9. **Directors' service agreements and remuneration**

9.1 *Executive Directors*

Each of the executive Directors is employed under a service contract which provides for six months' notice of termination to be given by either party, extended to twelve months to the Director in the event of a change in control. Details of when each Director started his employment with the Company can be found in paragraph 2 in this Part IX.

The following are the details of the current benefits and emoluments made available to the executive Directors under their engagement terms with the Company:

<i>Name of Director</i>	<i>Date of Contract</i>	<i>Salary £'000</i>	<i>Benefits in kind £'000</i>	<i>Pension £'000</i>	<i>Total £'000</i>
M Diamond	18 March 2009	190	13	–	203
J Barker	18 March 2009	220	13	–	233
M Belton	16 June 2010	130	13	26	169
G Budd	16 April 2003	150	14	30	194
S Murphy	16 June 2010	120	13	24	157
G Roberts	16 June 2010	120	12	24	156

In addition, all executive Directors are entitled to the following benefits:

- (a) Private medical insurance for the executive, his wife and children;
- (b) Company car (fully expensed) or an equivalent car allowance; and
- (c) Death in service benefit.

With respect to pensions, Mark Belton, Geoff Budd, Seamus Murphy and Glenda Roberts are members of the Company's non-contributory pension plan. This is a HMRC approved defined contribution scheme. The rate of Company contribution to this scheme is 20 per cent. of basic salary. Malcolm Diamond and Jim Barker do not participate in the Company pension plan.

As at 15 November 2011, being the latest practicable date prior to the publication of this document, the Directors have been granted outstanding options over Ordinary Shares (such options being granted for nil consideration) under the Share Option Schemes as follows:

<i>Name of Director</i>	<i>Number of outstanding Options</i>	<i>Scheme</i>	<i>Option Price (pence)</i>	<i>Date granted</i>
M Diamond	2,000,000	2009 Plan	8.5	30 September 2009
J Barker	2,000,000	2009 Plan	8.5	30 September 2009
M Belton	500,000	2009 Plan	8.5	30 September 2009
M Belton	53,382	SAYE Scheme	17.0	1 October 2009
G Budd	500,000	2009 Plan	8.5	30 September 2009
G Budd	53,382	SAYE Scheme	17.0	1 October 2009
S Murphy	200,000	2009 Plan	8.5	30 September 2009
G Roberts	250,000	2009 Plan	8.5	30 September 2009

The executive options (referred to in the table above as the “2009 Plan”) were granted on 30 September 2009. They are exercisable between September 2012 and September 2019 at an exercise price of £0.085 per share.

The SAYE options (referred to in the table above as the “SAYE Scheme”) were granted on 1 October 2009. They are exercisable between 1 October 2012 and 31 March 2013 at an exercise price of £0.17 per share.

9.2 *Non-executive Directors*

The fees currently paid to the non-executive Directors are set out below. The fees are determined by the Board as a whole and reviewed against market levels on an annual basis. Each independent Non-Executive Director is on an annual 12 month contract which is reviewed each year. The original signing dates are set out below. All Non-Executive Directors have three month notice periods extending to six months in the event of a change in control. The remuneration of Non-Executive Directors is not performance related and is not pensionable. The only other payments made to the non-executive Directors are mileage allowances at HM Revenue & Customs approved rates and expenses for items incurred during the fulfilment of their roles.

<i>Name of Director</i>	<i>Date of Contract</i>	<i>Current Annual Fees £'000</i>	<i>Other Benefits (including pension)</i>
N Chapman	24 March 2009	48	–
J Shearman	1 July 2009	42	–

In addition Neil Chapman was also granted outstanding options over 150,000 ordinary shares pursuant to the Company’s executive Share Option Scheme (the 2009 Plan) on 30 September 2009. They are exercisable between September 2012 and September 2019 at an exercise price of £0.085 per share. As at 15 November 2011, being the latest practicable date prior to the publication of this document, these were the only outstanding options granted to the non-executive Directors over Ordinary Shares.

9.3 *General*

- (a) The aggregate remuneration paid and benefits in kind under any description whatsoever granted to the Directors by the Company for the financial year ended 31 March 2011 amounted to £1,195,000. There are no specific amounts set aside or accrued by the Company to provide pensions, retirement or general benefits.
- (b) There are no provisions in the executive Directors’ employment contracts or in the non-executive Directors’ letters of appointment with the Group providing for specific benefits arising on termination.

10. Directors' shareholdings and other interests

- (a) As at 15 November 2011, being the latest practicable date prior to the publication of this document, the interests of the Directors and persons connected with the Directors in the share capital of the Company, such interests being those which could with reasonable diligence be ascertained by the Directors, whether or not held through another party, were, and are expected to be, as set out in the following table. The numbers of shares held under options by the Directors under the Share Option Schemes are set out at paragraphs 9.1 and 9.2 of this Part IX.

<i>Director</i>	<i>Existing issued share capital (including interests of connected persons)</i>		<i>Issued share capital immediately following Admission (including interests of connected persons)</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage</i>	<i>Number of Ordinary Shares</i>	<i>Percentage⁽¹⁾</i>
M Diamond	493,800	0.6%	533,800	0.5%
J Barker	473,229	0.6%	573,229	0.5%
M Belton	1,669	0.0%	15,183	0.0%
G Budd	245,955	0.3%	272,982	0.3%
S Murphy	–	–	54,054	0.1%
G Roberts	2,280	0.0%	29,307	0.0%
N Chapman	635,000	0.7%	885,000	0.8%
J Shearman	–	–	–	–%

- (1) On the assumption of no further exercise of options under the Share Option Schemes and on the basis that the Directors take up their Placing Shares under the terms of their Placing Letters.

PART X

ADDITIONAL INFORMATION

1. The Company

- (a) The Company was incorporated under the Companies Act 1948-81 on 6 June 1985 as a private company limited by shares and on 14 January 1994 was re-registered as a public company under the name of Trifast plc.
- (b) The Company's registered office is at Trifast House, Bellbrook Park, Uckfield TN22 1QW, United Kingdom.
- (c) The head office and principal place of business of the Company is Trifast House, Bellbrook Park, Uckfield TN22 1QW, United Kingdom. The telephone number for the registered office of the Company is 01825 747 366.
- (d) The principal legislation under which the Company operates is the Act and the regulations made thereunder.

2. Organisational structure

- (a) Trifast is the ultimate holding company of the Group. The principal trading subsidiaries of the Group that are considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, the financial position and/or the profits and losses of the Group are:

<i>Name</i>	<i>Country of incorporation or registration</i>	<i>Principal activity</i>	<i>Percentage of ordinary shares held Group</i>	<i>Company</i>
Europe				
TR Fastenings Ltd	United Kingdom	Manufacture and distribution	100%	–
TR Southern Fasteners Ltd	Republic of Ireland	Distribution of fastenings	100%	–
TR Norge AS	Norway	Distribution of fastenings	100%	–
TR Miller Holding BV	Holland	Distribution of fastenings	100%	–
Lancaster Fastener Company Ltd	United Kingdom	Distribution of fastenings	100%	–
TR Fastenings AB (formerly known as TR Scandinavia AB)	Sweden	Distribution of fastenings	100%	–
TR Hungary Kft	Hungary	Distribution of fastenings	100%	–
Asia				
TR Asia Investment Holdings Pte Ltd	Singapore	Holding company	100%	–
TR Formac Pte Ltd	Singapore	Manufacture and distribution of fastenings	100%	–
TR Formac (Malaysia) SDN BHD	Malaysia	Manufacture and distribution of fastenings	100%	–
TR Formac (Shanghai) Pte Ltd	China	Distribution of fastenings	100%	–
Special Fasteners Engineering Co Ltd	Taiwan	Manufacture and distribution of fastenings	100%	–
Americas				
TR Fastenings Inc (formerly known as Samson Industries Inc)	USA	Distribution of fastenings	100%	100%

3. Share Capital

- (a) The following table shows the authorised and issued and fully paid share capital of the Company as at the date of this document and as it will be following Admission. The nominal value of the Ordinary Shares is 5 pence:

	<i>Present Ordinary Shares</i>		<i>Ordinary Shares immediately following Admission⁽¹⁾</i>	
	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>
Issued and fully paid	85,246,086	4,262	106,867,708	5,343

(1) Assuming completion of the Placing and no further exercise of options under the Share Option Schemes.

- (b) There has been no change in the amount of the issued share capital of the Company during the three years preceding the date of this document.
- (c) As at 15 November 2011, being the latest practicable date prior to the publication of this document, options over 9,040,916 Ordinary Shares were outstanding under the terms of the Share Option Schemes. These options are held by the Directors as set out in Part IX, paragraphs 9.1 and 9.2 and additionally by Group employees. All outstanding options (including those set out in Part IX, paragraphs 9.1 and 9.2) can be summarised as follows:

<i>Option type</i>	<i>Number outstanding</i>	<i>Exercise price (pence)</i>	<i>Date granted</i>	<i>Exercise dates</i>
Old Executive Scheme	37,000	65	02/07/03	Jul '06 – Jul '13
CSOP	40,000	73.2	27/09/04	Sep '07 – Sep '14
CSOP	7,000	82.5	15/03/05	Mar '08 – Mar '15
2009 Plan	5,950,000	8.5	30/09/09	Sep '12 – Sep '19
SAYE Scheme	4,595	70	01/10/04	Oct '11
SAYE Scheme	2,042	70	01/10/05	Oct '12
SAYE Scheme	14,328	50	01/10/06	Oct '11, Oct '13
SAYE Scheme	15,696	75	01/10/07	Oct '12, Oct '14
SAYE Scheme	124,808	45	01/10/08	Oct '11, Oct '13, Oct '15
SAYE Scheme	2,418,239	17	01/10/09	Oct '12, Oct '14, Oct '16
SAYE Scheme	337,266	25	01/10/10	Oct '12, Oct '14, Oct '16
SAYE Scheme	89,942	45	01/10/11	Oct '13, Oct '15, Oct '17

- (d) Pursuant to resolution numbers 2 and 3 set out in the notice of General Meeting at the end of this document, authority will be conferred on the Directors for the purposes of section 551 of the Act to allot relevant securities pursuant to the Company's articles of association up to a maximum nominal amount of £2,862,210 (representing approximately 67 per cent. of the issued ordinary share capital of the Company as at 15 November 2011 being the latest practicable date prior to the publication of this document). Such authority shall expire on the date of the annual general meeting of the Company to be held in 2012. The Directors will also be empowered pursuant to section 571(1) of the Act and the Company's articles of association to allot equity securities (as defined in section 560 of the Act) for cash as if section 561 of the Act did not apply, such power to expire simultaneously with the section 551 authority and being limited to the allotment of equity securities up to an aggregate nominal amount of £1,348,250, (representing approximately 32 per cent. of the issued ordinary share capital of the Company as at 15 November 2011, being the latest practicable date prior to the publication of this document). Following successful completion of the Placing and assuming no more exercise of options under the Share Option Schemes, the available share authorities for the purposes of the Company's articles of association and section 551 and 571(1) of the Act will equate to approximately 33 per cent. and 5 per cent. respectively of the estimated then issued share capital of the Company.
- (e) The provisions of section 561 of the Act confer on Shareholders rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Act) which are to be paid up in cash

and apply to the authorised but unissued share capital except to the extent disapplied by the resolution referred to in paragraph (d) above.

- (f) The Existing Ordinary Shares are admitted to CREST and holders of Existing Ordinary Shares are, and following Admission holders of new Ordinary Shares will be able to hold their shares in either certificated form or uncertificated form.
- (g) As at 30 September 2011, other than the persons listed below, the Directors are not aware of any person who (directly or indirectly) is interested in three per cent. or more of the issued ordinary share capital of the Company or who is expected to be so interested immediately following Admission:

	<i>Existing issued share capital</i>		<i>Issued share capital immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage</i>	<i>Number of Ordinary Shares</i>	<i>Percentage⁽¹⁾</i>
Henderson Global Investors Limited	11,935,867	14.00%	15,572,867	14.57%
Michael Clifford Timms	10,000,000	11.73%	10,850,000	10.15%
Schroder Investment Management Limited	8,417,536	9.87%	10,552,536	9.87%
Michael J Roberts	5,960,000	6.99%	5,960,000	5.58%
Hargreave Hale Limited	5,802,000	6.81%	8,502,000	7.96%
AXA Framlington Investment Management Ltd	5,615,800	6.59%	7,040,000	6.59%
River and Mercantile Asset Management LLP	4,023,334	4.72%	4,773,334	4.47%
Fidelity Management & Research Company	3,800,000	4.46%	3,800,000	3.56%
Universities Superannuation Scheme Ltd	3,498,618	4.10%	3,998,618	3.74%
Hermes Fund Managers Limited	3,316,432	3.89%	4,092,980	3.83%

(1) On the assumption of no further exercise of options under the Share Option Schemes, and on the basis that the parties take up their Placing Shares under the terms of their Placing Letters.

- (h) The Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- (i) The major Shareholders in the Company have the same voting rights as other Shareholders in respect of each share they hold.
- (j) The following table lists the closing middle market quotations for an Ordinary Share (as derived from the London Stock Exchange Daily Official List) for the first dealing day in each of the six months before the date of this document and on 15 November 2011 (being the last business day before the publication of this document).

<i>Date</i>	<i>Price</i>
3 May 2011	49.50p
1 June 2011	47.75p
1 July 2011	51.00p
1 August 2011	47.88p
1 September 2011	40.50p
3 October 2011	41.25p
1 November 2011	39.25p
15 November 2011	39.25p

4. Articles of Association

4.1 Articles of Association

The following clauses describe certain provisions of the Company's existing Articles of Association (the "Articles"). This description does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

(a) *Rights attaching to Ordinary Shares*

(i) Voting

Subject to disenfranchisement in the event of non-payment of calls or other monies due and payable in respect of Ordinary Share; or non-compliance with a statutory notice requiring disclosure as to beneficial ownership of Ordinary Shares, and, without prejudice to any special rights previously conferred and subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every Shareholder who is present in person at a general meeting of the Company shall have one vote, and on a poll every Shareholder who is present in person or by proxy shall have one vote for every Ordinary Share held.

(ii) Dividends

Subject to the Statutes (as defined in the Articles), the Company at a general meeting may declare dividends to be paid to Shareholders according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the board. Except insofar as the rights attaching to, or the terms of issue of, any Ordinary Share otherwise provide, all dividends shall be declared according to the amounts paid-up on the shares and apportioned and paid *pro rata* according to the amounts paid-up on the shares during any portion or portions of the period in respect of which the dividend is paid. The board may from time to time pay to the Shareholders such interim dividends as appear to the board to be justified by the position of the Company. Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company. No dividend shall bear interest as against the Company. The Company may, with the sanction of an ordinary resolution, implement and maintain a dividend plan in accordance with the Statutes.

(iii) Transferability of Ordinary Shares

Any Shareholder may freely transfer all or any of his Ordinary Shares by an instrument of transfer in writing in any usual form or in any other form which the board may approve. The board may, in its absolute discretion and without assigning any reason therefore, decline to register any transfer of any Ordinary Shares which is not fully paid. There is no restriction on the registration of a duly stamped transfer of fully paid Ordinary Shares (except insofar as the transfer is made to or by an infant or patient within the meaning of the Mental Health Act 1983) provided the transfer is (a) lodged with the Company, accompanied by the relevant share certificate and such other evidence of ownership as the board may reasonably require, (b) is only in respect of one class of share and (c) is, in the case of a transfer to joint holders, in favour of not more than four transferees. If any of the above conditions are not complied with, the board has discretion whether or not to register the transfer in question. The board has by resolution approved the holding and transfer of the Ordinary Shares in uncertificated form.

(iv) Variation of rights

Subject to the Statutes, the special rights attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound-up) be altered or abrogated with the written consent of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the issued shares of that class at which a quorum of two or more persons holding or representing by proxy not

less than one-third of the issued shares of that class (or in the case of an adjourned meeting such quorum as is specified by the Articles) is present. The special rights conferred upon the holders of any shares or class of share shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith or the purchase by the Company of any of its own shares.

(v) Changes in capital

Subject to the provisions of the Statutes and to any special rights conferred on the holders of any shares or class of shares, the Company may issue redeemable shares. Subject to the provisions of the Statutes and to any special rights previously conferred on the holders of any existing shares, any share may be issued with such special rights or such restrictions as the Company may determine by ordinary resolution. The Company may by ordinary resolution increase its share capital, consolidate and divide its share capital into shares of a larger amount, sub-divide its share capital into shares of a smaller amount (subject to the provisions of the Statutes) and cancel any shares which have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.

Subject to the provisions of the Statutes, the Company may reduce share capital, any capital redemption reserve and any share premium account or other undistributable reserve in any manner. The Company may also, subject to the requirements of the Statutes, purchase its own shares.

(vi) Untraced Shareholders

Subject to the Statutes, the Company may sell any shares of a member or person entitled thereto who is untraceable, if during a period of 12 years, at least three dividends in respect of the shares in question have become payable and the cheques or warrants for all amounts payable to such member or person in respect of his shares have remained uncashed and the Company has received no indication of the existence of such member or person. The net proceeds of sale shall belong to the Company but the member or person who had been entitled to the shares shall become a creditor of the Company in respect of those proceeds.

If on two consecutive occasions notices or other communications (including dividend payments) have been sent through the post to any holder of shares to his registered or other specified address but returned undelivered or mandated dividend payments have failed, or following one such occasion and enquiries by the Company fail to establish a new address or account, the Company may cease to send such notices or other such communications or mandated payments until the person entitled thereto otherwise requires.

(vii) Non-UK Shareholders

There are no limitations in the Memorandum or Articles on the rights of non-UK Shareholders to hold, or exercise voting rights attaching to, Ordinary Shares.

(viii) Disclosure of interest in shares and sanctions on Shareholders

The Company may serve a notice under the Act on any member of the Company or person appearing to be interested in shares requiring them to disclose their interests. A holder of Ordinary Shares loses his rights to vote in respect of Ordinary Shares if and for so long as he or any other person appearing to be interested in those shares fails to comply with a request by the Company under the Act requiring him to give particulars of any interest in those Ordinary Shares within the prescribed period. In the case of shareholdings representing 0.25 per cent. or more, in nominal amount, of the share capital of the company then in issue, or any class thereof, the sanctions which may be applied by the Company include not only disenfranchisement but also the withholding of the right to receive payment of dividends and other monies payable on, and restrictions on transfers of, the Ordinary Shares concerned.

(b) *Directors*

(i) Directors' fees

The Directors (other than those holding executive office with the Company or any subsidiary of the Company) shall be paid by way of fees for their services at such rate and in such proportion as the board may resolve, a sum not exceeding an aggregate of £250,000 per annum or such larger amount as the Company may by ordinary resolution determine or, in the case of such Directors who are resident outside the UK, such extra remuneration as the Board may determine. Any Director who holds executive office or who performs duties outside the ordinary duties of a Director, may be paid such remuneration or extra remuneration by way of salary, commission or otherwise as the board may determine. The Directors shall also be paid all expenses properly incurred by them in attending meetings of the Company or of the board or otherwise in connection with the business of the Company.

(ii) Directors' interests

A Director who is in any way, whether directly or indirectly, interested in any contract transaction or arrangement or proposed contract transaction or arrangement with the Company shall declare the nature of his interest in accordance with the Statutes unless it cannot reasonably be regarded as likely to give rise to a conflict of interest.

A Director shall not vote, and shall not be counted in a quorum, in respect of any contract, arrangement or proposal in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of shares or debentures or other securities of or otherwise through the Company), except that this prohibition shall not apply to:

- (a) The giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) The giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) Any contract or arrangement by a Director to participate in the underwriting or sub-underwriting of any offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;
- (d) Any contract or arrangement concerning any other company in which the Director and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Act) representing one per cent. or more of either any class of the equity share capital or of the voting rights in such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in a authorised unit trust scheme in which the Director is interested only as a unit holder;
- (e) Any arrangement for the benefit of Directors and employees of the Company or any of its subsidiaries which does not accord him any privilege or advantage not generally accorded to other persons to whom such arrangement relates;

- (e) Any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of *inter alia* any Directors of the Company;

and the Company may in general meeting at any time suspend or relax any such prohibitions or ratify any transaction not duly authorised by reason of a contravention of a prohibition.

- (iii) Directors' interest in Transactions

Subject to the provisions of the Statutes and the Articles, a Director may be in any way, directly or indirectly, interested in any contract or arrangement or transaction with the Company and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company and any subsidiary thereof) under the Company or any other company in which the company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefore and in any such case as aforesaid (except as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof. For the avoidance of doubt, the Company shall have no claim arising from, or in consequence of, the Director's interest in any contract or arrangement or transaction within the scope of Articles 93 and 94, and the Director shall not breach any of his duties to the Company as a result of having that interest.

- (iv) Retirement

At each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to, but not greater than, one-third) shall retire from office by rotation. The Directors to retire in every year shall be those who wish to retire and not stand for re-election, followed by those who have been longest in office since their last election but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. In addition, any Director who would not otherwise be required to retire shall retire by rotation at the third annual general meeting after his last appointment or reappointment. The Company may from time to time by ordinary resolution appoint any person to be a Director. The Directors may also from time to time appoint one or more Directors but any director so appointed shall retire at or at the end of the next annual general meeting of the Company but shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

- (v) Executive office

The board may from time to time appoint one or more Directors to be the holder of any executive office for such period and on such terms as it decides.

- (vi) Indemnity

Subject to the Statutes, every current or former Director, secretary or other officer of the Company may be indemnified out of the Company's assets against (i) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company; (ii) any liability incurred by that person in connection with the activities of the Company or any associated company in their capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act; and (iii) any other liability incurred by that person as an officer of the Company or any associated company.

(c) *Borrowing powers*

The Articles provide that the aggregate principal amount from time to time remaining undischarged of all moneys borrowed by the Company (exclusive of intra-group borrowings) shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the aggregate of adjusted capital and reserved as defined in the Articles.

(d) *General meetings*

The Directors can convene a general meeting whenever they think fit. On the requisition of members in accordance with statutes, the Directors shall convene a general meeting. Whenever the Directors convene a general meeting on the requisition of the members, they shall convene it in accordance with the Act.

In the case of an AGM or a meeting convened to pass a special resolution, at least 21 clear days notice and in the other case at least 14 days notice must be given. The notice must specify the place, the day and the hour of the meeting and state with a reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy, who need not be a member, to attend and vote instead of him. In the case of special business, the notice must specify the general nature of the business. The notice shall also be given to auditors and Directors.

No business shall be transacted at a general meeting unless a quorum is present when the meeting proceeds to business. Except as provided in the Articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. If within 10 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved.

At a general meeting a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the Chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth part of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority, or loss, and entry to that effect in the Minute Book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

No member shall be entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.

Any instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or entirely so authorised. The Articles permit the Directors to allow electronic communication to be used to appoint proxies, subject to such terms, limitation, conditions or restrictions that the Directors may from time to time prescribe.

An instrument of proxy must be in a common form or a form which the Directors approve. Proxies need not be witnessed. The proxy shall be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.

The proxy shall, unless it states to the contrary, be valid for an adjournment of the meeting as well as for the meeting to which it relates.

(e) *Objects*

In accordance with a special resolution dated 21 September 2010 the Company amended its Memorandum and Articles of Association removing any existing objects clause. Accordingly the Company currently has unlimited objects as permitted by the Act.

5. Properties and tangible fixed assets

(a) The following are the material properties owned or leased by members of the Group:

<i>Location</i>	<i>Tenure</i>	<i>Commencement/ Lease term</i>	<i>Total floor area (square metres)</i>	<i>Principal use</i>	<i>Current rent per annum</i>
Bellbrook Park, Uckfield, England	Freehold	N/A	5,662.3	Office & Warehouse & Production	N/A
1 Livingstone Boulevard, Blantyre Scotland	Leasehold	17/12/98 15 years	3,532.2	Office & Warehouse	£213,376
Waterside Park, Wednesbury, England	Leasehold	11/05/01 15 years	2,857.6	Office & Warehouse	£180,000
Ikon Trading Estate, Hartlebury, England	Leasehold	24/06/97 20 years	7,567.6	Office & Warehouse	£210,000
Unit A, White Lund Industrial Estate, Lancashire, England	Leasehold	29/09/08 12 years	2,030.5	Office & Warehouse	£149,000
Sweden	2 x Leasehold	01/11/04 – 8 years 31/03/04 – 8 years	3,094	Office & Warehouse	SEK 1,056,604
The Netherlands	Leasehold	01/10/08 10 years	1,852	Office & Warehouse	€118,000
Singapore	2 x Leasehold	01/02/90 – 60 years 01/08/11 – 2 years	6,183.5	Office, Warehouse & Production	S\$266,098
Malaysia	Leasehold	01/04/11 2 years	1,858	Office, Warehouse & Production	RM 264,000
Shanghai	Leasehold	01/05/10 3 years	4,346	Office & Warehouse	RMB 980,813
Taiwan	Freehold & 2 x leasehold	01/03/05 – 10 years 01/01/10 – 2 years	5,075.4	Office, Warehouse & Production	NTD 4,608,300

(b) In addition to the properties referred to above, the Group also has properties based in the UK at Newton Aycliffe, Manchester, Belfast and Poole and Overseas in the Republic of Ireland, Hungary, Norway and USA. These are not considered material to the Group.

(c) The funds required to fulfil the Company's commitments under its leases of premises are provided from the Group's operating income.

6. Share option schemes

6.1 Background

The Company has granted the following options:

- (a) approved and unapproved share options under the rules of the Trifast Executive Share Option Scheme that was adopted on 23 September 2004 (“**the CSOP**”);
- (b) approved options under the rules of the Trifast Savings Related Share Option Scheme that was adopted on 23 September 2004 (“**the SAYE Scheme**”);
- (c) approved and unapproved share options under the rules of the Trifast Executive Share Option Scheme that expired in February 2004 (“**the Old Executive Scheme**”); and
- (d) approved options under the rules of the Trifast 2009 Executive Share Option Plan that was adopted on 23 September 2009 (“**the 2009 Plan**”).

In addition, although there are no extant awards under the terms of the Trifast plc 2005 Long-Term Incentive Plan adopted by the Shareholders on 20 September 2005 (“**the LTIP Scheme**”), and although the LTIP Scheme was available initially only for a five year period beginning from adoption, the terms of the LTIP Scheme permit the LTIP Scheme to be extended for up to a further five year period with Shareholder consent and it is therefore possible that the Directors may seek such Shareholder approval in the future.

The terms under which the extant options have been granted are set out in paragraphs 6.2 to 6.5 below. In the event that the Shareholders in the future do approve the extension of the LTIP Scheme, the terms of the LTIP Scheme which will apply to future awards are set out at paragraph 6.6 below. Details of the numbers of shares over which options that have been granted under each of these schemes and which are currently subsisting are set out in paragraph 6.6 of this Part X.

6.2 The CSOP

(a) Background

The Company adopted the CSOP on 23 September 2004 and obtained HM Revenue and Customs’ formal approval of it on 24 September 2004. The CSOP consists of two distinct parts, namely Part A which provides for the grant of approved share options that satisfy the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and Part B which provides for the grant of unapproved options. This scheme replaced the Old Executive Scheme which also provided for the grant of approved and unapproved options.

The following is a summary of the principal terms of the rules of the CSOP, which will operate for a maximum period of 10 years from the date of its adoption by the Company. Paragraphs (b) to (k) summarise Part A of the CSOP and paragraph (l) summarises Part B.

(b) Participation

All full-time employees and Directors of the Company are eligible to participate in the scheme and are selected at the discretion of the Remuneration Committee. In the case of Directors, full-time working requirements means 25 hours a week.

(c) Grant of options

Options may be granted under the CSOP over unissued or issued ordinary shares in the capital of the Company (including treasury shares). No consideration is payable for the grant of an option.

Each option is personal to the option holder and any transfer, assignment, charge, pledge or other disposal of or dealing with the option will cause it to lapse.

Options may be granted within a period of 42 days of the announcement by the Company of its full or interim results. Options may be granted outside that 42-day period if the Remuneration Committee considers there to be exceptional circumstances.

Options must be granted subject to performance conditions. The performance conditions must be objective and, unless the Remuneration Committee determines there to be exceptional circumstances, they must relate to the overall financial performance of the Company and its subsidiaries over a period of at least three years commencing on the date of grant or the first day of the accounting period current at the date of grant. The performance conditions can be waived or amended if the Remuneration Committee determines that a change of circumstances means that the performance conditions cannot be fairly and reasonably met.

(d) *Exercise Price*

Options cannot be granted at an exercise price determined by the Remuneration Committee that is below the market value of a Share on the date of grant. The market value of a Share is the middle market quotation of such shares as derived from the Daily Official List of the London Stock Exchange for the dealing day before the date of grant of an option under the CSOP or if the shares are not then listed, the market value as agreed with Shares Valuation of HM Revenue & Customs.

(e) *Scheme limits*

An individual employee may not acquire options that comprise shares with a market value (at the date of grant) that exceeds £30,000 (including any other subsisting options obtained under any other discretionary approved share option scheme adopted by the Company).

The percentage of share capital that can be used for options over unissued or treasury shares:

- (i) granted under the CSOP and any other employees' share scheme adopted by the Company granting rights over unissued or treasury shares is limited to a maximum of 10 per cent. of the issued share capital (including treasury shares) of the Company for the time being; and
- (ii) granted under all discretionary employees' share schemes (including the CSOP) adopted by the Company is limited to a maximum of five per cent., of the issued share capital of the Company for the time being.

In accordance with guidance issued by the Association of British Insurers the five per cent. limit will not apply to the extent that the total market value of shares comprised in options granted under the CSOP and any other discretionary employees' share scheme adopted by the Company does not exceed £500,000 or where the performance conditions imposed require the Company's performance that would place it in the top quartile relative to an appropriate index or peer group selected by the Remuneration Committee.

(f) *Exercise of options*

Options can only be exercised on or after the third anniversary of the date of grant provided the performance conditions have been satisfied. In any event, an option will not be exercisable after the tenth anniversary of its grant. In the case of death, a participant's personal representatives may exercise his options within 12 months after the date of death. Where an option holder ceases to be an employee by reason of injury, disability, redundancy within the meaning of the Employment Rights Act 1996, pregnancy, the company that employs that option holder ceasing to be a subsidiary of the Company, retirement or in any other circumstances determined by the Board the options held by that option holder may be exercised within six months of the termination of employment otherwise they lapse.

(g) *Takeovers and liquidations*

In the event of a takeover, scheme of arrangement, change of control or voluntary winding up of the Company, options become immediately exercisable provided that any applicable performance conditions have been satisfied. There is a provision allowing the roll-over of options following such an event. The options must be exercised within six months and any options that are not so exercised, lapse.

(h) *Variation of share capital*

In the event of any variation in the share capital of the Company including by way of rights issue, capitalisation, reduction, sub-division or consolidation of capital, the number of shares which may be allotted or transferred to a participant pursuant to a scheme and the exercise price shall be adjusted in such manner as the Company's auditors shall in their opinion consider and confirm in writing to the Remuneration Committee to be fair and reasonable.

(i) *Tax*

Where a tax liability arises on the exercise of an option, the Company may make deductions from payments due to the option holder to meet such liability if an option holder does not agree to make a payment for any tax due when exercising the option. If such payments are insufficient, the option holder must pay the Company the balance of the liability before shares are allotted or transferred to him. Alternatively, the Board may sell as many of the option holder's shares as are necessary to cover the liability.

(j) *Rights attaching to Shares*

All shares allotted or treasury shares transferred on the exercise of options granted under the CSOP will rank *pari passu* with ordinary shares of the Company for the time being in issue (save as regards to any right attaching to such shares by reference to a record date before the date of allotment) and application will be made to the London Stock Exchange for such shares to be admitted to the premium segment of the Official List of the London Stock Exchange.

(k) *Amendment, Assignability and Termination*

The Board of Directors of the Company may make amendments to the rules of the CSOP but no amendment can be made to the advantage of existing or new participants without the prior approval of Shareholders in general meeting unless the alteration is in the opinion of the Remuneration Committee minor and to the benefit of the administration of the CSOP or to take account of any legislation or to maintain approval of HM Revenue and Customs for the CSOP or obtain or maintain favourable tax exchange, control or regulatory treatment for existing or new participants or any member of the group. Furthermore, no amendment to any key feature of the CSOP can have effect unless and until the amendment has been approved in advance by HM Revenue and Customs.

The Company in general meeting or the Board can terminate the CSOP so that no further options are granted but any subsisting options granted before such termination shall not be affected.

(l) *Part B – Unapproved Options*

Part B provides for the grant of unapproved options. All the provisions of Part A described above apply except:

- (i) the £30,000 individual limit necessary for Part A does not apply;
- (ii) all provisions and definitions in Part A included to make the CSOP compliant with the provisions of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 do not apply and will be disregarded; and

- (iii) the Remuneration Committee has discretion to grant options such that any employers' National Insurance Contributions that arise will be payable by option holders.

6.3 *The SAYE Scheme*

(a) *Background*

The Company adopted the SAYE Scheme on 23 September 2004 and obtained HM Revenue & Customs' formal approval of it on 24 September 2004. It provides for the grant of approved share options that satisfy the requirements of Schedule 3 to the Income Tax (Earnings & Pensions) Act 2003. The SAYE Scheme replaced an older SAYE scheme that expired in February 2004.

The Remuneration Committee can choose whether or not to operate the SAYE Scheme in any particular year at their discretion. The 2004 scheme offered employees the ability to participate in a three year savings scheme.

The administrator of the SAYE Scheme is Computershare Investor Services PLC and the savings accounts are held with the Royal Bank of Scotland.

The following is a summary of the principal terms of the rules of the SAYE Scheme, which will operate for a maximum period of 10 years from the date of its adoption by the Company.

(b) *Participation*

All permanent full-time employees of the Group and Directors who work more than 25 hours per week are eligible to participate in the SAYE Scheme. Employees who have a material interest (i.e. 25 per cent.) in the Company's ordinary share capital or in the assets on a winding up cannot participate in the SAYE Scheme.

(c) *Invitations to apply and applications for options*

Invitations to apply for options can only be made within 42 days starting on:

- (i) the day on which the scheme is approved by HM Revenue and Customs;
- (ii) the day immediately following the day on which the Company makes an announcement of its results for the last preceding financial year, half-year or other period;
- (iii) any day on which the Remuneration Committee resolves that exceptional circumstances exist which justify the grant of options;
- (iv) any day on which changes to any relevant legislation affecting the scheme takes effect;
- (v) any day on which a new Savings Contract prospectus is announced or takes effect;
- (vi) the day following the lifting of any restriction on the grant of any option imposed by statute, order, regulation or directive or by any code applicable to the Company including, without limitation, the Model Code;
- (vii) the day immediately following any general meeting of the Company.

The invitations to apply for options will stipulate the exercise price, the deadline for applying, and whether application can be made for a three year savings contract, a five year savings contract or a seven year savings contract and the minimum monthly contribution if it is not to be £10.

(d) *Grant of options*

Options are granted by a resolution of the Remuneration Committee to eligible employees to buy unissued or issued ordinary shares in the capital of the Company in three, five or seven years' time at an exercise price (see below) set prior to invitations to join the scheme being sent

out. Accordingly, participants must agree to enter into a three, five or seven year (as appropriate) savings contract with the Royal Bank of Scotland to buy the Company's shares at the end of the chosen term with a tax-free bonus together with the accumulated savings and where applicable the accrued interest.

The Remuneration Committee decides whether to invite applications for a three, five or seven years' savings contract for any round of invitations or to give the employees a choice as to whether to take out three, five or seven years' savings contracts. The differences between each type of contract are as follows:

- (i) the three-year contract involves 36 monthly contributions and the employee receives a tax-free bonus equal to HM Revenue & Customs rates times his/her monthly contributions at the end of the savings period;
- (ii) the five-year contract involves 60 monthly contributions and the employee receives a tax-free bonus equal to HM Revenue & Customs rates times his/her monthly contributions at the end of the savings period; and
- (iii) the seven-year contract also involves 60 monthly contributions over the first five years at the end of which a bonus equal to HM Revenue & Customs rates times the monthly contributions is added to the total savings. The savings are then retained for a further two years, during which time no further contributions are made, and at the end of which period a further bonus equivalent to the HM Revenue & Customs rates times the monthly contribution is added. The bonus at the end of seven years amounts, therefore, to the sum of these two bonuses.

No consideration is payable for the grant of an option.

Each option is personal to a participant and any transfer, assignment, charge, pledge or other disposal of or dealing with the option will cause it to lapse.

(e) *Exercise Price*

The exercise price is set by the Remuneration Committee by reference to the market value of the shares before invitations for applications under the SAYE Scheme are sent out. The exercise price must not be lower than the higher of the nominal value of a Share and 80 per cent. of the market value of a Share. Market value means the middle market quotation of the shares as derived from the Daily Official List of the London Stock Exchange for the dealing day before the date of the invitation under the SAYE Scheme or, if the shares are not then listed, the market value as agreed with Shares Valuation, a division of HM Revenue and Customs.

(f) *Over Subscription*

If more shares are applied for than are available, applications will be scaled down. This will be done in stages as necessary, initially by removing the seven year bonus, then the five and three year bonus, then reducing the amount saved *pro rata* and finally selecting applications by lot.

(g) *Scheme Limits*

The total number of unissued and treasury shares in respect of which options may be granted under the SAYE Scheme cannot exceed 10 per cent. of the ordinary share capital of the Company in issue at the date of grant of the options, when aggregated with the number of shares issued or treasury shares transferred pursuant to options or rights granted or capable of issue under the SAYE Scheme and any other employees' share scheme adopted by the Company in the last 10 years.

The Board may specify a maximum number of shares, which may be placed under option under the SAYE scheme on any occasion.

(h) *Variation of Share Capital*

In the event of any variation in the share capital of the Company including by way of rights issue, capitalisation, reduction, sub-division or consolidation of capital, the number of shares comprised in any option granted under the SAYE Scheme and the exercise price shall be adjusted in such manner as the Company's auditors shall in their opinion consider and confirm in writing to the Remuneration Committee to be fair and reasonable. Furthermore the exercise price of any option cannot be adjusted such that it is below the nominal value of a share (except in very limited circumstances) or materially changed or increased beyond the expected amount repayable on the completion of the SAYE savings contract.

(i) *Exercise of options*

Options can be exercised on the expiry of the savings period. The shares can then be acquired with the bonus, accrued savings and interest of the participant. Options are exercisable within six months of a bonus becoming payable.

Options cease to be exercisable when the participant ceases to be an eligible employee except where the participant leaves due to reaching the age of 65, injury, disability or redundancy, or where the company that employs the participant leaves the group.

Where an eligible employee retires early or loses their right to return to work because of pregnancy, then provided the termination date is not earlier than three years from the date of grant of the option, the option will be exercisable within six months of the date of leaving.

Where a participant dies, the personal representatives can buy shares within 12 months of the death of the participant. Where the participant dies within six months of the bonus becoming payable, the personal representatives can buy shares up to 12 months after the date the bonus becomes payable. Alternatively, the personal representatives can take out the savings and where applicable, the interest.

Options become immediately exercisable in the event of a takeover, reconstruction and amalgamation or winding-up of the Company. There is a provision allowing the rollover of options into options over shares of the new or acquiring company where the circumstances permit. The options must be exercised within six months of the relevant event and any options that are not so exercised, lapse.

(j) *Rights attaching to Shares*

All shares allotted or treasury share transferred on the exercise of options granted under the SAYE Scheme will rank *pari passu* with the ordinary shares of the Company for the time being in issue (save as regards to any right attaching to such shares by reference to a record date before the date of allotment) and application will be made to the London Stock Exchange for such shares to be admitted to the premium segment of the Official List of the London Stock Exchange.

(k) *Amendment and termination*

The Board of Directors of the Company may make amendments to the rules of the SAYE Scheme but no amendment can be made to the advantage of existing or new participants without the prior approval of Shareholders in general meeting unless the alteration is minor and to the benefit of the administration of the SAYE Scheme or to take account of any legislation or to maintain approval of HM Revenue and Customs for the SAYE Scheme or obtain or maintain favourable tax exchange, control or regulatory treatment for existing or new participants or any member of the group. Amendments to key features of the scheme must be approved in advance by HM Revenue and Customs.

The Board or the Company in general meeting can terminate the SAYE Scheme so that no further options are granted but any subsisting options granted before such termination are not affected.

6.4 *The Old Executive Scheme*

The Company first adopted the Old Executive Scheme in February 1988. This scheme was amended in February 1994, (with the approval of HM Revenue and Customs in respect of the approved part) such that it was able to run for a further 10 years from that date following amendment. The Old Executive Scheme provided for the grant of HM Revenue and Customs approved options and also unapproved share options to eligible employees. It expired in February 2004. The terms of the Old Executive Scheme are similar to those of the CSOP although there are some differences. As options can no longer be granted under this scheme, the grant and overall scheme limit provisions are no longer relevant. However, outstanding options granted under the Old Scheme remain subsisting options. The following provisions remain operative and are summarised below.

(a) *Exercise and lapse of options*

The Old Executive Scheme rules provide for exercise and lapse as follows:

- (i) options are not exercisable before the third anniversary of the date of grant;
- (ii) where an employee (including Directors) leaves due to injury, disability, redundancy or retirement, options become exercisable (subject to the satisfaction of the performance condition for options granted after the listing date – see below) within and lapse on the expiry of the latest of the following periods:
 - (a) 12 months following the date of cessation of employment;
 - (b) 42 months after the date of grant;
 - (c) 42 months after the last date on which he exercised an approved option that qualified for income tax relief on exercise (prior to ceasing to be an employee);
- (iii) where an employee leaves for any other reason, options can only be exercised with the permission of and within the time specified by the Committee of the Board;
- (iv) where an employee dies, his personal representatives can exercise his options within 12 months of the date of the death, after the expiry of which period the option lapses;
- (v) all options granted after the listing date must satisfy the performance condition prior to being capable of exercise. The performance condition adopted was that the Company's AEPS over a prescribed period is not less than the RPI plus two per cent., over the prescribed period, the prescribed period being any period of three consecutive financial years the first of which cannot be earlier than the financial year starting immediately before the date of grant of the relevant option.

(b) *Takeovers and liquidations*

In the event of a takeover, option holders have one month from receiving notice of the change of control to exercise their options. Option holders also have one month from receiving notification pursuant to section 979 of the Act or of the winding up of the company, to exercise their options. There is a provision allowing the rollover of options into options over shares of the new or acquiring company where the circumstances permit. On the expiry of the permitted periods of time for exercise, the options lapse.

(c) *Amendments*

The Board may make amendments to the rules of the Old Executive Scheme but no amendment can be made to the advantage of existing or new participants without the prior approval of

Shareholders in general meeting except for minor amendments to benefit the administration of the scheme and amendments to obtain or maintain approval favourable tax exchange, control or regulatory treatment for existing or new participants or any member of the group. Furthermore, no amendment to any key feature of the Old Executive Scheme can have effect unless and until the amendment has been approved in advance by HM Revenue and Customs. Amendments that are to the disadvantage of participants can only be made if the alteration is approved by a majority of them.

(d) *The unapproved part of the Old Executive Scheme*

All of the provisions of the approved part of the scheme apply to unapproved options with the following modifications that are contained in the appendix to the Old Executive Scheme, which constitutes the unapproved part of the scheme;

- (i) the individual limit on the aggregate market value of shares over which a participant may be granted an option does not apply;
- (ii) the restriction on participation in the scheme by holders of material interests in close companies does not apply;
- (iii) provisions in the approved part of the scheme requiring approval of HM Revenue and Customs do not apply to unapproved options; and
- (iv) unapproved options are not capable of exercise after the expiration of seven years from the date of grant and to the extent such options remain unexercised after that period, they lapse.

Any amendments made to the approved part are deemed to have been incorporated into the unapproved part.

6.5 *The 2009 Plan*

The Company first adopted the 2009 Plan at the AGM in September 2009. The provisions of the 2009 Plan remain operative and are summarised below.

(a) *Exercise and lapse of options*

The 2009 Plan rules provide for exercise and lapse as follows:

- (i) options are not exercisable before the third anniversary of the date of grant;
- (ii) the options must be exercised within 10 years of the date of grant;
- (iii) subject to (iv) below, where an employee leaves prior to the vesting of the options their options will lapse unless the Remuneration Committee in its absolute discretion decides otherwise;
- (iv) where an employee leaves due to injury, disability, ill health, redundancy, retirement or death the Remuneration Committee may determine that part or all of that employee's options may be retained. In applying this discretion, the Remuneration Committee may prorate the number of options upon the proportion of the relevant three year performance period completed on the date of cessation. The Remuneration Committee will have discretion as to whether options lapse or continue, and whether performance is measured on cessation or at the end of the three year period applying to the options; and
- (v) options may only be exercised during the periods above after a three year performance period subject to the performance conditions being satisfied. The performance conditions are: (i) the Company's share price must reach a minimum 51p, maintained as an average over a three month period; and (ii) the Company must achieve a minimum 10 per cent. return on capital employed;

(b) *Change of control*

In the event of a takeover, reconstruction, amalgamation or winding-up of the Company, the performance period will end on the date of the change of control. The share price used to determine if the 51p target has been achieved will be based on the offer price per share. The Remuneration Committee has the discretion to adjust the number of options which may be exercised to reflect the time elapsed from the date of grant to the occurrence of the event and to consider in the performance conditions have been met or may be waived.

(c) *Plan limits and duration*

The maximum number of shares which may be granted under the 2009 Plan will be 6,000,000, which represents seven per cent. of the current issued share capital of the Company, subject to the possibility of an adjustment in the event of a variation of the Company's share capital. There is no maximum individual entitlement, save the overall plan limit.

The 2009 Plan is to operate over a five year period from 23 September 2009.

(d) *Amendments*

The Remuneration Committee has discretion to make amendments to the rules of the 2009 Plan but no amendment can be made to the advantage of existing or new participants without the prior approval of Shareholders in general meeting except as provided for in paragraph (c) above, or for minor amendments to benefit the administration of the scheme and amendments to obtain or maintain approval favourable tax exchange, control or regulatory treatment for existing or new participants or any member of the group.

6.6 *The LTIP Scheme*

The LTIP Scheme was adopted by the Company and approved by the Shareholders of the Company on 20 September 2005. The LTIP Scheme permitted the Remuneration Committee of the Company to make awards of shares to eligible employees subject to a holding period and performance requirements. The ability of the Company to make awards under the LTIP Scheme initially expired on 19 September 2010 (the fifth anniversary of the adoption of the LTIP Scheme), and there are no extant awards under the scheme.

Clause 8.4 of the terms of the LTIP Scheme allows the Shareholders of the Company to approve an extension to the duration of the LTIP Scheme for up to a further five years at any time. In the event that the Shareholders do extend the terms of the LTIP Scheme, the terms of any awards which could be made are set out below:

(a) *Grant and lapse of awards*

The following provisions apply regarding the grant of awards under the LTIP Scheme:

- (i) the Remuneration Committee may in its absolute discretion grant awards to eligible employees at any time except during a close period;
- (ii) the Remuneration Committee shall determine in respect of each grant of awards:
 - (a) the date of grant;
 - (b) those eligible employees who shall receive an award;
 - (c) the number of shares subject to each award granted;
 - (d) the holding period in respect of each award;
 - (e) the performance requirements applicable to each award; and
 - (f) any other terms and conditions applying to each award.

- (iii) a participant shall have no voting rights or rights to receive dividends in respect of shares subject to his award during the applicable holding period;
- (iv) awards shall be released to the participant:
 - (a) at the end of the holding period; and
 - (b) subject to the satisfaction of any performance requirements or other terms and conditions imposed.

awards may be released without fully satisfying these requirements at the discretion of the Remuneration Committee;

- (v) all subsisting awards shall lapse on the earliest of the following events:
 - (a) the date on which the award lapses pursuant to cessation of employment or on change of control of the Company (below);
 - (b) when it has been determined by the Remuneration Committee that the performance conditions cannot be satisfied;
 - (c) the tenth anniversary of the date of grant; or
 - (d) the date on which the participant is adjudicated bankrupt.

(b) *Taxation*

- (i) the grant of an award to an eligible employee under the LTIP Scheme is conditional upon the agreement of that eligible employee to indemnify the Company for any tax payment;
- (ii) the participant shall pay all expenses and taxes which arise or result from the grant or release of an award, provided that the Company in its absolute discretion and subject to any law may meet any stamp duty or liability for any other taxes or expenses arising which it deems appropriate;
- (iii) the Remuneration Committee may determine that any award granted under the LTIP Scheme shall be subject to additional and/or modified terms and conditions relating to the grant or release of an award as may be necessary to comply with or take account of any securities, exchange control or taxation laws, regulations, practice or other laws of any territory which may apply to the relevant eligible employee, participant or company in the Group.

(c) *Rights on cessation of employment*

- (i) subject to (ii) below, if a participant ceases to be employed by the Group for any reason an award that has not been released shall lapse unless the Remuneration Committee in its absolute discretion determines otherwise for reasons including, amongst others, injury, disability, ill health, retirement, redundancy and death;
- (ii) if the Remuneration Committee, in accordance with its discretion under (i) above, determines that an award shall be released on cessation, the proportion of the award which shall be released will be dependent on the proportionate satisfaction of the relevant performance requirements and of such proportion, the number of shares which shall be released shall be pro-rated dependent upon the amount of the relevant holding period completed on the date of cessation;
- (iii) It shall be a condition of participation in the LTIP Scheme that a participant shall not be entitled to any compensation in the event of cessation, lapse or alteration of any actual or prospective rights under the LTIP Scheme or under any award granted thereunder.

No provisions of the LTIP Scheme form part of any contract of employment between any company in the Group and a participant.

(d) *Change of control*

- (i) If any company or person acting alone or in concert with another or others obtains control of the Company the Remuneration Committee on becoming aware shall notify each participant;
- (ii) on the occurrence of any change of control of the Company awards shall be released, the proportion of the awards released being dependent on the proportionate satisfaction of the relevant performance requirements on such date. The Remuneration Committee shall also, in its absolute discretion, take into account the proportion of the relevant holding period completed on the date of such event when determining the number of shares subject to an award to be released;
- (iii) If a voluntary winding up of the Company is proposed or if an order is made for the compulsory winding up of the Company, the Remuneration Committee, in its absolute discretion, shall notify each participant. On the occurrence of such event all awards shall be released.

(e) *Limits & Restrictions*

- (i) an award shall be personal to a participant and neither the award nor any rights under the award may be transferred, assigned, pledged, charged or otherwise disposed of by a participant to any other person (except in accordance with the rules of the LTIP Scheme) and if a participant shall do, suffer or permit any such act or thing whereby he would or might be deprived of the legal and/or beneficial ownership of an award that award shall lapse forthwith. In respect of awards which shall be satisfied by the subscription of shares, the total number of shares over which such awards may be granted as determined on any date of grant, when added to the number of shares issued or remaining issuable pursuant to rights to subscribe for shares granted under the LTIP Scheme and any other share scheme during the preceding 10 years shall not exceed 10 per cent. of the number of shares in issue on the relevant date of grant provided that in respect of awards granted to executives of the company that limit shall be five per cent. of the number of shares in issue on the relevant date of grant;
- (ii) the maximum level of award (being the aggregate market value of shares subject to the award at the date of grant) that can be granted to an eligible employee under the LTIP Scheme in any calendar year shall be limited to 100 per cent. of such eligible employee's emoluments;
- (iii) no awards shall be granted later than the fifth anniversary of the adoption date provided that the Company in general meeting may at any time resolve to extend the LTIP Scheme up to a further five years;
- (iv) following termination of the LTIP Scheme no further awards shall be granted, but the subsisting rights and obligations of participants at that time shall continue in force as if the LTIP Scheme had not been terminated.

(f) *Adjustments & Amendments*

- (i) if a variation of the issued share capital of the Company by way of a bonus issue or rights issue, sub-division, consolidation, reduction or otherwise shall take place then the number of Shares subject to an Award and the terms and conditions applying to such Award shall be adjusted in such manner and with effect from such date as the Committee may determine to be appropriate and as the advisors of the Company shall have confirmed in writing to be, in their opinion, fair and reasonable;

- (ii) the Remuneration Committee shall have the power from time to time to make and amend such regulations for the implementation and administration of the LTIP Scheme in a manner consistent with the terms of the LTIP Scheme as it thinks fit and to make any amendments to the rules provided that:
 - (a) the provisions governing eligibility requirements, equity dilution, share utilisation and individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of participants without the prior approval of Shareholders in general meeting (except for minor amendments to benefit the administration of the LTIP Scheme, to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the LTIP Scheme or for any member of the Group); and
 - (b) no alteration shall be made which would materially affect any subsisting rights of participants granted prior to the date of the alteration without the prior consent or sanction of the majority of that number of participants who responded to the notification by the Company of such proposed alteration;
 - (iii) if events subsequently occur which cause the Remuneration Committee to consider that the existing performance requirements have become unfair or impractical it may, in its discretion (provided such discretion is exercised fairly and reasonably) amend the relevant performance requirements so that in the reasonable opinion of the Remuneration Committee they shall be no more or less difficult to abide by or satisfy as when they were originally imposed or last amended.
- (g) *Shares*
- (i) subject to (ii) below, any shares to be issued pursuant to the release of an award shall be allotted and issued, and any shares to be transferred shall be transferred to the relevant participant or a nominee nominated by a participant not later than 30 days after the date of release of the award. Such shares shall rank *pari passu* in all respects with other shares of the same class save that the participant shall have no entitlement in relation to rights attaching to the shares until the date of such allotment or transfer. Shares to be allotted shall not rank for any dividend or other distribution to be paid by reference to a record date before the date of allotment;
 - (ii) any allotment and issue or transfer of shares pursuant to the LTIP Scheme shall be subject to such consents (if any) of HM Treasury and/or other authorities as may from time to time be required;
 - (iii) the Company shall apply to the relevant exchange on which the shares are listed for shares issued pursuant to the release of awards to be admitted to the premium segment of the Official List or equivalent on or as soon as practicable after allotment;
 - (iv) shares that are issued may not be subscribed for at less than their nominal value; and
 - (v) the Company shall:
 - (a) when necessary keep available for issue sufficient authorised and unissued shares to satisfy all rights to subscribe for shares from time to time subsisting under awards granted pursuant to the LTIP Scheme, taking account of any other obligations of the Company to allot and issue shares; and/or
 - (b) ensure when necessary that it is in a position to satisfy or procure the satisfaction of all rights to acquire shares from time to time subsisting under the LTIP Scheme, taking account of other obligations of the Company in relation to the provision of shares.

7. Material contracts

(a) The following contracts, not being entered into in the ordinary course of business and which are, or may be, material, have been contracts entered into by any member of the Group within the period of two years immediately preceding the date of this document or otherwise have been entered into by members of the Group and contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document:

- (i) Under the terms of a facilities agreement (the “Current Bank Facility”) between HSBC Bank plc (“HSBC”) and the Company dated 24th February 2010 (as amended and restated by a Deed of Amendment and Restatement dated 14th January 2011) HSBC has made available to the Company the banking facilities described below.

The Current Bank Facility comprises the following facilities:

- Term Loan Facility of up to £2,000,000 (“Facility A”). This was repaid in October 2010.
- Term Loan Facility of up to £4,000,000 (“Facility B”). Interest on Facility B is charged at the rate of 3.75 per cent. over LIBOR per annum (plus annual percentage (if any) calculated by HSBC to compensate HSBC for the cost (if any) of compliance of the mandatory liquid asset requirements of the Bank of England for any relevant period). Facility B is secured by a charge over Trifast’s premises, Trifast House, Bellbrook Park, Uckfield, East Sussex TN22 1QW registered at the Land Registry with title numbers ESX175422 and ESX117521 and such right, title and interest in the property tinted green on the plan in Part 2 of Schedule 5 of the Term Loan Facility and any adjoining land as Trifast may have to the extent that such property is not registered under title number ESX175422 and any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property as well as assignments of security over receivables and an unlimited composite company guarantee and debenture given by Trifast, TR Fastenings Limited, Lancaster Fastener Company Limited, TR Formac PTE Limited, TR Fastenings AB and TR Asia Investment Holdings PTE to secure the liabilities of Trifast and each other to HSBC. On the acquisition of PSEP, HSBC has agreed to release the security over TR Formac PTE Limited/TR Asia Investment Holdings PTE.

Facility B is repayable by four quarterly instalments of £333,333 each year. As at 30 September 2011 the total amount outstanding under Facility B was £1.67 million.

- (ii) An asset based lending agreement relating to £15,800,000 of multi-currency facilities (the “ABLA”) between (1) HSBC Invoice Finance (UK) Limited and (2) Trifast, TR Fastenings Limited and Lancaster Fastener Company Limited dated 24th February 2010.

The ABLA facilities are made available to the following members of the Group:

- TR Fastenings Limited (up to a sub-limit of £13,500,000);
- TR Fastenings Limited – separately secured over assets of Trifast (up to a sub limit of £1,800,000);
- Lancaster Fastener Company Limited (up to a sub-limit of £500,000)

The ABLA comprises the following facilities:

- Inventory Facility up to a limit of £4,000,000
- Real Estate Facility up to a limit of £1,800,000
- Receivables Facility up to a limit of £10,000,000

Interest on the Real Estate Facility is charged at the rate of 2.00 per cent. per annum over Sterling base rate, interest on the Inventory Facility is charged at the rate of 2.50 per cent. per

annum over Sterling base rate and interest on the Receivables Facility is charged at the rate of 2.00 per cent. per annum over Sterling base rate. The ABLA facilities are currently secured by a legal mortgage over Trifast's premises, Trifast House, Bellbrook Park, Uckfield, East Sussex TN22 1QW registered at the Land Registry with title numbers ESX175422 and ESX117521 and such right, title and interest in the property tinted green on the plan in Part 2 of Schedule 5 of the Term Loan Facility and any adjoining land as Trifast may have to the extent that such property is not registered under title number ESX175422 as well as assignments of security over receivables, inventory and other assets (including shares in certain subsidiaries). In addition, the ABLA facilities are secured by a composite company guarantee given by Trifast, TR Fastenings Limited, Lancaster Fastener Company Limited and Trifast Overseas Holdings Limited to secure the liabilities of each other under the ABLA.

The debit balance of each loan account of the ABLA facilities is repayable 36 months from the date of the ABLA. As at 30 September 2011 the total amount outstanding under the ABLA facilities was £12.28 million.

(iii) The Bank Facility comprises the following facilities from DBS in favour of TR Asia Investment Holdings PTE Ltd:

- a five year term loan of up to S\$16,000,000 or 50 per cent. of the total purchase consideration for PSEP (including pension gratuity to executive directors), whichever is lower (the "TL Facility");
- a short-term loan facility of up to S\$3,000,000 (the "STL Facility"); and
- standby letters of credit of up to S\$1,000,000 (the "SBLC"),

the details of which are set out in a facility agreement dated 15 November 2011.

The terms upon which DBS has made the Bank Facility available to TR Asia Investment Holdings PTE Ltd are summarised below.

The TL Facility shall be drawn down in one lump sum no later than 31 December 2011. The interest period for the drawing of the TL Facility is three months or any other period as agreed by DBS. The TL Facility is repayable in 20 equal quarterly installments beginning three months after the drawdown date of the TL Facility, with the final installment being made 60 months after the drawdown date of the TL Facility or 31 December 2016, whichever is earlier.

The TL Facility is at a fixed interest rate of 3.14 per cent. per annum.

All terms of the Bank Facility are agreed except for the interest rate on the STL Facility and the SBLC which will be agreed at drawdown if the Company uses either facility.

The interest period for the drawing of the STL Facility shall be of one, two or three months or any other period agreed by DBS and the interest payable on the STL Facility is fixed at rates to be mutually agreed between TR Asia Investment Holdings PTE Ltd and DBS at drawdown. The STL Facility is repayable on the last day of the interest period for drawing.

Each SBLC shall be for such amount and on such terms and conditions and for such period as approved by DBS at drawdown. Each SBLC shall not exceed 12 months in duration and shall be renewable on a yearly basis. Commission shall be payable to DBS at either 2 per cent. per annum or DBS's prevailing minimum commission, whichever is higher at drawdown.

The Bank Facility is secured by unlimited company guarantees given by the Company and TR Formac PTE Ltd and by a deed of subordination executed by the Company in respect of the subordination of all existing and future loans made by the Company to TR Asia Investment Holdings PTE Ltd to TR Asia Investment Holdings PTE Ltd's obligations to DBS under the TL Facility. The Bank Facility includes additional conditions and is subject to quarterly testing on the Asian Group as follows:

- Tangible net worth to exceed S\$20 million
- Consolidated Tangible net worth to exceed S\$35 million
- Net Debt to EBITDA to be less than a ratio of two
- Debt Service cover to exceed a ratio of 1.2 times

The Bank Facility is inter-conditional on the Placing and the drawdown will be 50 per cent. of the total purchase consideration with the balancing 50 per cent. being paid from the Placing proceeds.

- (iv) An agreement (the “Acquisition Agreement”) dated 15 November 2011 between the Company and the Vendors pursuant to which the Vendors have agreed to sell the entire issued share capital of PSEP to the Company in consideration of an amount of RM71 million plus RM2.6 million for PSEP director’s pension gratuity payments totalling RM73.6 million aggregate consideration. RM7.1 million of the consideration is deferred for a period of 12 months and is to serve as a retention against which warranty and indemnity claims will be off-set (if proven or settled) under the terms of the Acquisition Agreement. The deferred consideration to be paid to the Vendors bears interest at 1 per cent. per annum from completion of the Acquisition. The balance of the consideration of RM63.9 million plus RM2.6 million will be satisfied by payment in cash on completion of the Acquisition.

The Acquisition Agreement is conditional on the passing of resolutions 1, 2, 3, 4 and 5 set out in the Notice of General Meeting and the Placing and Underwriting Agreement being unconditional in all respects, other than as may relate to Admission.

Pursuant to the terms of the Acquisition Agreement, the Vendors have agreed to provide certain warranties and indemnities customary for a transaction of this nature in relation to PSEP as well as a tax covenant. The aggregate amount of liability of the Vendors for all claims made under the Acquisition Agreement is capped at RM71 million. Any claim must be made by 31 March 2014 (or 31 December 2017 in the case of a claim under the tax covenant). The Vendors (with the exception of one minority corporate shareholder with whom PSEP has a collaborative relationship) have also entered into non-compete and non-solicitation covenants to protect the goodwill of PSEP for a period of 5 years.

- (v) On 15 November 2011 the Company entered into the Placing and Underwriting Agreement with Arden Partners. Pursuant to the Placing and Underwriting Agreement, Arden Partners agreed to the extent that Placees fail to subscribe for such Placing Shares, itself to subscribe at the Issue Price for all of the Placing Shares other than the Excluded Shares.

The Company has agreed to pay Arden Partners a placing commission (plus applicable value added tax, if any) of three per cent. of the aggregate value of the Placing Shares at the Issue Price. This commission is only payable in the event that Admission occurs or the Placing and Underwriting Agreement is terminated by Arden Partners as a result of a material breach by the Company as indicated below.

In addition to the above commission, the Company has agreed to pay a corporate advisory fee of £185,000 to Arden Partners (plus applicable value added tax) payable as to (i) £50,000 on the first submission of the prospectus to the UKLA; (ii) £50,000 payable on the announcement of the Placing to the London Stock Exchange and (iii) £85,000 payable on Admission or if the Placing and Underwriting Agreement is terminated for the reasons indicated below (other than in the event of *force majeure*).

The Placing and Underwriting Agreement, which contains certain customary warranties and indemnities in relation to this document and the business of the Company given by the Company to Arden Partners (which warranties and indemnities are not limited by reference to time or value), is conditional, *inter alia*, upon:

- (a) the release through a Regulatory Information System of the press announcement in the form agreed between Arden Partners and the Company containing details of the Placing;
- (b) the posting by no later than 17 November 2011 of this document to the Shareholders of the Company;
- (c) the Acquisition Agreement having become unconditional in all respects save for completion of the Placing;
- (d) the delivery to Arden Partners or Arden Partners' solicitors on its behalf of each of the documents referred to in Schedule 1 of the Placing and Underwriting Agreement by the times and in the form referred to in that schedule;
- (e) the passing of the Resolutions without amendments;
- (f) the Company having complied with its obligations under the Placing and Underwriting Agreement in all material respects to the extent that such obligations are required to be performed prior to Admission;
- (g) the warranty certificate set out in Schedule 3 of the Placing and Underwriting Agreement having been duly executed and dated with the date immediately prior to the date of Admission and having been delivered to Arden Partners or Arden Partners' solicitors on its behalf on that date; and
- (h) Admission having become effective at or before 8.00 a.m. on 14 December 2011.

The Placing and Underwriting Agreement also contains customary provisions entitling Arden Partners to terminate the Placing and Underwriting Agreement prior to Admission principally in the event of certain *force majeure* events occurring prior to Admission, if the Company breaches any of its obligations under the Placing and Underwriting Agreement which is material in the context of the Placing or there has been a material breach of any of the warranties contained in the Placing and Underwriting Agreement or there is likely to be a material breach of any of those warranties by reference to the facts and circumstances existing immediately prior to Admission or if any statement in the institutional presentation, this document, the placing letters or the press announcement has in the opinion of Arden Partners been discovered to be untrue, incorrect or misleading in any material respect or is likely to become untrue, inaccurate or misleading in any material respect by reference of the facts and circumstances existing immediately prior to Admission or it should come to the knowledge of Arden Partners that a matter has arisen which has or might give or be likely to give rise to a material recovery under the indemnity in the Placing and Underwriting Agreement or if any of the conditions to the Placing and Underwriting Agreement indicated above shall have become incapable of fulfilment by 15 January 2012 and has not been waived by Arden Partners other than as a result of or a failure of default by Arden Partners.

- (b) PSEP has not entered into any material contracts within the period of two years immediately preceding the date of this document.

8. Litigation

- (a) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.
- (b) There are no, nor have there been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the previous 12 months which may have, or have had in the recent past significant effects on PSEP financial position or profitability.

9. United Kingdom taxation

The following information is intended only as a general guide to current UK tax legislation and to what is understood to be the current practice of HM Revenue & Customs (“HMRC”) and may not apply to certain classes of Shareholders, such as dealers in securities, or to Shareholders who are not absolute beneficial owners of their shares. Certain categories of Shareholders, such as those who have (or are deemed to have) acquired their Existing Ordinary Shares by virtue of an office or employment, may be subject to special rules and this summary does not apply to such Shareholders. Any person who is in any doubt as to their tax position, or is subject to tax in any jurisdiction other than the UK, should consult their professional adviser without delay.

9.1 Dividends

Under current UK tax legislation, no tax is withheld from dividends at source paid by the Company.

UK tax resident individual Shareholders will be entitled to a tax credit in respect of any dividend received equal to one ninth of the amount of the dividend. The tax credit therefore equals 10 per cent. of the combined amount of the dividend and the tax credit (the “gross dividend”). Liability to UK income tax is calculated on the gross dividend. The tax credit will satisfy a UK tax resident individual Shareholder’s basic rate (but not higher rates) income tax liability in respect of the dividend, such that the basic rate UK Shareholder will not have any UK income tax to pay on dividends paid by the Company.

A UK resident individual Shareholder who is liable to income tax at the higher rate will be subject to income tax at the rate applicable to dividends for such Shareholders (currently 32.5 per cent.) on the gross dividend. After taking into account the 10 per cent. tax credit such Shareholders will have to account for additional tax equal to 22.5 per cent. of the gross dividend (an effective tax rate of 25 per cent. of the cash dividend received). Generally, a UK resident individual Shareholder who is not liable to income tax in respect of the gross dividend will not be entitled to repayment of the tax credit.

Dividend income received by an individual resident in the UK for tax purposes whose taxable income is over £150,000 will be taxed at the rate of 42.5 per cent. on the dividend plus the tax credit (an effective rate of 36.1 per cent. of the cash dividend received). In determining what tax rates apply to a UK tax resident individual Shareholder, dividend income is treated as the top slice of income.

UK resident corporate Shareholders may be exempt from taxation on dividends paid by the Company, depending on the circumstances and subject to certain conditions being satisfied. Non-exempt dividends will be subject to corporation tax. Certain funds, such as pension funds and open ended investment funds will generally not be subject to UK corporation tax on dividend income received from the Company.

A Shareholder who is not resident in the UK for tax purposes will not generally be entitled to claim any part of the tax credit attaching to a dividend, although such Shareholders may be entitled to offset the tax credit against their liability to tax in their country of residence. This will depend in each case on their personal circumstances and the terms of any double taxation agreement which exists between their country of residence and the UK. A Shareholder who is not resident in the UK (for tax purposes) should consult his own tax adviser concerning his tax liability on dividends received, his entitlement to reclaim any part of any tax credit or tax withheld and, if he is so entitled, the procedure for doing so. A Shareholder resident outside the UK may also be subject to foreign taxation on any dividends received under local law.

9.2 Capital gains tax

For the purpose of United Kingdom Taxation of chargeable gains, the Placing will not be a taxable event for holders of Existing Ordinary Shares. This means that there will not be a disposal or deemed disposal of existing holdings as a result of the Placing and there will be no resultant liability to United Kingdom capital gains tax.

The issue of Placing Shares under the Placing will not constitute a reorganisation of share capital for capital gains tax (“CGT”) purposes and, accordingly, any Placing Shares acquired by a Shareholder pursuant to the Placing will be treated as acquired as part of a separate acquisition of Ordinary Shares. The expenditure incurred by UK Shareholders in acquiring Placing Shares pursuant to the Placing will generally be regarded as part of the Shareholder’s base cost in those shares.

A Shareholder who is an individual resident in the UK for tax purposes who holds Existing Ordinary Shares will be subject to the CGT treatment prevailing at the date of disposal of his or her shares.

Gains on disposal of Ordinary Shares will be taxed (currently) at a rate of 18 per cent. for basic rate taxpayers and 28 per cent., for higher rate taxpayers.

The chargeable gain on the disposal of Ordinary Shares will be calculated by reference to the sales proceeds (less allowable costs of sale) and the cost of the acquisition of the Ordinary Shares (this is usually the price paid, but may differ for Ordinary Shares acquired by reason of employment or under a share incentive scheme).

The main CGT reliefs (although there may be others) which are likely to assist in reducing a potential CGT liability are:

- (i) Annual Exempt Amount: CGT will only be payable if your capital gains from all sources in the tax year concerned exceed the annual exempt amount (£10,600 for 2011/2012). The annual exempt amount applies each year but unused amounts cannot be carried forward and applied to gains made in subsequent years.
- (ii) Capital Losses: A gain made on the disposal of shares may be offset by capital losses made on other disposals in the same tax year or brought forward from earlier years.
- (iii) Entrepreneurs’ relief: An individual may in certain circumstances be subject to capital gains tax at a rate of 10 per cent. on qualifying capital gains, up to a lifetime allowance of £5 million of gains.

A Shareholder who is not resident in the UK (for tax purposes) should consult his own tax adviser concerning his tax liability on the disposal of shares.

9.3 *Stamp duty and stamp duty reserve tax*

No UK stamp duty or SDRT will arise in respect of the issue of new Ordinary Shares.

A transfer on sale of Ordinary Shares held in certificated form will ordinarily be subject to stamp duty on the instrument of transfer, ordinarily at the rate of one half of one per cent. of the amount or value of the consideration. An agreement to purchase Ordinary Shares will lead to a charge to stamp duty reserve tax (“SDRT”) (at the rate of 0.5 per cent. of the amount or value of the consideration) although any liability to SDRT will be cancelled or payment refunded if the instrument of transfer is duly stamped within six years of such agreement (or, where such agreement is conditional, within six years of such agreement becoming unconditional).

Special rules apply to market intermediaries, dealers and certain other persons. Transfers of shares to charities will not give rise to stamp duty if adjudicated in accordance with the relevant legislation and agreements to transfer shares to charities will not give rise to SDRT.

A transfer of Ordinary Shares within CREST will usually be liable to SDRT at the rate of 0.5 per cent., of the amount or value of the consideration. Where such a purchase is effected through a stockbroker or other financial intermediary, that person should usually account for the liability to SDRT. In other cases, the transferee of Ordinary Shares is liable to pay the SDRT and must account for it to HM Revenue and Customs.

THE ABOVE DESCRIPTION OF TAXATION IS GENERAL IN CHARACTER. IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION OR YOU ARE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATE INDEPENDENT PROFESSIONAL ADVISER WITHOUT DELAY.

10. Working capital

The Company considers that, taking into account the cash and other facilities available to it, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of publication of this document.

The Company considers that, taking into account the cash and other facilities available to it and the net proceeds receivable under the Placing, the working capital available to the Enlarged Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of publication of this document.

11. Significant change

- (a) There has been no significant change in the trading or financial position of the Group since 30 September 2011, the date to which the last unaudited half-yearly accounts for the Group have been prepared.
- (b) There has been no significant change in the trading or financial position of PSEP since 31 August 2011, the date to which the historical financial information on PSEP has been prepared.

12. Related party transactions

Other than as disclosed below and in the financial information incorporated by reference into this document for the financial years ended 31 March 2009, 31 March 2010 and 31 March 2011, there are no related party transactions between the Company or members of the Group that were entered into during the financial years ending 31 March 2009, 31 March 2010 and 31 March 2011 and no such transactions from 31 March 2011 to 15 November 2011 (the latest practicable date prior to the publication of this document).

Of the Placing Shares, 3,637,000 Placing Shares have been conditionally placed with Henderson Global Investors Ltd., and 850,000 Placing Shares have been conditionally placed with Michael Clifford Timms, both of whom are a substantial Shareholder of the Company for the purposes of the Listing Rules by virtue of being each entitled to exercise more than 10 per cent. of the votes able to be cast at general meetings of the Company, and a related party for the purposes of the Listing Rules and their participation in the Placing constitutes a related party transaction for the purposes of those rules.

Pursuant to the Placing and Underwriting Agreement, Arden Partners, as agent for the Company, has conditionally placed with Henderson Global Investors Ltd. such Placing Shares on the terms of Placing Letters between Arden Partners and Henderson Global Investors Ltd. and with Michael Clifford Timms such Placing Shares on the terms of Placing Letters between Arden Partners and Michael Clifford Timms. Henderson Global Investors Ltd. have undertaken not to vote on Resolution 4 set out in the Notice of General Meeting, and to use their reasonable endeavours to ensure that their associates do not so vote, and Michael Clifford Timms has undertaken not to vote on Resolution 5 set out in the Notice of General Meeting, and to use his reasonable endeavours to ensure that his associates do not so vote.

A further explanation of the Resolutions can be found on page 112.

13. General

- (a) Other than the acquisitions and disposals already highlighted in paragraph 4 of Part VII of this document, Trifast has not incurred any material capital expenditure or made any principal investments within the last three years before the date of this document. The Directors have no firm commitments for principal future investments.
- (b) The Placing is underwritten by Arden Partners pursuant to the Placing and Underwriting Agreement, details of which are set out at paragraph 7(v) of this Part X.
- (c) The expenses of, and incidental to the Placing, including registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses, are estimated to amount to approximately £834,000 (inclusive of VAT) and are payable by the Company.
- (d) The Placing Shares have not been sold, nor are they available, in whole or in part, to the public in conjunction with the application for listing save under the terms of the Placing.
- (e) The Company's articles of association permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Existing Ordinary Shares are admitted to CREST. It is expected that the Placing Shares will be enabled for settlement through CREST as soon as practicable following Admission. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.
- (f) The financial information relating to the Company and PSEP contained in this document does not constitute statutory accounts within the meaning of section 441 of the Act. The auditors of the Company for the financial years ended 31 March 2009, 31 March 2010 and 31 March 2011 were KPMG Audit Plc, chartered accountants and registered auditor, of 15 Canada Square, London E14 5GL. KPMG Audit Plc has made reports under section 434 of the Act on the statutory accounts of the Company for each such period. Each report was unqualified and did not contain a statement under section 489(2) of the Act.
- (g) The Issue Price represents a premium of 32p over the nominal value of an Ordinary Share.
- (h) The Placing Shares of the Company will be, and the Existing Ordinary Shares are, subject to the rules regarding mandatory takeover offers set out in the City Code. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent., but not more than 50 per cent. of the voting rights of the company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights, then in either case that person together with the persons acting in concert with him is normally required to make a general offer in cash, at the highest price paid by him, or any person acting in concert with him, for shares in the company within the preceding 12 months, for all the remaining equity share capital of the Company.
- (i) The Placing Shares of the Company will, and the Existing Ordinary Shares are, also subject to the compulsory acquisition procedures set out in sections 974 to 989 (inclusive) of the Act. Under section 979 of the Act, where an offeror makes a takeover offer (as defined in section 974 of the Act) and receives valid acceptances in respect of, or acquires, more than 90 per cent. of the shares to which the offer relates, that offeror is entitled to acquire compulsorily those shares not assented to the offer.
- (j) The Placing Shares will be created and allotted under the laws of England and Wales pursuant to the Resolutions to be proposed at the General Meeting and the currency of the Placing Shares will be pounds Sterling.
- (k) The Placing Shares will be issued in registered form and will be admitted to trading on the London Stock Exchange's market for listed securities under ISIN number GB0008883927.

- (l) KPMG Audit Plc has given and not withdrawn its written consent to the inclusion in this document of its reports in Parts VI and VIII of this document and to the references to those reports and to its name in the form and context in which they are included and it has authorised the contents of its letter for the purposes of paragraph 5.5.3R (2)(f) of the Prospectus Rules.
- (m) Arden Partners has given and not withdrawn its written consent to the inclusion in this document of its name in the form and context in which they are included.
- (n) Each of the professional advisers involved in the Acquisition and the Placing and the Vendors may be said to have indirect economic material interest which is dependent on the success of the Acquisition and the Placing, by virtue of their interest in fees payable by the parties to those transactions and the consideration payable under the Acquisition Agreement, respectively.
- (o) The share ownership threshold above which an obligation of disclosure arises under the Act is, subject to certain limited exceptions, three per cent. of the nominal value of the share capital of the Company.

14. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Charles Russell LLP, 5 Fleet Place, London EC4M 7RD during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) prior to the date of Admission and will also be available for inspection at the General Meeting for at least 15 minutes prior to and during the meeting:

- (a) the memorandum and articles of association of the Company;
- (b) the audited and consolidated accounts of the Company and its subsidiary undertakings for the three years ended 31 March 2009, 2010, 2011 including the auditors' reports thereon;
- (c) the unaudited half-yearly reports for the six months ended 30 September 2010 and 2011;
- (d) the material contracts referred to in paragraph 7 of this Part X;
- (e) the rules of the Share Option Schemes referred to in paragraphs 6 of this Part X;
- (f) the rules of the LTIP Scheme referred to in paragraph 6.6 of this Part X;
- (g) the Directors' service contracts referred to in paragraph 9.1 of Part X of this document;
- (h) the written consents referred to in paragraph 13 of this Part X;
- (i) KPMG Audit Plc's report on PSEP set out in Part VI of this document; and
- (j) the pro forma financial information of the Enlarged Group together with the report of KPMG Audit Plc thereon, set out in this Part VIII.

15. Announcement on results of the Placing

The Company made an appropriate announcement(s) to a Regulatory Information Service giving details of the results of the Placing on 16 November 2011.

Dated 16 November 2011

FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “may”, “will”, “would” or “should”, or in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Enlarged Group’s intentions, beliefs or current expectations concerning, among other things, the Enlarged Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Enlarged Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation: conditions in the markets, market position of the Enlarged Group, earnings, financial position, cash flows, return on capital and operating margins, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this document.

Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement of the UK Listing Authority (including the Prospectus Rules, Listing Rules and the Disclosure and Transparency Rules as appropriate) or London Stock Exchange or as a matter of law, neither Trifast nor Arden Partners undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this document.

IMPORTANT INFORMATION RELATING TO THE PRESENTATION OF INFORMATION AND CERTAIN OTHER MATTERS

The Company publishes its financial statements in pounds sterling, and PSEP publishes its financial statements in Malaysian Ringgits.

Unless otherwise indicated in this document and/or the information incorporated by reference into this document, the financial information contained in this document and the financial information incorporated by reference into this document has been presented in pounds sterling. In addition, solely for the convenience of the reader, this document contains pounds sterling translations of certain amounts as at 15 November 2011, the latest practicable date prior to the publication of this document. Unless otherwise stated, the translation rate for Malaysian Ringgits amounts that have been translated is RM4.9 per £1.00. Such translations should not be construed as representations that Malaysian Ringgits could be converted into pounds sterling at the rate used or any other rate, and may not correspond to the pounds sterling amounts shown in the historic or future financial statements of Trifast in respect of which different exchange rates may have been, or may be, used.

The financial information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Unless otherwise indicated, all financial information presented in this document has been extracted from Trifast's audited consolidated financial statements.

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in the Placing Shares is prohibited. By accepting delivery of this document, each offeree of the Placing Shares agrees to the foregoing.

The contents of this document should not be construed as legal, business or tax advice. This document is for information only and nothing in this document is intended to endorse or recommend a particular course of action.

The distribution of this document and/or the transfer of the Placing Shares into jurisdictions other than the UK may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted in or into the United States or the Excluded Territories. No action has been taken by the Company or by Arden Partners that would permit an offer of the Placing Shares or rights thereto or possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or by Arden Partners. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time subsequent to its date.

Without limitation, the contents of the websites of the Group do not form part of this document.

Capitalised terms have the meanings ascribed to them in the Definitions section of this document.

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Acquisition”	the proposed acquisition of the entire issued ordinary share capital of PSEP
“Acquisition Agreement”	the conditional agreement dated 15 November 2011 between the Company and the Vendors setting out the terms for the Acquisition, further details of which are set out in paragraph 7(iv) of Part X of this document
“Admission”	the admission of the Placing Shares to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the Listing Rules and the London Stock Exchange’s Admission and Disclosure Standards
“Arden Partners”	Arden Partners plc
“Asian Group”	TR Asia Investments Holdings Pte Limited and each of its subsidiaries as defined by the Act
“Bank Facility”	the new bank facilities which DBS has conditionally agreed to make available to Trifast, described in paragraph 7(iii) of Part X of this document
“Board” or “Directors”	the board of directors of the Company, whose names appear in paragraph 1 of Part IX of this document
“Business Day”	a day (other than a Saturday or Sunday) on which banks are generally open for business in London
“category ‘c’ products”	consumables of relatively low piece part value and generally non-fastener related
“certificated” or “in certificated form”	in relation to an Ordinary Share, one which is not in uncertificated form
“Chinese RMB” or “RMB”	the lawful currency for the time being of the People’s Republic of China (PRC)
“City Code”	the City Code on Takeovers and Mergers
“Closing Price”	the closing middle market quotation of an Existing Ordinary Share as derived from the daily official list published by the London Stock Exchange
“Company” or “Trifast”	Trifast plc
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)

“CREST Regulations” or “Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755), as amended
“CREST-sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“Current Bank Facility”	the bank facility made available by HSBC Bank plc, described in paragraph 7(i) of Part X of this document
“DBS”	DBS Bank Limited
“Disclosure and Transparency Rules”	the rules relating to the disclosure of information made in accordance with Section 73A(3) of FSMA
“EBIT”	earnings before interest and taxes
“EBITDA”	earnings before interest, taxes, depreciation and amortisation
“Enlarged Group”	the Group, as enlarged by the Acquisition
“Enlarged Issued Share Capital”	the enlarged issued share capital of the Company immediately following the Placing
“EU”	European Union
“Euro” or “€”	the official currency of the EU, introduced at the start of the third stage of European Economic and Monetary Union pursuant to the treaty establishing the European Community
“Euroclear”	Euroclear UK & Ireland Limited (formerly CRESTCo Limited), the operator of CREST
“Excluded Shares”	Placing Shares issued to Michael Clifford Timms
“Excluded Territory”	Australia, Canada, Japan and any other jurisdiction where the applicability of the Placing would breach any applicable law
“Existing Ordinary Shares”	the existing Ordinary Shares in issue at the Record Date all of which are admitted to trading on the premium segment of the Official List
“Form of Proxy”	the form of proxy accompanying this document for use by the Shareholders at the General Meeting
“FMSA”	the Financial Services and Markets Act 2000
“Gearing Level”	Net debt over Total equity
“General Meeting”	the general meeting of the Company (or any adjournment thereof) at which the Resolutions will be considered, convened for 10.00 a.m. on 13 December 2011, notice of which is set out at the end of this document
“Group”	Trifast and each of its subsidiaries (within the meaning of the Act)
“HSBC”	HSBC Bank plc
“Hungarian HUF”	the lawful currency for the time being of Hungary
“Indian Rupee”	the lawful currency for the time being of the Republic of India
“Issue Price”	37 pence per Placing Share
“Japanese Yen”	the lawful currency for the time being of Japan

“LIBOR”	London Inter-Bank Offer Rate
“Listing Rules”	the listing rules made by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000
“London Stock Exchange”	London Stock Exchange plc
“Malaysian Ringgit” or “RM”	the lawful currency for the time being of Malaysia
“Member Account ID”	the identification code or number attached to any member account in CREST
“Mr Foo”	Mr Foo Poh Wah, the CEO of PSEP
“Net Cash”	the excess of Cash and cash equivalents over Bank overdrafts and Other interest-bearing loans and borrowings
“Net Debt”	the excess of Bank overdrafts and Other interest-bearing loans and borrowings over Cash and cash equivalents
“Net Interest Cover”	Profit before interest and tax, pre exceptional items and goodwill, divided by net interest
“New Taiwanese dollar” or “NTD”	the lawful currency for the time being of Taiwan
“Norwegian Krone” or “NOK”	the lawful currency for the time being of Norway
“Official List”	the official list of the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of Trifast
“Panel”	the Panel on Takeovers and Mergers
“Placees”	those persons who have agreed to, or shall agree to, subscribe for the Placing Shares on the terms of the Placing Letters
“Placing”	the conditional placing by Arden Partners (on behalf of the Company) of the Placing Shares at the Issue Price to the Placees on the terms of the Placing Letters
“Placing and Underwriting Agreement”	the conditional agreement dated 15 November 2011 between the Company and Arden Partners, details of which are set out in paragraph 7(v) of Part X of this document, relating to the Placing
“Placing Letters”	the letters sent by Arden Partners to the Placees in relation to the Placing and the letters of confirmation sent from the Placees to Arden Partners to confirm their irrevocable acceptance of participation in the Placing
“Placing Shares”	the 21,621,622 new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing
“Prospectus Rules”	the Prospectus Rules made by the UK Listing Authority under section 84 of the Financial Services and Markets Act 2000 brought into force on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004
“Proton”	Perusahaan Otomobil Nasional Bhd
“PSEP”	Power Steel and Electro-plating Works Sdn. Bhd.

“Record Date”	the close of business on 9 December 2011
“Regulatory Information Service”	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies
“Remuneration Committee”	the remuneration committee of the Company as constituted from time to time
“Resolutions”	the resolutions to be proposed at the General Meeting of the Company, as set out in the notice of General Meeting at the end of this document
“ROCE”	annualised EBIT over total equity plus net debt
“Shareholders”	holders of Ordinary Shares
“Share Option Schemes”	the Company’s existing share option schemes described in paragraph 6 of Part X of this document
“Singapore dollar” or “S\$” or “SGD”	the lawful currency for the time being of Singapore
“Sterling” or “£”	the lawful currency for the time being of England and Wales and Scotland
“Swedish Krone” or “SEK”	the lawful currency for the time being of Sweden
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority, acting in its capacity as the competent authority under Part VI of the Financial Services and Markets Act 2000
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “USA” or “United States”	the United States of America, each State thereof, its territories, possessions and all areas subject to its jurisdiction
“US dollar” or “\$”	the lawful currency for the time being of the US
“Vendors”	those individuals and corporations named as the shareholders of PSEP in the Acquisition Agreement

Expressions defined in the manual published by Euroclear from time to time in connection with the operation of CREST bear the same meaning when used in this document.

APPENDIX

CHECKLIST OF DOCUMENTATION INCORPORATED BY REFERENCE

<i>Information incorporated by reference</i>	<i>Document reference</i>	<i>Page number in this document</i>
The contents of the Articles of Association of Trifast	Articles of Association of Trifast	76, 78, 82, 103, 104, 112
Annual accounts of Trifast for the year ended 31 March 2009, including consolidated profit and loss account, consolidated balance sheet and consolidated cash flow statement	Annual report and accounts 2009 (pages 46, 48 and 83)	7, 25, 26, 52–61
Annual accounts of Trifast for the year ended 31 March 2010, including consolidated profit and loss account, consolidated balance sheet and consolidated cash flow statement	Annual report and accounts 2010 (pages 55, 59 and 94)	7, 25, 26, 52–61
Annual accounts of Trifast for the year ended 31 March 2011, including consolidated profit and loss account, consolidated balance sheet and consolidated cash flow statement	Annual report and accounts 2011 (pages 68, 72 and 98)	7, 25, 26, 52–61, 66
Half-yearly report of Trifast for the six months ended 30 September 2010	Half-yearly report 2010	7, 25, 26, 52–61
Half-yearly report of Trifast for the six months ended 30 September 2011	Half-yearly report 2011	7, 25, 26, 28, 52–61, 64, 65
Notice of 2011 Annual General Meeting	Notice of 2011 Annual General Meeting (page 112)	20, 23, 75, 79, 102, 106

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **GENERAL MEETING** of Trifast plc (the “Company”) will be held at Trifast House, Bellbrook Park, Uckfield, East Sussex TN22 1QW on 13 December 2011 at 10.00 a.m. to consider and, if thought fit, to pass the following Resolutions:

ORDINARY RESOLUTIONS

- 1 “THAT the acquisition by the Company of the entire issued share capital of Power Steel and Electroplating Works Sdn. Bhd. on the terms and subject to the conditions contained in the acquisition agreement described in the circular to the shareholders of the Company to which the Notice convening this meeting is attached be and is hereby approved and that the Directors of the Company be and they are hereby authorised to do all such things and enter into such documents as may be necessary to give effect thereto including the making of such non-material variations to the terms and conditions of such agreement and related other documents as the Directors shall, in their discretion, think necessary or desirable”.
- 2 “That, subject to and conditional upon the acquisition agreement referred to in resolution 1 becoming unconditional (save for the obligation to satisfy the consideration due thereunder) and in substitution for the authorities given by resolution 8 at the Company’s Annual General Meeting held on 30 June 2011, the authority and power conferred on the Directors by the Company’s Articles of Association to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company be renewed for the period ending on the date of the Annual General Meeting in 2012 and for such period the Section 551 Amount be £2,862,210”;

SPECIAL RESOLUTION

3. “That, subject to and conditional upon the acquisition agreement referred to in resolution 1 becoming unconditional (save for the obligation to satisfy the consideration due thereunder or for the passing of these resolutions) and in substitution for the authorities given by resolution 9 at the Company’s Annual General Meeting held on 30 June 2011, the authority and power conferred on the Directors by the Company’s Articles of Association to allot equity securities or to sell treasury shares wholly for cash be renewed for the period ending on the date of the Annual General Meeting in 2012:
 - (a) in connection with a rights issue; or
 - (b) otherwise than in connection with a rights issue, with a Section 561 Amount of £1,348,250”.

ORDINARY RESOLUTIONS

4. “That the subscription by Henderson Global Investors Ltd. of 3,637,000 Placing Shares at the Issue Price of 37 pence for each such Placing Share to be so subscribed on the terms of the Placing Letter between Arden Partners and Henderson Global Investors Ltd., a copy of which is produced to the General Meeting and, for identification purposes, initialled by the chairman of the meeting, be and is hereby approved”; and
5. “That the subscription by Michael Clifford Timms of 850,000 Placing Shares at the Issue Price of 37 pence for each such Placing Share to be so subscribed on the terms of the Placing Letter between Arden Partners and Michael Clifford Timms, a copy of which is produced to the General Meeting and, for identification purposes, initialled by the chairman of the meeting, be and is hereby approved”.

A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting in person.

By order of the Board,
Mark Belton
Secretary

16 November 2011

**Trifast House
Bellbrook Park
Uckfield TN22 1QW**

Registered Office:

Trifast House
Bellbrook Park
Uckfield
East Sussex
TN22 1QW

Registered in England and Wales under number 1919797.

Notes:

- a) A form of proxy is enclosed. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the meeting in person, in which case any votes cast by the proxy will be excluded.
- b) To be effective the instrument appointing a proxy, and (failing prior registration) any letter or power of attorney under which it is executed (or a duly certified copy thereof) must be deposited at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.
- c) As an alternative to completing the hard copy proxy form, shareholders can vote and appoint a proxy electronically by going to the following website www.eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as provided on your proxy card and agree to certain terms and conditions.
- d) For either format of proxy to be valid it must be received not less than 48 hours before the time for holding the meeting. Further details relating to the appointment of proxies are included in the proxy form.
- e) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment by using the procedures described in the CREST Manual (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
- f) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by the Company's agent (ID: 3RA50) not less than 48 hours before the meeting. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- g) Information regarding the meeting is also available from www.trifast.com.
- h) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.
- i) Any person to whom this Notice of Meeting is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a Proxy for the AGM. If a Nominated Person has no such Proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs (a), (b) and (c) above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
- j) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 9 December 2011 (or if the meeting is adjourned by 6.00 p.m. on the day that is two working days prior to the adjourned meeting) shall be entitled to attend or vote at the same time meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.00 p.m. on the relevant day shall be disregarded in determining the rights of any person to attend or vote at the meeting. The total number of issued ordinary shares of the Company on 15 November 2011, which is the latest practicable date before the publication of this document is 85,246,086.
- k) Members attending the meeting will, subject as provided in the Company's Articles of Association, be entitled to ask questions relating to the business of the Meeting.
- l) You may not use any electronic address provided in this Notice or any related documents to communicate with the Company for any purpose other than those expressly stated.