

12 September 2018

**HERMES PACIFIC INVESTMENTS PLC
(AIM: HPAC)**

Final results for the year ended 31 March 2018

Hermes Pacific Investments Plc today reports its financial results for the year ended 31 March 2018.

Chairman's statement

I am pleased to report the results of Hermes Pacific Investments Plc ("HPAC" or the "Company") for the year ended 31 March 2018. During the year, the Company had no revenues as it does not have any operating business and the Company made a loss of £100,000, which is marginally higher than the loss of £95,000 reported for the previous financial year. Our focus very much remains to minimise our costs whilst we are looking for opportunities to deploy or cash. At the financial year end the Company had net assets of £3,861,000.

Review of the Company's Activities

The Company is an investing company and has made some investments in line with its investing policy in companies involved in financial activities within the emerging market sector. These investments have performed in line with our expectations. We are in a good position from a Balance Sheet perspective and our cash balance as at 31 March 2018 stands at £3.725 million. We continue to evaluate other suitable opportunities in emerging markets and with our strong balance sheet hope to make further investments in the future. Our total comprehensive loss for the year was £61,000 compared to a loss of £66,000 for the previous financial year.

Rising trade tensions, particularly between the United States and China, have prompted a cautious investor outlook, affecting emerging markets over the short term. What has been hurting sentiment is not trade policy itself, but the uncertainty caused by escalating trade tensions. Dollar strength is one of the big challenges faced by emerging markets. The dollar's strength has taken many investors by surprise, raising concerns about how much further it can run. A slight upward move in the US interest rate trajectory has no doubt contributed to its strength. In this uncertain environment we have to be cautious about making significant investments in the emerging markets.

Business optimism in the UK is hitting low levels the decline in optimism comes as key questions on the UK's trading relationship with the EU after Brexit remain unanswered and the government ramps up preparations for no deal. The short-term market impact is likely to be significant if Britain leaves the European Union without a deal. Should the UK choose to remain in the single market after Brexit, the economic risks are likely to be minimised, although they may still affect the financial services sector. However, if the UK chooses to leave the single market it is likely to suffer significant negative impacts to the economy based on trade with the EU. At the same time, these negative impacts of Brexit may be outweighed by new trade deals and opportunities with emerging economies and countries outside the EU.

The Company continues to seek attractive investment opportunities that will enhance the shareholder value while minimising the downside risks.

Outlook

We have a strong balance sheet and cash resources that place us in a strong position to exploit investment opportunities as they arise.

Outlook

We have a strong balance sheet and cash resources that place us in a strong position to exploit investment opportunities as they arise.

Haresh Kanabar
Chairman

Contacts

Hermes Pacific Investments Plc

Haresh Kanabar, Non-Executive Chairman

www.hermespacificinvestments.com

Tel: +44 (0) 207 290 3340

WH Ireland Limited (Nominated Adviser & Broker)

Mike Coe/Ed Allsopp

www.whirelandcb.com

Tel: +44 (0) 117 945 3470

Statement of comprehensive income for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Continuing operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		<u>-</u>	<u>-</u>
Other operating income		-	-
Administrative expenses	2	(107)	(106)
Operating loss		<u>(107)</u>	<u>(106)</u>
Finance income		7	11
Finance costs		-	-
Loss on ordinary activities before tax		<u>(100)</u>	<u>(95)</u>
Tax expense		-	-
Loss for the year from continuing activities		<u>(100)</u>	<u>(95)</u>
Discontinued operations			
Loss for the year from discontinued operations		-	-
Loss for the year		<u>(100)</u>	<u>(95)</u>
Other comprehensive income			
Available-for-sale financial assets:			
Gains/(losses) arising in the year		39	29
Total comprehensive loss for the year		<u>(61)</u>	<u>(66)</u>
Basic and diluted loss per share			
From continuing operations	3	<u>(4.3)p</u>	<u>(4.0)p</u>
		<u>(4.3)p</u>	<u>(4.0)p</u>

Statement of financial position as at 31 March 2018

	As at 31 March 2018 £'000	As at 31 March 2017 £'000
ASSETS		
Non-current assets		
Investments	174	135
	<hr/>	<hr/>
	174	135
Current assets		
Trade and other receivables	1	1
Cash and cash equivalents	3,725	3,814
	<hr/>	<hr/>
	3,726	3,815
LIABILITIES		
Current liabilities		
Trade and other payables	(39)	(28)
	<hr/>	<hr/>
	(39)	(28)
Net current assets	<hr/>	<hr/>
	3,687	3,787
NET ASSETS	<hr/>	<hr/>
	3,861	3,922
SHAREHOLDERS' EQUITY		
Issued share capital	3,576	3,576
Share premium account	5,781	5,781
Share based payments reserve	139	139
Revaluation reserve	1	(38)
Retained earnings	(5,636)	(5,536)
	<hr/>	<hr/>
TOTAL EQUITY	3,861	3,922
	<hr/> <hr/>	<hr/> <hr/>

Cash flow statement for the year ended 31 March 2018

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Cash flows from operating activities	(95)	(113)
Cash flows from investing activities		
Acquisition of investments	-	-
Income from disposal of subsidiary undertakings	-	-
	<u>-</u>	<u>-</u>
Net cash (used in)/from investing activities	-	-
Cash flows from financing activities		
Proceeds of share issues	-	-
Other income	6	11
Cost of share issue	-	-
	<u>6</u>	<u>11</u>
Net cash from financing activities	6	11
	<u>6</u>	<u>11</u>
(Decrease)/increase in cash and cash equivalents	(89)	(102)
Cash and cash equivalents at start of period	3,814	3,916
	<u>3,814</u>	<u>3,916</u>
Cash and cash equivalents at end of period	3,725	3,814
	<u>3,725</u>	<u>3,814</u>

Statement of changes in equity for the year ended 31 March 2018

	Ordinary share capital	Deferred share capital	Share premiu m	Share based payments reserve	Retained earnings	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2016	2,333	1,243	5,781	139	(5,441)	(67)	3,988
Share re-organisation	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-
Total comprehensive loss/profit for the period	-	-	-	-	(95)	29	(66)
							-
At 1 April 2017	2,333	1,243	5,781	139	(5,536)	(38)	3,922
Share re-organisation	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-
Total comprehensive loss/profit for the period	-	-	-	-	(100)	39	(61)
At 31 March 2018	2,333	1,243	5,781	139	(5,636)	1	3,861

Notes to the financial statements for the year ended 31 March 2018

1. Statement of compliance

The financial statements comply with International Financial Reporting Standards as adopted by the European Union. At the date of approval of these financial statements, the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective (and in some cases had not been adopted by the EU):

2. Operating loss

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
The operating loss is stated after charging the following, included in administrative expenses:		
Staff costs	44	44
Other admin costs	63	62
	<u>107</u>	<u>106</u>

3. Loss per share

	Year ended 31 March 2018	Year ended 31 March 2017
Basic		
Loss from continuing activities (£'000)	(100)	(95)
	<hr/>	<hr/>
	(100)	(95)
Number of shares	2,333,295	2,333,295
	<hr/>	<hr/>
Basic loss per share (p)		
From continuing operations	(4.3)p	(4.0)p
	<hr/>	<hr/>
	(4.3)p	(4.0)p
	<hr/> <hr/>	<hr/> <hr/>

4. Publication of non-statutory accounts

The financial information set out in this announcement does not comprise the Group's statutory accounts for the years ended 31 March 2018 or 31 March 2017. The financial information has been extracted from the statutory accounts of the Company for the years ended 31 March 2018 and 31 March 2017.

The auditors' opinion on those accounts was unmodified and did not contain a statement under 498 (2) or section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by the way of emphasis.

The statutory accounts for the year ended 31 March 2017 have been delivered to the Registrar of Companies, whereas those for the year ended 31 March 2018 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

5. Annual Report

The Annual Report will be posted to shareholders and will be available from the Company's website (www.hermespacificinvestments.com) today.