

RNS Number : 9131R  
Pires Investments PLC  
11 March 2016

**Pires Investments Plc**  
("Pires" or the "Company")

**Correction: Posting of circular and update**

The following replaces the Posting of circular and update announcement released at 15:31 under RNS Number 8957R and corrects the date of the General Meeting to Thursday 31 March 2016.

All other details in the announcement remain the same. The full text of the amended announcement is set out below.

**Posting of circular**

Pires Investments Plc (AIM: PIRI) announces that it has posted a circular to shareholders convening a General Meeting of the Company at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS on 31 March 2016 at 11 am for the purpose of seeking shareholder consent to undertake a share capital reorganisation.

The circular may be downloaded from the Company's website at [http://piresinvestments.com/AIM\\_rule\\_26.php](http://piresinvestments.com/AIM_rule_26.php).

The letter to shareholders from the Chairman is replicated in full below:-

*"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](http://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 14 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 31 March 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*

### **Update - Disposal of Ventec Renewable Energy Limited ("Ventec")**

The Company announces that it has disposed of the entire issued share capital of Ventec, a subsidiary of the Company (the "Disposal") to Ambrosia Investments Limited ("Ambrosia"), a company owned by Emmanouil Vaindirilis, a substantial shareholder of the Company and a director of Ventec.

Ventec was formed in July 2014 with a view to entering into a number of European renewable energy projects which were seen as being compatible with the possible future direction of the Company and which would have constituted a reverse transaction for the Company. Ultimately it was not possible to complete such transactions.

The Company, prior to the Disposal, obtained an independent valuation for Ventec which confirmed the directors view that the subsidiary had nil economic value.

The consideration for the Disposal is £2. In addition, Ambrosia agreed to settle intercompany liabilities amounting to circa £45,000 between Ventec and the Company. These liabilities have been settled in cash.

#### Related Party Transaction

The Disposal is classified as a related party transaction pursuant to AIM Rule 13. Pursuant to AIM Rule 13. The directors of the Company consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned. The directors of the Company (none of whom are connected with the transaction) consider, having consulted with Cairn Financial Advisers LLP, the Company's nominated adviser, that the terms of the related party transaction are fair and reasonable insofar as the Company's shareholders are concerned.

Enquiries:

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