

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised and regulated under the Financial Services and Markets Act 2000 (as amended).

If you sell or have sold or otherwise transferred all of your ordinary shares in Pires Investments plc, you should deliver this document, together with the attached Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Directors, whose names are set out on page 6 of this document and the Company, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (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 does not omit anything likely to affect the importance of such information.

Pires Investments plc

(Incorporated and registered in England and Wales with No:02929801)

Proposed Share Reorganisation Notice of General Meeting

Your attention is drawn to the letter from Mr. Peter Redmond, Chairman of the Company, which is set out on pages 6 to 10 of this document and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting.

Notice of a General Meeting of Pires Investments plc, to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS on Thursday 31 March 2016 at 11.00 a.m. is set out at the end of this document. Whether or not you intend to be present at the General Meeting you are urged to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to arrive as soon as possible and, in order to be valid, in any event not later than 11.00 a.m. on Tuesday 29 March 2016. Completion and return of Forms of Proxy will not preclude shareholders from attending and voting at the General Meeting should they so wish.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	11 March 2016
Latest time and date for receipt of Forms of Proxy	11 am on Tuesday 29 March 2016
General Meeting	11 am on Thursday 31 March 2016
Record Date for the Share Reorganisation	6:00pm Thursday 31 March 2016
Admission and commencement of dealings in the New Ordinary Shares (as sub-divided and consolidated)	1 April 2016
Dispatch of definitive shares certificates in respect of the New Ordinary Shares to be issued in certificated form	15 April 2016

STATISTICS

Number of Ordinary Shares in issue at the date of this Document	2,321,659,864
Number of New Ordinary Shares following the General Meeting	9,286,639
Par Value of New Ordinary Shares following the General Meeting	0.25p
ISIN Code for Existing Ordinary Shares	GB00B1XLNB88
ISIN Code for New Ordinary Shares ¹	GB00BD07SH45
AIM Ticker	PIRI

¹ The new ISIN shall become effective only if the Resolutions are passed at the General Meeting.

DEFINITIONS

“2006 Act”	the Companies Act 2006, as amended from time to time;
“Admission”	the admission of the New Ordinary Shares to trading on AIM;
“AIM”	AIM, a market operated by London Stock Exchange Plc;
“AIM Rules”	AIM Rules for Companies published by London Stock Exchange Plc, as amended from time to time;
“Articles of Association”	the articles of association of the Company;
“Buy Back Agreement”	the proposed agreement between (1) the Company and (2) the holders of the Existing Deferred Shares and the New Deferred Shares to buy back all of the Existing Deferred Shares and the New Deferred Shares for an aggregate price of £1.00;
“Company” or “Pires”	Pires Investments plc
“Completion”	the completion of the Proposals, which is subject to approval of the Resolutions by Shareholders;
“Directors” or “the Board”	the directors of the Company, being Peter Redmond, Placid Gonzalez and John May;
“Document”	this document dated 11 March 2016;
“Existing Deferred Shares”	the 136,171,197 deferred shares of 5 pence each and the 55,570,856 deferred shares of 4.9 pence each in the capital of the Company;
“Existing Ordinary Shares”	the existing ordinary shares of 0.1 pence each in the capital of the Company;
“Form of Proxy”	the form of proxy for use by Shareholders at the General Meeting;
“GM” or “General Meeting”	the General Meeting of the Company to be held on Thursday 31 March 2016 at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS;
“New Deferred Shares”	the deferred shares of 0.099 pence each in the capital of the Company to be created by the Share Split and as part of the Share Reorganisation;
“New Ordinary Shares”	new ordinary shares of 0.25 pence each in the share capital of the Company following implementation of the Share Reorganisation;

“Nominated Adviser”	Cairn Financial Advisers LLP of 61 Cheapside, London EC2V 6AX;
“Notice”	the notice of General Meeting set out at the end of this Document;
“Peterhouse”	Peterhouse Corporate Finance Limited, the brokers to the Company;
“Proposals”	the proposals set out in this Document including the Share Reorganisation and Buy Back Agreement, and other matters to be considered at the General Meeting;
“Record Date”	the latest time and date for Shareholders to be recorded in the members register of the Company in order to attend and vote at the General Meeting being 6pm on Wednesday 30 March 2016;
“Resolution(s)”	the resolutions to be proposed at the GM, as set out in the Notice;
“Shareholders”	the shareholders of the Company;
“Share Consolidation”	the consolidation of the Company’s ordinary share capital following the Share Split in accordance with Resolution 2;
“Share Reorganisation”	the Share Split and the Share Consolidation;
“Share Split”	the reorganisation of the Company’s ordinary share capital in accordance with Resolution 1.

LETTER FROM THE CHAIRMAN OF

Pires Investments plc

(Incorporated and registered in England and Wales with No: 02929801)

Directors:

Peter Redmond (*Chairman*)
John May (*Non-Executive Director*)
Placid Gonzales (*Non-Executive Director*)

Registered Office:

Cooley Services Limited
Dashwood
69 Old Broad Street
London EC2M 1QS

11 March 2016

Dear Shareholder,

Introduction

Attached to this letter is notice of a General Meeting of the Company. I write to explain the background to and reasons for this meeting and to provide additional information on the resolutions to be proposed at the meeting.

On 31 July 2015, Pires reported its Interim Results for the 6 months to 30 April 2015 (“Interims”) and provided an update on the Company’s investment portfolio. A copy of those Interims is available on the Company’s website. I wrote in the Interims that it was Pires’ intention to hold its investments until a significant and hopefully value-enhancing event took place and then progressively realise them. Your Board considers that collectively the investments have continued to perform in line with the Company’s expectation since the date of the Interims and we continue to see potential for valuation upside despite the falls in the market generally.

As also outlined at the time of the Interims, the Board has been reviewing the investing strategy for the future. Prominent in these considerations is that the investment portfolio is not large enough to create a return for investors and earlier proposals on the part of certain shareholders to raise significant further resources to enable the Company to pursue a broad investment policy did not proceed.

The Board therefore proposes to refocus the business with a view to making a single significant investment or acquisition in line with the Company’s existing investing policy. Given Pires’ current market capitalisation it is likely that a proposed acquisition or investment would be of a size to constitute a Reverse Takeover under the AIM Rules, requiring shareholder approval.

As an initial step towards delivering this strategy, the Board is proposing to seek to raise fresh equity capital which is expected to be sufficient to enable the Company to investigate suitable opportunities and undertake adequate due diligence in order to move towards execution of a significant acquisition. The extent to which any further fundraisings are

required to complete such a transaction will depend on the size of this initial fundraising and the working capital requirements of the enlarged group following an acquisition. The Company has authority to issue shares for cash up to an aggregate maximum nominal amount of £3,000,000 under existing authorities given by Shareholders at the last annual general meeting.

The Board is actively reviewing acquisition opportunities but a specific transaction has not been agreed. However, in the event that the Board identifies such an opportunity, it will determine how best to effect the transaction.

Currently the Company is not able to issue equity because the nominal value of each Existing Ordinary Share is in excess of the market price of Pires' Existing Ordinary Shares and the 2006 Act prohibits shares being issued at a price below their nominal value. After extensive discussion, the Board has reached agreement with parties representing significant shareholdings and is therefore proposing the Share Reorganisation to remedy this issue as a precursor to any proposed fund-raising referred to above. Further details on the proposed Share Reorganisation are set out below. Implementation of the Share Reorganisation is conditional on Shareholder approval of the Resolutions.

Whilst undertaking this Share Reorganisation, the Board is also proposing to tidy up the Company's balance sheet by eliminating the historic Existing Deferred Shares and the New Deferred Shares created upon implementation of the Share Reorganisation, since both the Existing Deferred Shares and the New Deferred Shares are of no economic value and serve no useful purpose.

Details of the Resolutions to be put to the General Meeting to give effect to these proposals are provided below.

Share Reorganisation

The Company currently has 2,321,659,864 Existing Ordinary Shares in issue. This is a very large number for a Company with a modest market capitalisation of approximately £0.46m and means that the Existing Ordinary Shares trade well below nominal value at a fraction of a penny, which is both confusing and leads to misunderstandings as to the value of holdings.

The Board therefore proposes to sub-divide each Existing Ordinary Share into 1 ordinary share of 0.001 pence each and one New Deferred Share of 0.099 pence each. The resultant ordinary shares of 0.001 pence each will then be consolidated on a 250 into 1 basis into 9,286,639 New Ordinary Shares in aggregate. The nominal value of each of the New Ordinary Shares will then be 0.25 pence.

In the event of implementation of the Share Reorganisation, Shareholders would own 1 New Ordinary Share of 0.25 pence (nominal value) and 1 New Deferred Share for every 250 Existing Ordinary Shares that they own prior to the Share Reorganisation. Percentage holdings of individual Shareholders will not change as a result of the Share Reorganisation (subject to fractional entitlements). **However, one consequence of the Share Reorganisation is that Shareholders holding less than 250 Existing Ordinary Shares will receive no New Ordinary Shares.**

On the basis that the Existing Ordinary Shares were trading at a price of 0.02 pence on 7 March 2016 (the latest practicable date prior to posting of this Document) and assuming

implementation of the Share Reorganisation whereby the number of ordinary shares in issue will be consolidated 1 for 250, assuming normal market conditions the New Ordinary Shares should trade at approximately 4 pence each.

The rights attached to the New Ordinary Shares will be identical in all respects to those of the Existing Ordinary Shares. The Share Reorganisation will not affect the voting or other rights of holders of Existing Ordinary Shares who receive New Ordinary Shares (save that there will be fewer shares in issue).

Buy Back of the Existing Deferred Shares and the New Deferred Shares

The New Deferred Shares will not entitle holders to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return of capital on a winding up (other than the nominal amount paid on such shares following a very substantial distribution to the holders of New Ordinary Shares). Accordingly, the New Deferred Shares will, for all practical purposes, be valueless. No application will be made to the London Stock Exchange for admission of the New Deferred Shares to trading on AIM nor will any such application be made to any other exchange.

The Existing Deferred Shares were created due to the earlier losses of capital which had arisen on the Company's activities prior to it becoming an investment company. The Board can see no reason for the Existing Deferred Shares or the New Deferred Shares (assuming implementation of the proposed Share Reorganisation) to remain on the balance sheet and recommends that the Existing Deferred Shares and New Deferred Shares are purchased by the Company following Completion ("Buy Back"). As with the New Deferred Shares, the Existing Deferred Shares have no economic value.

Under the provisions of the 2006 Act, a public limited company may not fund the purchase of its shares except out of its distributable reserves or the proceeds of a fresh issue of shares made solely for the purpose of such buy back. The Company has no distributable reserves with which to fund the Buy Back and therefore it is proposed that the Buy Back is funded out of the proceeds of a new issue of one New Ordinary Share at a price of £1.00.

The Buy Back is conditional upon Shareholder approval. At the General Meeting, Shareholders will be asked to approve, if thought fit, the Buy Back pursuant to Resolution 3.

Under the provisions of the Articles of Association, the Company has the power to buy back all the Existing Deferred Shares and the New Deferred Shares for £1 in aggregate. In addition, the Company has the power to appoint anyone to sign the Buy Back Agreement on behalf of all the holders of the Existing Deferred Shares and the New Deferred Shares and the Company proposes that any one of its Directors be authorised to carry out this function.

Pursuant to the provisions of the 2006 Act, a copy of the Buy Back Agreement must be made available for inspection at the Company's registered office by the Shareholders at least 15 days prior to the meeting approving the Buy Back. A copy of the Buy Back Agreement is currently available for inspection on the Company's website at www.piresinvestments.com and at its registered office. A copy of the Buy Back Agreement will also be available for inspection at the General Meeting.

Proposals

The Proposals are subject to the approval of Shareholders at General Meeting, to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS at 11 a.m. on Thursday 31 March 2016. The purpose of this letter is to provide you with the background to the Proposals and also to seek your approval for, inter alia, the Share Reorganisation all of which will be proposed at the General Meeting, notice of which is set out at the end of this Document.

Share certificates and Admission

New share certificates representing the New Ordinary Shares will be issued and sent by first class post at the risk of the Shareholder on or before 15 April 2016. No certificates will be issued in respect of the New Deferred Shares created as part of the Share Reorganisation. For uncertificated holders, their stock accounts in CREST will be credited with the New Ordinary Shares on or around 1 April 2016.

Following the Share Reorganisation, share certificates in respect of the Existing Ordinary Shares will no longer be valid.

Subject to the Resolutions being passed, dealings in the Existing Ordinary Shares will cease at the close of business on the date of the General Meeting and dealings in the New Ordinary Shares are expected to commence on the following day pursuant to the Admission. Shareholders will be able to trade in the New Ordinary Shares during the period between Admission following the passing of the Resolutions and the date on which Shareholders receive share certificates in respect of the New Ordinary Shares. During this period and pending the issue of certificates, transfers will be certified against the Company's share register.

If you are in any doubt with regard to your current shareholding in Existing Ordinary Shares or the Share Reorganisation, you should contact our registrar, Computershare Investor Services PLC, on: +44 (0) 370 889 3207 between 9.00 a.m. and 5.00 p.m. on any London business day.

General Meeting

The Notice convening the General Meeting is set out on pages 11 to 13 of this Document at which the Resolutions will be proposed for the purposes of the Proposals. All of the Resolutions will need to be passed for the Proposals to become effective. A summary of the Resolutions is set out below:

Resolution 1, which will be proposed as an ordinary resolution, seeks approval for the subdivision of each Existing Ordinary Share into 1 new share of 0.001 pence each and 1 New Deferred Share of 0.099 pence each;

Resolution 2, which will be proposed as an ordinary resolution, seeks approval for the consolidation of the ordinary shares of 0.001 pence on the basis that one New Ordinary Share of 0.25 pence each will be created out of every 250 ordinary shares of 0.001 pence;

Resolution 3, which will be proposed as a special resolution, seeks approval for the repurchase of the Existing Deferred Shares and the New Deferred Shares pursuant to the Buy Back Agreement laid before the General Meeting;

Action to be taken

Shareholders will find a Form of Proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company Secretary, c/o Welbeck Associates, 30 Percy Street, London W1T 2DB not later than 11.00 a.m. on Tuesday 29 March 2016, being at least 48 hours before the time appointed for holding the General Meeting. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

Recommendation

The Directors consider the Proposals to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole and therefore unanimously recommend that you vote in favour of the Resolutions. An irrevocable undertaking to vote in favour of all the resolutions contained in the Notice convening the General Meeting has been received from a shareholder holding 375,000,000 Existing Ordinary Shares representing approximately 16% of the Existing Ordinary Shares. In the event that any one of the Resolutions is not passed then the Proposals will not be put into effect.

Yours faithfully,

Peter Redmond
Chairman

Pires Investments plc

(Incorporated and registered in England and Wales with No: 02929801)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of the Company will be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS on Thursday 31 March 2016 at 11 am for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolution 3 will be proposed as a special resolution.

1. THAT each of the ordinary shares in issue on 31 March 2016 be subdivided into 1 ordinary share of 0.001 pence in nominal value having the same rights and ranking *pari passu* in all respects with the Existing Ordinary Shares and one New Deferred Share of 0.099 pence in nominal value having the rights and restrictions set out in Resolution 2 below.
2. THAT, conditional on the passing of Resolution 1, every 250 ordinary shares of 0.001 pence each in nominal value in the capital of the Company in issue at the close of business on the date of this meeting be consolidated into one consolidated ordinary share of 0.25 pence in nominal value (the “New Ordinary Shares”), provided that where such consolidation results in any member being entitled to a fraction of a New Ordinary Share, such fraction shall be aggregated and the directors of the Company be and are hereby authorised to sell (or appoint another person to sell) such fraction and retain the net proceeds of such sale for the benefit of the Company. The New Deferred Shares shall have the following rights and restrictions:
 - (a) The New Deferred Shares shall carry no rights to participate in the profits of the Company.
 - (b) On a return of capital in a winding up or dissolution (but not otherwise) the holders of the New Deferred Shares shall be entitled to participate in the distribution of the assets of the Company *pari passu* with the holders of the Ordinary Shares but only in respect of any excess of those assets above £1,000,000,000,000. The holders of the New Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.
 - (c) The holders of the New Deferred Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.
 - (d) The New Deferred Shares shall not be listed on any stock exchange nor shall any share certificates be issued in respect of such shares. The New Deferred Shares shall not be transferable, save as referred to below or with the written consent of the directors.
 - (e) A reduction by the Company of the capital paid up on the New Deferred Shares shall be in accordance with the rights attaching to the New Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (subject to and in

accordance with the Companies 2006 Act and without obtaining the consent of the holders of the New Deferred Shares).

- (f) The Company has the irrevocable authority at any time to do all or any of the following without obtaining the sanction of the holder or holders of the New Deferred Shares:
- (i) To appoint any person to execute on behalf of any holder of New Deferred Shares a transfer of all or any part thereof and/or an agreement to transfer the same (without making any payment therefore) to such person as the directors may determine (whether or not an officer of the Company) and who is willing to accept the same;
 - (ii) to purchase all or any of the same in accordance with the Companies Acts without obtaining the consent of the holders thereof and in consideration of the payment to each of the holders whose shares are purchased of an aggregate amount equal to one pence in respect of all the New Deferred Shares then being purchased from him;
 - (iii) for the purposes of any such purchase under (ii) above, to appoint any person to execute on behalf of any holder of New Deferred Shares a contract for the sale to the Company of any such New Deferred Shares held by him; and
 - (iv) to cancel all or any of the same so purchased under (f) (ii) above in accordance with the Companies Acts.

3. THAT, conditional upon the passing of Resolution 2, the terms of the Buy Back Agreement in the form available for inspection on the Company's website and at its registered office be and is hereby approved.

By Order of the Board

Peter Redmond, Chairman

Registered Office:
Cooley Services Limited
Dashwood
69 Old Broad Street
London EC2M 1QS

11 March 2016

Notes:

1. Members entitled to attend and vote at the General Meeting are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. If you wish your proxy to speak at the General Meeting, you should appoint a proxy other than the chairman of the General Meeting and give your instructions to that proxy.
2. A Form of Proxy is enclosed for use at the General Meeting. Please read carefully the instructions on how to complete the form. To be valid it must be received by post or (during normal business hours only) by hand to the Company Secretary, c/o Welbeck Associates, 30 Percy Street, London W1T 2DB no later than 11am on Tuesday 29 March 2016, being at least 48 hours before the time appointed for holding the General Meeting. Members who intend to appoint more than one proxy can obtain additional Forms of Proxy from the Company Secretary. Alternatively the form may be photocopied prior to completion. The Forms of Proxy should be returned in the same envelope and each should indicate that it is one of more than one appointment being made.
3. The return of a completed Form of Proxy or any other such instrument will not prevent a member attending the General Meeting and voting in person if he/she wishes to do so.
4. To be entitled to attend and vote at the meeting or any adjournment (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company by 6:00pm on 30 March 2016 or 48 hours before the time appointed for holding any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. 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 that they do not do so in relation to the same shares.