

22 November 2021

HERMES PACIFIC INVESTMENTS PLC
(the “Company”)

Change of Investing Policy
Notice of General Meeting

Hermes Pacific Investments plc (AIM: HPAC) is pleased to announce details of a proposed change to the Company's investing policy.

A circular to shareholders is expected to be posted today setting out details of the New Investing Policy and to explain why the Board considers the New Investing Policy to be in the best interests of the Company and its shareholders as a whole and to recommend that shareholders vote in favour of the resolution to be proposed at a General Meeting required to implement the New Investing Policy.

Background to and reasons for the change of investing policy

The Company's current investing policy is:

The proposed investments to be made by the Company may be either quoted or unquoted; made by direct acquisition of an equity interest; may be in companies, partnerships, joint ventures; or direct interests in projects in South East Asia including, but not limited to, investments in the financial sector. The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.

The Company made a few minor investments when the current investing policy was first adopted but the Company has not found any suitable significant deals in South East Asia (in the financial sector or elsewhere) into which to deploy its cash resources. Therefore the Board consider that it would be appropriate to change the strategic direction of the Company and implement a new investing policy that allowed the Company's resources to be deployed in other geographic areas and business sectors.

It is proposed that the Company's New Investing Policy will be to invest principally, but not exclusively, in the property sector. The Directors consider the property sector will provide the Company with significantly more suitable investment opportunities that can provide offer significant growth potential for the future.

In the first instance, the existing capital available to the Company will be used to locate, evaluate and select investment opportunities that offer satisfactory potential capital returns for shareholders.

Proposed New Investing Policy

It is proposed that the Company's new investing policy will be to invest principally, but not exclusively in the property sector within Europe and the Middle East.

Accordingly, subject to the passing of the Resolution, the New Investing Policy will be:-

The proposed investments to be made by the Company may be either quoted or unquoted; in debt and/or in equity instruments, may be in companies, partnerships, joint ventures; or direct interests in property or property projects (either residential or commercial property). The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.

The Directors believe there are opportunities to invest in and acquire commercial and/or residential properties where the properties may be undervalued and/or suitable for redevelopment to enhance capital value.

The Company will identify and assess potential properties and where it believes further investigation is

required, and subject to assessment of potential risk, intends to appoint appropriately qualified advisers to assist. Where further investigation is required, the Company intends to carry out a comprehensive and thorough investment review process in which all material aspects of any potential property investment will be subject to due diligence.

The Company's financial resources may be invested in a small number of properties or investments or potentially in just one investment which may be deemed to be a reverse takeover of the Company under the AIM Rules. Where this is the case, it is intended to mitigate the risk by undertaking an appropriate due diligence process. Any transaction constituting a reverse takeover under the AIM Rules would require Shareholders' approval. The possibility of building a broader portfolio of properties has not, however, been excluded. The Company may also continue to review and investigate non-property related investments as it has done to date.

The Company's investments may take the form of equity, debt or convertible instruments. Investments may be made in all types of assets falling within the remit of the New Investing Policy and there will be no investment restrictions. Proposed investments may be made in either quoted or unquoted companies and structured as a direct acquisition, joint venture or as a direct interest in a project or property. The Directors may consider it appropriate to take an equity interest in any proposed investment which may range from a minority position to 100 per cent ownership. The Company may be either an active investor or passive investor. Where the Company is an active investor, it may seek representation on the board of investee companies.

The Directors believe that their broad collective experience together with their network of contacts will assist them in the identification, evaluation and funding of suitable property and non-property investment opportunities. The Board already benefits from the considerable expertise and experience of its chairman, Haresh Kanabar, who has been actively involved in the residential and commercial property markets for over 15 years and is currently involved with three property companies based in the United Kingdom. These companies are fully invested and as such no conflicts of interest in relation to Mr Kanabar's roles are expected to arise. The Company will also benefit from John Morton's extensive experience in banking and finance when it comes to the financing of potential property acquisitions.

If the New Investing Policy is approved by Shareholders, the Directors hope to commence implementation of the policy in the coming weeks. The Directors are aware of various potential investment opportunities that they may seek to pursue in relative short order.

The Directors recognise that the Board is currently made up of only two directors. If the change of investing policy is approved, the Directors intend in due course to appoint an additional director with relevant experience. Until such time, any investment decision will require the unanimous support of the Directors.

The objective of the Directors is to generate capital appreciation and any income generated by the Company will be applied to cover costs or will be added to the funds available to further implement the New Investing Policy. In view of this, it is unlikely that the Directors will recommend a dividend in the early years. However, they may recommend or declare dividends at some future date depending on the financial position of the Company. Given the nature of the Company's New Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value.

The Directors confirm that, as required by the AIM Rules, they will at each annual general meeting of the Company seek shareholder approval of its Investing Policy.

General Meeting

A general meeting of the Company will be held at 22 Great James Street, London WC1N 3ES on 14 December 2021. The Resolution to be proposed at the General Meeting as an ordinary resolution proposes the adoption of the New Investing Policy.

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").

For more information please contact:

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