

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

**Unaudited interim results for the six months ended 30 September 2021**

**Chairman's Statement**

I am pleased to report the results for Hermes Pacific Investments plc ("HPAC" or the "Company") for the six months ended 30 September 2021. During the period under review the Company made a loss on ordinary activities before taxation of £50,000 which is marginally less than the loss reported for the corresponding period in the previous year. The Company's financial performance is in line with our expectations. HPAC had no revenues owing to a lack of any operating business and it continues to manage its costs effectively whilst keeping its spending to a minimum. There was no material change in the value of the Company's existing investments from that as at 31 March 2021. The Company is also considering possible investment opportunities which would be compatible with its investment strategy. As at 30 September 2021 the Company had net assets of £3,515,000 of which cash was £3,358,000.

**Review of the Company's activities**

Hermes Pacific Investments plc is an investing company with a focus on investing in the emerging markets of the Far East including South East Asia. During the period no further investments were made. The Board has considered and has made recommendations to shareholders to adopt a new investing policy. A circular has been recently sent to shareholders 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. The shareholders general meeting to consider this proposal will be held on 14 December 2021

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 which allows 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 significant growth potential for the future ("New Investing Policy").

In the first instance, the Company will be use the existing capital available to it in order 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.

I would like to thank shareholders for their continued support.

Haresh Kanabar  
Chairman

13 December 2021

Contacts:

Hermes Pacific Investments plc  
Haresh Kanabar, Chairman

[www.hermespacificinvestments.com](http://www.hermespacificinvestments.com)  
+44 (0) 7802858893

WH Ireland Limited  
Mike Coe, Sarah Mather

[www.wh-ireland.co.uk](http://www.wh-ireland.co.uk)  
+44 (0) 117 945 3470

## Unaudited Income Statement for the six months ended 30 September 2021

	Note	Unaudited 6 Months ended 30 September 2021 £'000	Unaudited 6 Months ended 30 September 2020 £'000	Audited Year ended 31 March 2021 £'000
<b>Continuing activities</b>				
Revenue		-	-	-
Cost of sales		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Gross loss/profit</b>		-	-	-
Other operating income		-	-	-
Administrative expenses		(50)	(54)	(114)
		<hr/>	<hr/>	<hr/>
<b>Operating loss</b>		(50)	(54)	(114)
Finance income		-	2	8
Finance costs		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(50)	(52)	(106)
Tax expense		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Loss for the period from continuing activities</b>		(50)	(52)	(106)
<b>Other comprehensive income</b>				
Gain/(loss) Loss arising in the year		11	10	(51)
		<hr/>	<hr/>	<hr/>
<b>Loss for the period</b>		(39)	(42)	(55)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Basic and diluted loss per share</b>				
From continuing operations	3	(2.1)p	(2.2)p	(4.5)p
		<hr/>	<hr/>	<hr/>

## Unaudited Balance Sheet as at 30 September 2021

	Note	Unaudited 6 Months ended 30 September 2021 £'000	Unaudited 6 Months ended 30 September 2020 £'000	Audited Year ended 31 March 2021 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investments		180	130	173
		<hr/>	<hr/>	<hr/>
		180	130	173
<b>Current assets</b>				
Trade and other receivables		4	5	9
Cash and cash equivalents		3,358	3,455	3,395
		<hr/>	<hr/>	<hr/>
<b>Total current assets</b>		3,362	3,460	3,404
		<hr/>	<hr/>	<hr/>
<b>Total assets</b>		3,542	3,590	3,577
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(27)	(23)	(23)
		<hr/>	<hr/>	<hr/>
<b>Net assets</b>		3,515	3,567	3,554
		<hr/>	<hr/>	<hr/>
<b>Equity</b>				
Share capital		2,333	2,333	2,333
Deferred share capital		1,243	1,243	1,243
Share premium account		5,781	5,781	5,781
Share based payments reserves		139	139	139
Revaluation reserve		12	(40)	1
Retained losses		(5,993)	(5,889)	(5,943)
		<hr/>	<hr/>	<hr/>
<b>Equity attributable to equity holders of the parent</b>		3,515	3,567	3,554
		<hr/>	<hr/>	<hr/>

## Unaudited Statement of Changes in Equity

	Ordinary share capital £'000	Deferred share capital £'000	Share premium £'000	Share based payments reserves £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
<b>Six months ended 30 September 2020</b>							
At 31 March 2020	2,333	1,243	5,781	139	(50)	(5,837)	3,609
Total comprehensive loss for the period	-	-	-	-	10	(52)	(42)
<b>At 30 September 2020</b>	<u>2,333</u>	<u>1,243</u>	<u>5,781</u>	<u>139</u>	<u>(40)</u>	<u>(5,889)</u>	<u>3,567</u>
<b>Period ended 31 March 2021</b>							
At 30 September 2020	2,333	1,243	5,781	139	(40)	(5,889)	3,567
Total comprehensive loss for the period	-	-	-	-	41	(54)	(13)
<b>At 31 March 2021</b>	<u>2,333</u>	<u>1,243</u>	<u>5,781</u>	<u>139</u>	<u>1</u>	<u>(5,943)</u>	<u>3,554</u>
<b>Six months ended 30 September 2021</b>							
At 31 March 2021	2,333	1,243	5,781	139	1	(5,943)	3,554
Total comprehensive gain/loss for the period	-	-	-	-	11	(50)	(39)
<b>At 30 September 2021</b>	<u>2,333</u>	<u>1,243</u>	<u>5,781</u>	<u>139</u>	<u>12</u>	<u>(5,993)</u>	<u>3,515</u>

**Unaudited Cash Flow Statement for the six months ended 30 September 2021**

	<b>Unaudited 6 Months ended 30 September 2021 £'000</b>	<b>Unaudited 6 Months ended 30 September 2020 £'000</b>	<b>Audited Year ended 31 March 2021 £'000</b>
<b>Note</b>			
<b>Cash outflow from operating activities</b>	(42)	(53)	(119)
<b>Net cash flow from operating activities</b>	<u>(42)</u>	<u>(53)</u>	<u>(119)</u>
<b>Cash flows from financing activities</b>			
Other income	5	2	8
<b>Net cash from financing activities</b>	<u>5</u>	<u>2</u>	<u>8</u>
<b>Decrease in cash and cash equivalents</b>	(37)	(51)	(111)
<b>Cash and cash equivalents at start of the period</b>	3,395	3,506	3,506
<b>Cash and cash equivalents at end of the period</b>	<u><u>3,358</u></u>	<u><u>3,455</u></u>	<u><u>3,395</u></u>

## **Notes to the unaudited consolidated interim statement for the period ended 30 September 2021**

### **1. Basis of preparation**

Hermes Pacific Investments plc. is a public limited company incorporated and domiciled in the United Kingdom. The Company is an AIM listed investment vehicle.

These Interim accounts have been prepared using the accounting policies to be applied in the annual report and accounts for the period ending 31 March 2021. These are consistent with those included in the previously published annual report and accounts for the period ended 31 March 2021, which have been prepared in accordance with IFRS as adopted by the European Union.

The preparation of the interim statement 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 interim financial statements are unaudited and do not constitute statutory accounts as defined in section 434(3) of the Companies Act 2006.

The figures for the year ended 31 March 2021 have been extracted from the audited annual report and accounts that have been delivered to the Registrar of Companies. BSG Valentine, the Company's auditors, reported on those accounts. Their report was unqualified and did not contain a statement under section 498 of that Companies Act 2006.

### **2. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **Going concern**

The financial statements have been prepared on a going concern basis as, after making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements.

#### **Critical accounting estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the company's accounting policies with respect to the carrying amounts of assets and liabilities at the date of the financial statements, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions. Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

The judgements, estimates and assumptions which are of most significance to the Company are detailed below:

#### *Valuation of share based payments*

The charge for share based payments is calculated in accordance with the accounting policy as set out below. The model requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yield and risk-free interest rates.

### Revenue recognition

Revenue represents the fair value of the consideration received or receivable, net of Value Added Tax, for goods sold and services provided to customers after deducting discounts. Revenue is recognised when the significant risks and rewards of ownership are transferred.

### Deferred taxation

Deferred taxation is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid funds with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities on the balance sheet.

### Investments available for sale

Investments classified as available for sale are initially recorded at fair value including transaction costs. Quoted investments are held at fair value and measured either at bid price or latest traded price, depending on convention of the exchange on which the investment is quoted. Such instruments are subsequently measured at fair value with gains and losses being recognised directly in equity until the instrument is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is recycled to the income statement and recognised in profit or loss for the period. Impairment losses are recognised in the Income Statement when there is objective evidence of impairment.

### Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the company becomes party to the contractual provisions of the instrument.

### Trade and other receivables

Trade receivables are measured at cost less any provision necessary when there is objective evidence that the Company will not be able to collect all amounts due.

### Trade and other payables

Trade and other payables are not interest bearing and are measured at original invoice amount.

## 3. Loss per ordinary share

	Unaudited 6 Months ended 30 September 2021 £'000	Unaudited 6 Months ended 30 September 2020 £'000	Audited Year ended 31 March 2021 £'000
<b>Basic</b>			
Loss from continuing activities	(50)	(52)	(106)
Total loss	<u>(50)</u>	<u>(52)</u>	<u>(106)</u>
Basic loss per share (pence)			
From continuing operations	(2.1)p	(2.2)p	(4.5)p
	<u>(2.1)p</u>	<u>(2.2)p</u>	<u>(4.5)p</u>
Weighted average number of shares	2,333,295	2,333,295	2,333,295

There was no dilutive effect from the share options outstanding during the period.



4. Copies of this statement will be available on the Company's website [www.hermespacificinvestments.com](http://www.hermespacificinvestments.com).