



IMPERIAL PACIFIC LIMITED

(ABN 65 000 144 561)

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING – 24 OCTOBER 2018

On behalf of the Board I welcome all shareholders here today. Let me introduce our Directors David Sutherland and David Butel – and our Company Secretary, Louis Joseph.

Imperial Pacific improved its net worth again this year, despite a number of distractions that I will mention later. Our **net worth rise of 10%** surpassed the 9% gain recorded by the ASX All Ords Index and was achieved despite the payment of an increased fully franked dividend of 6.25 cents during the year.

The share portfolio rose in value by some 16% as a result of both appreciation in underlying investments and by new acquisitions. The performance of **31% owned London City Equities was again a positive** and that company reported enhanced net worth and dividend payout. In terms on investment opportunities it is fair to say that while we did experience difficulty in locating good investments in recent years we have indeed, now found some attractive candidates.

Based on current stock-market prices, Directors can advise that Imperial Pacific's estimated **net worth per share today stands at \$1.11**, after payment of the recent 6.25 cent fully franked dividend.

Our aspirations for an **activist investment fund** continue. To expand a little on this topic, we believe that there are quite a few investment opportunities where truly positive results could be achieved by taking a meaningful stake and assisting with constructive direction. However with limited resources we need to establish a new specific investment fund (public or private), a joint venture partnership or some other viable structure that can take advantage of capital and franking gains. This task continues and takes account of our own AFS Licence and its particular conditions.

Also, in conjunction with our associate London City Equities and other parties, we are very active in the **Supreme Court** action taking place with **Ernst & Young**, the auditors of the collapsed **Penrice Soda** Holdings Limited group. It is still too early to assess the extent of future benefit or costs that may arise from this action.

As the Annual Report explains, we are examining some **capital raising alternatives** to assist in spreading costs and pursuing some recently discovered investments. No firm decision has been concluded. We will keep shareholders informed on our thoughts.

Let me now move on to the formal business of the day.

Peter EJ Murray
Chairman of Directors

