



Imperial Pacific Limited

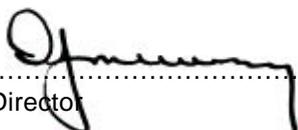
ABN 65 000 144 561

Appendix 4D

Half Year Report for the period ending 31 December 2012

Results for Announcement to the market:

| <i>Reporting Period / Previous corresponding period</i> | 6 months to 31 Dec 2012 | 6 months to 31 Dec 2011 |
|---|---|---|
| <i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i> | \$70,939 (steady) | \$70,197 |
| <i>2.2 The amount of and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.</i> | \$53,243 (convert to profit) | (\$38,319) |
| <i>2.3 The amount of and percentage change up or down from the previous corresponding period of the net profit (loss) for the period attributable to members.</i> | \$53,243 (convert to profit) | (\$38,319) |
| <i>2.4 The amount per security and franked amount per security of final and interim ordinary dividends.</i> | Imperial Pacific does not pay interim dividends (5.0 cents in fully franked dividends paid on 17 Oct 2012). | Imperial Pacific does not pay interim dividends (5.0 cents in fully franked dividends paid on 14 Oct 2011). |
| <i>2.5 The record date for determining entitlements to the dividends (if any)</i> | Imperial Pacific does not pay interim dividends | Imperial Pacific does not pay interim dividends |
| <i>2.6 A brief explanation of any of the figures in 2.1 and 2.4 necessary to enable the figures to be understood.</i> | See formal accounts. | See formal accounts. |
| <i>3.0 Net Tangible Assets per security with the comparative figure for the previous corresponding period.</i> | \$0.94 | \$1.23 |
| <i>4.0 Details of entities over which control has been gained or loss over the period.</i> | NA | NA |
| <i>5.0 Details of individual and total dividends including dates of distribution.</i> | \$145,325 - 5.0 cents in fully franked dividends paid on 17 Oct 2012 . | \$145,325 - 5.0 cents in fully franked dividends paid on 14 Oct 2011. . |
| <i>6.0 Details of Dividend Distribution plan in operation.</i> | No plan in operation | No plan in operation |
| <i>7.0 Details of associates and joint venture entities including names and details of investments and contribution to profits.</i> | London City Equities Limited – 29.6% owned (Dec 2012 – Profit contrib. of \$130,000) | London City Equities Limited – 29.3% owned (Dec 2011 – Profit contrib. of \$24,475) |
| <i>8.0 Foreign entities requirements</i> | NA | NA |
| <i>9.0 Whether the accounts are subject to audit dispute or qualification.</i> | No | No |



 Director

21 February 2013



Imperial Pacific Limited

ABN 65 000 144 561

and Controlled Entities

Half Yearly Report

31 December 2012

Established in 1954



Website: www.imperialpacific.com.au



Imperial Pacific Limited

Chairman's Key Points – December Half

➤ **Operational**

It can be seen from the financial statements that Imperial Pacific has maintained existing assets in the period and paid out a further 5.0 cent fully franked dividend. As in recent times we have refrained from outlaying funds in new investments over this period, choosing instead to research new opportunities and focus on assisting London City Equities Limited.

On other potential areas of business we continue to hold activist investment fund aspirations. In this regard time was spent monitoring potential target investments. We believe managed funds will be easier to raise once we have established a prime, albeit confidential, investment target. We have also been monitoring the litigation funding area.

➤ **Financial Results**

The December year resulted in a modest profit of \$53,000 for the period, an improvement on the small loss of \$38,000 in 2011. The results are not startling because of questionable stock market conditions and little economic enthusiasm. Again, we received no performance fees because of poor market conditions and the awful performance of London City's investment in Penrice Soda. A fully franked dividend of 5.0 cents per share was paid to shareholders in October.

➤ **The Net Assets Per Share – 94 cents per share**

The group's net assets of \$2.7 million reflect the lower investment value of the 29.6% shareholding in London City, a fall due mainly to the awful performance of Penrice Soda over the 2008 – 2012 period.

Cash on deposit with Imperial Pacific's bankers is very comfortable at around \$1.2 million.

➤ **The Main Investments**

Imperial Pacific's shareholding in London City edged up slightly to 29.6% because of that company's share buy-back programme. London City's performance continues to be impacted by the lack of profits and the collapsed share price of Penrice Soda where it has been exiting while at the same time examining options relating to taking action against the Directors and/or Penrice itself.

MainstreamBPO Pty Limited, 2% owned, provided its first ever dividend during the half year. However MainstreamBPO has not provided proper formal annual accounts to Imperial Pacific for years. Nor have shareholder meetings been held. The matters are serious and frustrating for Imperial Pacific's directors. All alternatives are being examined, including alerting the authorities.

➤ **The Outlook**

The recent upturn in the stock market is a sign that smaller investors are returning to the marketplace. We have noted that there is little interest in smaller capitalised companies from both broker's research and from investors themselves. As this is Imperial Pacific's prime area of interest, we note some good value appearing in these companies.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Peter E.J. Murray'.

Peter E.J. Murray
Chairman of Directors

21 February 2012



Statutory Directors' Report For the Half Year ended 31 December 2012

The Directors of Imperial Pacific Limited submit their report together with the consolidated financial report for the above period.

Directors

The names of Directors who held office at any time during the half year and up to the date of this report are Mr Peter E.J. Murray, Mr Rob Chenery and Mr David A. Sutherland.

Results

Imperial Pacific recorded a profit of \$53,000 for the six months, an improvement on the modest loss of \$38,000 in 2011. These results reflect a lack of major new activity and the impact on 30% owned London City of the problem investment in Penrice Soda Holdings Limited. The lack of performance fees on its management of London City's portfolio is also relevant.

Review of Operations

Imperial Pacific's subsidiary Imperial Pacific Asset Management continued its management of the portfolio of London City. The positive feature was the successful exit from London City's portfolio of a franked credit Buy-back of IMB Limited and the increased shareholding in Tranzact Portfolio Services Limited where London City underwrote a Dividend Reinvestment Plan. Time was spent on legal options open to London City with its investment in Penrice. And Imperial Pacific again paid a fully franked dividend to shareholders of 5.0 cents per share.

Imperial Pacific's funds on deposit presently amount to around \$1.2 million.

Events occurring after Balance Date

Since 31 December 2012 Imperial Pacific's asset base has increased due to the 6% appreciation in the Australian stock market in that time. Otherwise, no material event has taken place since balance date.

Auditor's Independence Declaration

The auditors, Cutcher & Neale, have provided us with the enclosed declaration of independence.

This Report is made in accordance with a resolution of the Directors. Dated at Sydney this 21st day of February, 2012.

On behalf of the Board

P.E.J. Murray
Director

D.A. Sutherland
Director

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Consolidated Income Statement for the Half Year to 31 December 2012

| | | --- Consolidated Entity --- | |
|---|------|-----------------------------|-----------------|
| | Note | 31 Dec 2012 | 31 Dec 2011 |
| | | \$ | \$ |
| Revenue | (2) | | |
| Investment revenue | | 33,961 | 42,233 |
| Management fees received | | 21,978 | 26,514 |
| Other Income | | 15,000 | 1,450 |
| | | <hr/> | <hr/> |
| | | 70,939 | 70,197 |
| Operating Expenses | (2) | | |
| Management fees | | (72,620) | (66,080) |
| Directors' fees | | (24,972) | (25,000) |
| Other | | (40,076) | (41,911) |
| | | <hr/> | <hr/> |
| | | (66,729) | (62,794) |
| Share of net profit (loss) of associate accounted for using the equity accounting method | (2) | 119,972 | 24,475 |
| | | <hr/> | <hr/> |
| Profit (Loss) from Ordinary Activities before Income Tax | (2) | 53,243 | (38,319) |
| Income Tax Expense relating to ordinary activities | | - | - |
| | | <hr/> | <hr/> |
| Net Profit attributable to outside equity interests | | 53,243 | (38,319) |
| Total changes in equity other than those resulting from transactions with owners as owners | | <hr/> <hr/> | <hr/> <hr/> |
| | | 53,243 | (38,319) |
| Basic and diluted Earnings Per Share (Cents per Share) | | 1.8 | (1.3) |

The accompanying notes form part of this financial report.

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Statement of Financial Position as at 31 December 2012

| | | --- Consolidated Entity --- | |
|----------------------------------|------|-----------------------------|------------------|
| | Note | 31 Dec 2012 | 30 June 2012 |
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 1,150,717 | 1,365,801 |
| Trade and other receivables | (4) | 69,001 | 84,934 |
| TOTAL CURRENT ASSETS | | 1,219,718 | 1,450,735 |
| NON-CURRENT ASSETS | | | |
| Investment Portfolio | | 1,558,869 | 1,727,487 |
| Property, Plant & Equipment | | 726 | 806 |
| Deferred Tax Assets | | 60,000 | 0 |
| TOTAL NON-CURRENT ASSETS | | 1,619,595 | 1,728,293 |
| TOTAL ASSETS | | 2,839,313 | 3,179,028 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 96,779 | 119,637 |
| Tax liabilities | | - | - |
| TOTAL CURRENT LIABILITIES | | 96,779 | 119,637 |
| NON-CURRENT LIABILITIES | | | |
| Deferred Tax Liability | | - | - |
| TOTAL LIABILITIES | | 96,779 | 119,637 |
| NET ASSETS | | 2,742,534 | 3,059,391 |
| SHAREHOLDERS' EQUITY | | | |
| Issued Capital | (3) | 1,560,970 | 1,560,970 |
| Realised Capital Gains Reserve | | 3,248,382 | 3,531,313 |
| Unrealised Revaluation Reserve | | (699,403) | (757,559) |
| Accumulated Losses | | (1,367,415) | (1,275,333) |
| TOTAL EQUITY | | 2,742,534 | 3,059,391 |

The accompanying notes form part of this financial report.

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Consolidated Statement in Changes in Equity for the Half Year to 31 December 2012

| 2012 | Issued Capital | Realised Capital Gains Reserve | Unrealised Profits Reserve | Retained Earnings (Losses) | Total Equity |
|--|-------------------|--------------------------------------|----------------------------------|----------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| At 1 July 2012 | 1,560,970 | 3,531,313 | (757,559) | (1,275,333) | 3,059,391 |
| Available-for-sale financial assets: | | | | | |
| - Net realised loss taken to equity: | | (282,931) | | | (282,931) |
| - Tax on realised loss | | | | | - |
| - Net unrealised loss taken to equity: | | | 83,080 | | 83,080 |
| - Tax on unrealised loss | | | (24,924) | | (24,924) |
| Net Income for period | | | | 53,243 | 53,243 |
| Dividends Paid | | | | (145,325) | (145,325) |
| At 31 December 2012 | 1,560,970 | 3,248,382 | (699,403) | (1,367,415) | 2,742,534 |

| 2011 | Issued Capital | Realised Capital Gains Reserve | Unrealised Profits Reserve | Retained Earnings (Losses) | Total Equity |
|--|-------------------|--------------------------------------|----------------------------------|----------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| At 1 July 2011 | 1,560,970 | 4,757,568 | (1,354,921) | (1,041,827) | 3,921,790 |
| Available-for-sale financial assets: | | | | | |
| - Net realised loss taken to equity: | | (708,158) | | | (708,158) |
| - Tax on realised loss | | 212,448 | | | 212,448 |
| - Net unrealised loss taken to equity: | | | 488,854 | | 488,854 |
| - Tax on unrealised loss | | | (146,656) | | (146,656) |
| Net Income for period | | | | (38,319) | (38,319) |
| Dividends Paid | | | | (145,325) | (145,325) |
| At 31 December 2011 | 1,560,970 | 4,261,858 | (1,012,723) | (1,225,471) | 3,584,634 |

The accompanying notes form part of this financial report.

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Consolidated Cash Flow Statement for the Half Year ended 31 December 2012

| | --- Consolidated Entity --- | |
|--|-----------------------------|------------------|
| | 31 Dec 2012 | 31 Dec 2011 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers | 6,000 | 34,024 |
| Payments to suppliers and management | (171,194) | (174,193) |
| Dividends received | 69,751 | 63,785 |
| Interest received | 27,634 | 45,270 |
| Income Tax Paid | - | - |
| Net Cash provided by (used in) operating activities | (67,809) | (31,114) |
| Cash flows from investing activities | | |
| Proceeds from Investments | - | 17,119 |
| Payments for Investments | - | - |
| Net Cash provided by (used in) investing activities | - | 17,119 |
| Cash flows from financing activities | | |
| Cash movements - related corporation | - | 19,842 |
| Repayment of advances | (1,950) | (8,000) |
| Dividend Paid to Shareholders | (145,325) | (145,197) |
| Net Cash provided by (used in) financing activities | (147,275) | (133,355) |
| Net increase (decrease) in cash held | (215,084) | (147,350) |
| Cash at beginning of half year | 1,365,801 | 1,576,122 |
| Cash at end of the period | 1,150,717 | 1,428,772 |
| Comprising: | | |
| Cash and cash equivalents | 1,150,717 | 1,365,801 |
| | 1,150,717 | 1,365,801 |

The accompanying notes form part of this financial report.

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Notes to the Accounts as at 31 December 2012

Note 1 Statement of Significant Accounting Policies

(a) Basis of Preparation

This general purpose half-year condensed financial report has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001 and other applicable Accounting Standards and other mandatory professional reporting requirements.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2012 Annual Report and public announcements made by the company during the half year, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This half-year financial report has been prepared in accordance with AIFRS (Australian Equivalents to International Financial Reporting Standards).

The financial statements are prepared using the valuation methods described below for holdings of securities. All other items have been treated in accordance with the historical cost convention.

The accounting policies adopted have been consistently applied by the company and are consistent with those applied in the 30 June 2012 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2012 will not have any effect on the financial position or performance of the company.

(b) Other Disclosure

The financial report of Imperial Pacific Limited for the six months ended 31 December 2012 was authorised for issue in accordance with a resolution of the Directors on 21 February 2013.

Imperial Pacific Limited is a company limited by shares incorporated in Australia. Its shares are publicly traded on the Australian Securities Exchange.

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Notes to the financial statements - 31 December 2012 (Cont'd)

Note 2 Profit (Loss) from ordinary activities

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

(a) crediting as revenue:

| | 31 Dec 2012 \$ | 31 Dec 2011 \$ |
|--------------------------------------|----------------------|----------------------|
| Interest | 28,024 | 42,233 |
| Dividends Received | 5,937 | - |
| Management Fees - associated company | 21,978 | 26,514 |
| Other Income - associated company | 15,000 | 1,450 |
| | <u>70,939</u> | <u>70,197</u> |

(b) charging as expense:

| | | |
|--------------------------------------|------------------|------------------|
| Payable to Auditors - Audit | (4,150) | (4,350) |
| Payable to Auditors - Other Services | (2,050) | (2,375) |
| Depreciation | (80) | (100) |
| Directors Fees - parent company | (24,972) | (25,000) |
| Interest Paid | - | (202) |
| Management Fees - Director Related | (72,620) | (66,080) |
| Superannuation - Director Related | (2,434) | (1,125) |
| Other Operating Expenses | (31,362) | (33,759) |
| | <u>(137,668)</u> | <u>(132,991)</u> |

Share of net profit (Loss) of associate accounted for using the equity accounting method

119,972 24,475

Profit (Loss) from Ordinary Activities before Income Tax

53,243 (38,319)

Note 3 Shares on Issue

| | | |
|---------------------------------------|------------------|------------------|
| Ordinary Shares - 1 July 2012 | 2,906,504 | 2,906,504 |
| Plus Increases during Period | - | - |
| Ordinary Shares - 31 December 2012 | <u>2,906,504</u> | <u>2,906,504</u> |
| Average Shares on Issue during period | 2,906,504 | 2,906,504 |

Note 4 Trade and other receivables

| | | |
|---|---------------|---------------|
| Other Debtors, Bank Bills and Prepayments | 18,409 | 24,649 |
| Associated Company | 50,592 | 4,224 |
| | <u>69,001</u> | <u>28,873</u> |

Note 5 Dividends

The following dividends were recognised in the current accounting period.

A fully franked ordinary dividend of 5.0 cents per share was paid to shareholders on 17 October 2012 (Same in previous year).

145,325 145,325

There are no interim dividends proposed for payment.

Imperial Pacific Limited

(ABN 65 000 144 56)

and Controlled Entities



Notes to the financial statements - 31 December 2012 (Cont'd)

Note 6 Segment Information

During the period the economic entity acted mainly in the investment and property sectors within Australia.

| December 2012 | Investment | Financial Services | Consolidated |
|---|-------------------|---------------------------|---------------------|
| Revenue | | | |
| Investment /other revenue | 33,961 | 36,978 | 70,939 |
| Segment Result | | | |
| Profit after Tax | 85,099 | (31,856) | 53,243 |
| Segment Assets | 2,709,586 | 129,727 | 2,839,313 |
| Segment Liabilities | (48,390) | (48,389) | (96,779) |
| Net cash inflow from operating activities | 14,788 | (82,597) | (67,809) |

| | | | |
|--|-----------|---|-----------|
| Carrying amount on investment in associates accounted for using the equity accounting method | 1,379,969 | - | 1,379,969 |
|--|-----------|---|-----------|

| December 2011 | Investment | Financial Services | Consolidated |
|---|-------------------|---------------------------|---------------------|
| Revenue | | | |
| Investment /other revenue | 43,683 | 26,514 | 70,197 |
| Segment Result | | | |
| Profit after Tax | 1,663 | (39,982) | (38,319) |
| Segment Assets | 3,679,641 | 23,171 | 3,702,812 |
| Segment Liabilities | (55,695) | (62,485) | (118,180) |
| Net cash inflow from operating activities | 21,756 | (52,870) | (31,114) |

| | | | |
|--|-----------|---|-----------|
| Carrying amount on investment in associates accounted for using the equity accounting method | 2,039,587 | - | 2,039,587 |
|--|-----------|---|-----------|

Note 7 Contingent Liabilities

In support of past and future financing needs the parent company and its subsidiary Imperial Pacific Asset Management Pty Ltd have in place cross-guarantees to a bank. Neither company presently has any bank loan facilities or arrangements.

Note 8 Contingent Assets

On 28 January 2011 shareholders of Imperial Pacific approved the sale of the company's interest in convertible loan notes in MainstreamBPO Pty Limited. It was a condition of that contract that Imperial Pacific will accrue a profit share of 15% of the realised gain achieved by the purchaser if the investment is sold within five years. There is insufficient information at the date of this report to estimate any future benefit that may arise.

On 17 June and on 25 July 2011 associated company London City Equities Limited was granted judgement in its favour by the Federal Court of Australia to access certain records and documents of Penrice Soda Holdings Limited ("Penrice"). This followed legal action by London City to assess the conduct of the directors of Penrice and the provision of information at the time London City made investments in Penrice. This investigatory process may ultimately lead to legal action being taken against the Directors of Penrice, or that company itself, for the recovery of substantial investment losses. There is insufficient information at the date of this report to estimate any future benefit that may arise.

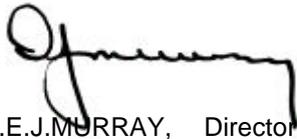


Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes set out on pages 3 to 9 are in accordance with the Corporations Act 2001, including
 - (i) complying with Accounting Standards , the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the Company's financial position as at 31 December 2012 and its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.
2. there are reasonable grounds to believe that Imperial Pacific Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



P.E.J.MURRAY, Director



D. A. SUTHERLAND, Director

Sydney

Dated this 21st day of February 2013

**Auditor's Independence Declaration to the Directors of
Imperial Pacific Limited**

In relation to our review of the financial report of Imperial Pacific Limited for the half year ended 31 December 2012, to the best of my knowledge and belief there have been:

- (a) no contravention of the auditor independence requirements of the Corporation Act 2001;
- (b) no contravention of any applicable code of professional conduct.

Dated this 22nd day of February 2013
First Floor
25 Bolton Street
NEWCASTLE


CUTCHER & NEALE
CHARTERED ACCOUNTANTS

I. K. Neale FCA
Partner

**Independent Review Report to the Members of
Imperial Pacific Limited****Scope***The financial report and director's responsibility*

We have reviewed the financial report of Imperial Pacific Limited for the half year ended 31 December 2012 as set out on pages 3 to 10. The financial report comprises the statement of financial position, income statement, cash flow statement, statement of changes in equity, accompanying note to the financial statements, and the directors' declaration for Imperial Pacific Limited and its consolidated entities ("the consolidated entity") for the half year ended 31 December 2012.

The company's directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards AASB 134 "Interim Financial Reporting", in accordance with the corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our Review was conducted in accordance with Auditing Standard on Review Engagements ASRE 2410: "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134: "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position, and of its performance as measured by the results of its operations and its cash flows. In addition, ASRE 2410 requires compliance with the ethical requirements relevant to the audit of the annual financial report.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than that given in an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Imperial Pacific Limited is not in accordance with:

(a) the Corporations Law, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
- (ii) complying with accounting standard AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(a) other mandatory financial reporting requirements in Australia.

Dated this 22nd day of February 2013
First Floor
25 Bolton Street
NEWCASTLE



CUTCHER & NEALE
CHARTERED ACCOUNTANTS

I. K. Neale FCA
Partner