



# IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

## - ASX Release -

### Market Update – Guidance - Year to 30 June 2021

The Directors of Imperial Pacific advise that the group's unaudited results for the year have been prepared and passed on to Cutcher & Neale for audit. The following is provided for guidance purposes:

#### (A) Net Worth Movement – Year to 30 June 2021

|                                    | 2021<br>\$ 000 | 2020<br>\$ 000 |
|------------------------------------|----------------|----------------|
| - Gains Investment Related         | 1,596          | 176            |
| - Income Account                   | (124)          | (142)          |
| - Dividend Paid                    | (192)          | (192)          |
| <b>Net Gains over the Year</b>     | <b>1,280</b>   | <b>(158)</b>   |
| New Capital Raised                 | 1,837          | -              |
| Shareholders' Equity – last year   | 3,313          | 3,471          |
| <b>Shareholders' Equity – 2021</b> | <b>6,430</b>   | <b>3,313</b>   |
| <b>Net Assets per share</b>        | <b>\$1.30</b>  | <b>\$1.07</b>  |
|                                    |                |                |
| Shares on Issue                    | 4,939          | 3,087          |

#### (B) Consolidated Balance Sheet – 30 June 2021

|                           | 2021<br>\$000  | 2020<br>\$000  |
|---------------------------|----------------|----------------|
| <b>Assets</b>             |                |                |
| Cash and Cash Equivalents | 49             | 46             |
| Investment Portfolio      | 7,348          | 4,139          |
| Future Income Tax Benefit | 60             | 60             |
| Other Assets              | 375            | 509            |
| <b>Total Assets</b>       | <b>7,832</b>   | <b>5,301</b>   |
| <b>Liabilities</b>        |                |                |
| Provision for Taxation    | (75)           | 0              |
| Other Liabilities         | (1,327)        | (1,988)        |
| <b>Total Liabilities</b>  | <b>(1,402)</b> | <b>(1,988)</b> |
| <b>Net Assets</b>         | <b>6,430</b>   | <b>3,313</b>   |

#### (C) Operational

- The 2020-21 financial year has seen Imperial Pacific not only increase its own equity capital but its key shareholding in London City Equities has also grown. The increased managed portfolio value of London City's portfolio has given our company a welcome increased fee revenue. The solid performance of London City's investment in Fiducian Group Limited has contributed positively.
- Together with other associates, Imperial Pacific shares a 8% shareholding in Excelsior Capital Limited, a modest investor examining a "strategic plan" for nearly a year.
- Increased equity capital raised by a pro rata Rights Issue in late 2020 has (a) reduced outstanding debt and (b) allowed for an increase in the equity ownership of London City Equities.
- Legal action for the group continues in relation to the Ernst & Young matter with London City – see (D) below.

#### **(D) Litigation - Ernst & Young (EY)**

With the participation and assistance of Imperial Pacific Limited and others, legal action has been undertaken by London City against Ernst & Young for over three years. This relates to the audit performance of Ernst & Young with Penrice Soda Holding Limited, an Adelaide company where London City invested funds and incurred book losses of \$6.7 million.

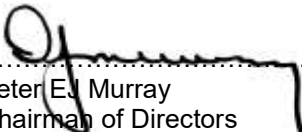
Imperial Pacific is interested in the litigation because a positive result will enhance the value of its 39% shareholding in London City and enable the two companies to reinstate losses suffered in asset values, management fees and significant executive time outlays incurred.

On 1 August 2019 London City received a Court judgment that its Board considered positive. This was followed through with the re-submission of an expanded detailed Statement of Claim by London City on 23 April 2020.

As London City has reported earlier this May, EY changed lawyers in March after some three years with one firm. Delays have resulted and caused increased costs to London City. However, the damage sums continue to rise from previously disclosed amounts of around \$14.0 million due to the claim for interest. The Supreme Court of NSW has ordered that mediation be completed by 15 October 2021.

Ultimately the outcome will depend on the decision of the Supreme Court of NSW. Accordingly, Directors reiterate that there is insufficient information at this date to estimate the full extent of future benefit or costs that may arise.

For and on behalf of the Board

  
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Peter EJ Murray  
Chairman of Directors

14 July 2021