

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

15 December 2023

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

Unaudited interim results for the six months ended 30 September 2023

Chairman's Statement

I am pleased to present the interim results for Hermes Pacific Investments plc ("HPAC" or the "Company") for the six months ended 30 September 2023 (the "Period").

Financial Performance: I am delighted to report that HPAC has made a profit on ordinary activities before taxation of £8,000 during the Period (H1 2022: loss of £44,000). This marks a significant improvement compared to the corresponding period in the previous year. Our financial performance is in line with our expectations, reflecting the effective management of costs and prudent spending, resulting in a positive outcome for our shareholders.

Investment Strategy: HPAC remains committed to its core focus on investing in the property sector within Europe and the Middle East, with an additional interest in emerging markets of the Far East, including South East Asia. Despite a challenging economic environment, there were no further investments or disposals during the Period. The Company is actively exploring potential investment opportunities that align with our investment strategy.

Financial Position: As of 30 September 2023, the Company's net assets stood at £3,441,000 (H1 2022: £3,460,000). It has cash reserves of £529,000 (H1 2022: £2,625,000) and treasury deposits of £2,039,000 (H1 2022: £Nil). The value of the existing investments has remained stable, showcasing the resilience of our portfolio in the face of market fluctuations.

Market Overview: The property market has experienced shifts, particularly in mortgage rates following the rise in base rates and expectations of further increases. While we observed some downward movements in mortgage rates in recent weeks, residential house prices have softened, primarily attributed to higher interest rates. This has prompted caution in making further investments in residential property at this stage of the economic cycle.

Income Generation: Despite these challenges, HPAC generated rental income from its investment property during the period. Additionally, we earned interest income on our cash reserves due to the rapid increase in interest rates in the United Kingdom.

Appreciation: I extend my sincere appreciation to our shareholders for their continued support. Your trust in HPAC enables us to navigate the dynamic property market successfully.

In conclusion, HPAC remains resilient in a changing economic landscape, and our conservative approach has positioned us well to weather uncertainties. We are actively monitoring market trends and remain agile to capitalise on opportunities that align with our strategic vision.

Haresh Kanabar
Chairman

15 December 2023

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Unaudited Income Statement for the six months ended 30 September 2023

| | Note | Unaudited 6 Months ended 30 September 2023 £'000 | Unaudited 6 Months ended 30 September 2022 £'000 | Audited Year ended 31 March 2023 £'000 |
|---|------|--|--|---|
| Revenue | | 14 | 7 | 21 |
| Cost of sales | | - | - | - |
| | | <hr/> | <hr/> | <hr/> |
| Gross loss/profit | | 14 | 7 | 21 |
| Other operating income | | - | - | - |
| Administrative expenses | | (59) | (53) | (113) |
| | | <hr/> | <hr/> | <hr/> |
| Operating loss | | (45) | (53) | (92) |
| Finance income | | 53 | 2 | 30 |
| Finance costs | | - | - | - |
| | | <hr/> | <hr/> | <hr/> |
| Gain/(Loss) on ordinary activities before taxation | | 8 | (44) | (62) |
| Tax expense | | - | - | - |
| | | <hr/> | <hr/> | <hr/> |
| Gain/(Loss) for the period | | 8 | (44) | (62) |
| Other comprehensive income | | | | |
| Gain arising in the period | | 1 | 10 | 8 |
| | | <hr/> | <hr/> | <hr/> |
| Gain/(Loss) for the period | | 9 | (34) | (54) |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Basic and diluted Profit / (loss) per share | 3 | 0.39p | (1.9) p | (2.7) p |
| | | <hr/> | <hr/> | <hr/> |

Unaudited Balance Sheet as at 30 September 2023

| | Note | Unaudited 6 Months ended 30 September 2023 £'000 | Unaudited 6 Months ended 30 September 2022 £'000 | Audited Year ended 31 March 2023 £'000 |
|--|------|--|--|--|
| Assets | | | | |
| Investments and fixed assets | | | | |
| Investments and property | | 855 | 856 | 853 |
| | | <hr/> | <hr/> | <hr/> |
| | | 855 | 856 | 853 |
| Current assets | | | | |
| Trade and other receivables | | 43 | 4 | 24 |
| Treasury deposit | | 2,039 | - | 2,000 |
| Cash and cash equivalents | | 529 | 2,625 | 571 |
| | | <hr/> | <hr/> | <hr/> |
| Total current assets | | 2,611 | 2,629 | 2,595 |
| | | <hr/> | <hr/> | <hr/> |
| Total assets | | 3,466 | 3,485 | 3,448 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | | (25) | (25) | (16) |
| | | <hr/> | <hr/> | <hr/> |
| Net assets | | 3,441 | 3,460 | 3,432 |
| | | <hr/> | <hr/> | <hr/> |
| Equity | | | | |
| 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 | | 47 | 56 | 46 |
| Retained losses | | (6,102) | (6,092) | (6,110) |
| | | <hr/> | <hr/> | <hr/> |
| Equity attributable to equity holders of the parent | | 3,441 | 3,460 | 3,432 |
| | | <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 |
|--|---------------------------------------|---------------------------------------|---------------------------|---|---------------------------------|-------------------------------|----------------|
| Six months ended 30 September 2022 | | | | | | | |
| At 31 March 2022 | 2,333 | 1,243 | 5,781 | 139 | 38 | (6,048) | 3,486 |
| Total comprehensive gain/(loss) for the period | - | - | - | - | 18 | (44) | (26) |
| At 30 September 2022 | <u>2,333</u> | <u>1,243</u> | <u>5,781</u> | <u>139</u> | <u>56</u> | <u>(6,092)</u> | <u>3,460</u> |
| Year ended 31 March 2023 | | | | | | | |
| At 30 September 2022 | 2,333 | 1,243 | 5,781 | 139 | 56 | (6,092) | 3,460 |
| Total comprehensive loss for the period | - | - | - | - | (10) | (18) | (28) |
| At 31 March 2023 | <u>2,333</u> | <u>1,243</u> | <u>5,781</u> | <u>139</u> | <u>46</u> | <u>(6,110)</u> | <u>3,432</u> |
| Six months ended 30 September 2023 | | | | | | | |
| At 31 March 2023 | 2,333 | 1,243 | 5,781 | 139 | 46 | (6,110) | 3,432 |
| Total comprehensive gain for the period | - | - | - | - | 1 | 8 | 9 |
| At 30 September 2023 | <u>2,333</u> | <u>1,243</u> | <u>5,781</u> | <u>139</u> | <u>47</u> | <u>(6,102)</u> | <u>3,441</u> |

Unaudited Cash Flow Statement for the six months ended 30 September 2023

| | Unaudited 6 Months ended 30 September 2023 £'000 | Unaudited 6 Months ended 30 September 2022 £'000 | Audited Year ended 31 March 2023 £'000 |
|---|--|--|---|
| Note | | | |
| Cash outflow from operating activities | (109) | (40) | (108) |
| Net cash flow from operating activities | <u>(109)</u> | <u>(40)</u> | <u>(108)</u> |
| Cash flows from financing activities | | | |
| Other income | 67 | 16 | 30 |
| Purchase of property | - | (635) | (635) |
| Treasury deposit | | | <u>(2,000)</u> |
| Net cash from financing activities | <u>67</u> | <u>(619)</u> | <u>(2,605)</u> |
| Decrease in cash and cash equivalents | (42) | (659) | (2713) |
| Cash and cash equivalents at start of the period | 571 | 3,284 | 3,284 |
| Cash and cash equivalents at end of the period | <u><u>529</u></u> | <u><u>2,625</u></u> | <u><u>571</u></u> |

Notes to the unaudited consolidated interim statement for the period ended 30 September 2023

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 2023. These are consistent with those included in the previously published annual report and accounts for the period ended 31 March 2023, 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 2023 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 comprises rental income which is recognised on a straight line and accruals basis over the rental period.

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.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

3. Profit/ (Loss) per ordinary share

| | Unaudited 6 Months ended 30 September 2023 £'000 | Unaudited 6 Months ended 30 September 2022 £'000 | Audited Year ended 31 March 2023 £'000 |
|---|--|--|--|
| Basic | | | |
| Profit/(loss) from continuing activities | 8 | (44) | (62) |
| Total loss | <u>8</u> | <u>(44)</u> | <u>(62)</u> |
| Basic profit/(loss) per share (pence) From continuing operations | 0.39p | (1.9) p | (2.7) p |
| | <u>0.39p</u> | <u>(1.9) p</u> | <u>(2.7) p</u> |
| Weighted average number of shares | <u>2,333,295</u> | <u>2,333,295</u> | <u>2,333,295</u> |

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.