



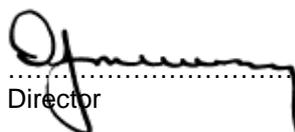
IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

Appendix 4D Half Year Report for the period ending 31 December 2016

Results for Announcement to the market:

<i>Reporting Period / Previous corresponding period</i>	6 months to 31 Dec 2016	6 months to 31 Dec 2015
<i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i>	41,000 (Down 83%)	244,000
<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>	(\$63,000) (Decrease to loss)	\$75,000
<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>	(\$63,000) (Decrease to loss)	\$75,000
<i>2.4 The amount per security and franked amount per security of final and interim ordinary dividends.</i>	5.0 cents in fully franked dividends paid on 19 Oct 2016.	5.0 cents in fully franked dividends paid on 15 Oct 2015.
<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>	\$1.02	\$0.90
<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 19 Oct 2016	\$145,325 - 5.0 cents in fully franked dividends paid on 15 Oct 2015
<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 – 30.1% owned (Dec 2016 – Profit contrib. of \$10,566)	London City Equities Limited – 30.1% owned (Dec 2015 – Profit contrib. of \$158,000)
<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

23 February 2017



IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

[And Controlled Entities]

Half Yearly Report

31 December 2016

Established in 1954



Website: www.imperialpacific.com.au



IMPERIAL PACIFIC LIMITED

Chairman's Key Points – December Half

➤ **Operational**

Over the period Imperial Pacific continued to focus its efforts on its 30% associate, **London City Equities Limited**. It also carried out a Share Purchase Plan equity raising and paid another fully franked dividend to shareholders. Surprisingly, only modest funds were raised via the Share Purchase Plan – although the issue price at the time of 75 cents has since proven to be a major discount on net assets. Our operating expenses continued to be very modest.

As we have reported in recent times we continue to hold **performance / activist investment fund** aspirations. We have potential investors –but we need a quality target. It is important we wait for the “right” investment and this is the task that is frustrating.

➤ **Financial Results**

The December year resulted in a relatively modest operating loss of \$63,000. As shareholders can see in the next paragraph, the net asset base of Imperial Pacific has improved significantly over the six months. Again, a fully franked dividend of 5.0 cents per share was paid to shareholders during the half.

➤ **Net Assets Per Share – \$1.02 per share**

The group's net assets of \$3.1 million at balance date are an improvement of some \$600,000 since 30 June, notwithstanding the payment of a dividend in October, but increased slightly by the Share Purchase Plan raising. At balance date the net assets per share stood at \$1.02.

➤ **Main Investments**

Imperial Pacific's 30.1% shareholding in **London City** was extremely positive in this half. London City saw its share portfolio appreciated by some \$2.5 million, mainly through the growing fortunes of its now 6.0% owned **Fiducian Group Limited**.

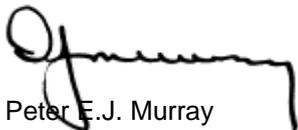
Imperial Pacific Resources Pty Limited also saw its 1% shareholding in **Tasmania Mines Limited** appreciated as a result of that company undertaking a dividend enhanced Share Buy-Back to take out the minority shareholders.

Imperial Pacific Fund Managers Pty Limited continues to put administrative time into the Penrice Soda debacle, where it acquired for a nominal sum a series of debts amounting to \$5 million debt in that company.

➤ **The Outlook**

Directors have noted the current market price increase in a key investment of London City Equities, namely its now 6% shareholding in Fiducian Group Limited. The underlying indirect impact on Imperial Pacific's net worth is broadly \$200-300,000. The fee income from London City will increase this year because of the London City's positive portfolio growth.

For and on behalf of the Board



Peter E.J. Murray
Chairman of Directors

23 February 2017



Statutory Directors' Report **For the Half Year ended 31 December 2016**

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 David G Butel and Mr David A. Sutherland.

Results

Imperial Pacific recorded an operating loss of \$63,000 for the six months. However this was offset by an appreciation in the investment portfolio of some \$600,000 influenced significantly by the solid performance of 30.1% owned London City Equities Limited.

Review of Operations

Imperial Pacific's shareholding in London City rose in value in the period, influenced by our subsidiary Imperial Pacific Asset Management's management of the portfolio of London City. The management fee increased accordingly, but is still well below cost. Imperial Pacific again paid a fully franked dividend of 5.0 cents per share. The funds on deposit are comfortable at around \$350,000 and have been augmented recently by \$430,000 through the sale of the 1% shareholding in Tasmania Mines.

Subsidiary Imperial Pacific Fund Managers Pty Limited is examining scope for recompense from the Penrice Soda situation where it acquired for a nominal sum a series of debts amounting to \$5 million in that company. It is too early to assess the extent of any financial return.

Events occurring after Balance Date

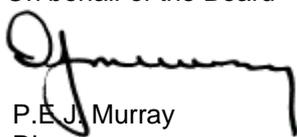
Other than the solid increase in the underlying share portfolio since 31 December and reported elsewhere, no material event has taken place since balance date.

Auditor's Independence Declaration

The auditors, Cutchner & 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 23rd day of February, 2017

On behalf of the Board



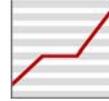
P.E.J. Murray
Director



D.G. Butel
Director

Imperial Pacific Limited

(ABN 65 000 144 56)
and Controlled Entities



Consolidated Income Statement

for the Half Year to 31 December 2016

	--- Consolidated Entity ---	
	31 Dec 2016	31 Dec 2015
	\$	\$
Revenue		
Investment revenue	4,046	5,375
Management fees received	37,387	28,178
Proceeds - sale on Investments	0	210,000
	<hr/>	<hr/>
	41,433	243,553
Operating Expenses		
Cost of Investments Sold		(205,246)
Management fees	(53,520)	(60,240)
Directors' fees	(24,903)	(25,000)
Other	(36,921)	(35,671)
	<hr/>	<hr/>
	(73,911)	(82,604)
Share of net profit (loss) of associate accounted for using the equity accounting method	10,566	157,921
	<hr/>	<hr/>
Profit (Loss) from Ordinary Activities before Income Tax	(63,345)	75,317
Income Tax Expense relating to ordinary activities	-	-
	<hr/>	<hr/>
Net Profit attributable to outside equity interests	(63,345)	75,317
Total changes in equity other than those resultin from transactions with owners as owners	(63,345)	75,317
	<hr/> <hr/>	<hr/> <hr/>
Basic and diluted Earnings Per Share (Cents per Share)	(2.2)	2.6

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 2016

	--- Consolidated Entity ---	
	31 Dec 2016	30 June 2016
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	354,860	597,956
Trade and other receivables	51,827	76,099
TOTAL CURRENT ASSETS	406,687	674,055
NON-CURRENT ASSETS		
Investment Portfolio	2,785,993	1,892,370
Deferred Tax Assets	60,000	69,100
TOTAL NON-CURRENT ASSETS	2,845,993	1,961,470
TOTAL ASSETS	3,252,680	2,635,525
CURRENT LIABILITIES		
Trade and other payables	90,225	117,594
TOTAL CURRENT LIABILITIES	90,225	117,594
NON-CURRENT LIABILITIES		
Deferred Tax Liability	21,700	-
	-	-
TOTAL LIABILITIES	111,925	117,594
NET ASSETS	3,140,755	2,517,931
SHAREHOLDERS' EQUITY		
Issued Capital	1,691,184	1,560,970
Realised Capital Gains Reserve	2,756,308	2,756,304
Unrealised Revaluation Reserve	1,178,472	477,196
Accumulated Losses	(2,485,209)	(2,276,539)
TOTAL EQUITY	3,140,755	2,517,931

The accompanying notes form part of this financial report.

Imperial Pacific Limited

and Controlled Entities



Consolidated Statement in Changes in Equity for the Half Year to 31 December 2016

2016	Issued Capital	Realised Capital Gains Reserve	Unrealised Profits Reserve	Retained Earnings (Losses)	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2016	1,560,970	2,756,304	477,196	(2,276,539)	2,517,931
Increase in Issued Capital	130,214				130,214
Adjustment - Consolidation		4			4
Available-for-sale financial assets					
- Net Unrealised gain taken to equity			877,480		877,480
- Net Tax on unrealised loss			(176,204)		(176,204)
Net Income for period				(63,345)	(63,345)
Dividends Paid				(145,325)	(145,325)
At 31 December 2016	1,691,184	2,756,308	1,178,472	(2,485,209)	3,140,755

2015	Issued Capital	Realised Capital Gains Reserve	Unrealised Profits Reserve	Retained Earnings (Losses)	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2015	1,560,970	2,315,775	52,645	(1,963,534)	1,965,856
Available-for-sale financial assets					
- Realised gain taken to equity		305,699			305,699
- Tax on realised gain		(91,700)			(91,700)
- Net Unrealised gain taken to equity			731,979		731,979
- Net Tax on unrealised loss			(219,395)		(219,395)
Net Income for period				75,317	75,317
Dividends Paid				(145,325)	(145,325)
At 31 December 2015	1,560,970	2,529,774	565,229	(2,033,542)	2,622,431

The accompanying notes form part of this financial report.

Imperial Pacific Limited

and Controlled Entities



Consolidated Cash Flow Statement for the Half Year to 31 December 2016

	--- Consolidated Entity ---	
	31 Dec 2016	31 Dec 2015
	\$	\$
Cash flows from operating activities		
Receipts from customers	45,496	13,894
Payments to suppliers and management	(101,877)	(148,708)
Dividends received	81,142	64,914
Interest received	4,646	7,429
Income Tax Paid	-	-
Net Cash provided by (used in) operating activities:	<u>29,407</u>	<u>(62,471)</u>
Cash flows from investing activities:		
Proceeds from Investments	-	486,400
Payments for Investments	(232,121)	(230,503)
Net Cash provided by (used in) investing activities:	<u>(232,121)</u>	<u>255,897</u>
Cash flows from financing activities		
Increase in Issued Capital	133,380	-
Financing movements	(28,438)	-
Dividend Paid to Shareholders	(145,325)	(145,325)
Net Cash provided by (used in) financing activities:	<u>(40,383)</u>	<u>(145,325)</u>
Net increase (decrease) in cash held	(243,097)	48,101
Cash at beginning of half year	597,957	415,917
Cash at end of the period	<u>354,860</u>	<u>464,018</u>
Comprising:		
Cash and cash equivalents	354,860	464,018
	<u>354,860</u>	<u>464,018</u>

The accompanying notes form part of this financial report.

Imperial Pacific Limited

and Controlled Entities



Notes to the Accounts as at 31 December 2016

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 2016 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 2016 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2016 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 2016 was authorised for issue in accordance with a resolution of the Directors on 23 February 2017.

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

and Controlled Entities



Notes to the financial statements - 31 December 2016 (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 2016	31 Dec 2015
	\$	\$
Interest	4,046	5,375
Dividends Received	-	-
Proceeds - Sale of Investments	-	210,000
Management Fees - associated company	37,387	28,178
	<u>41,433</u>	<u>243,553</u>

(b) charging as expense:

Cost of Investments Sold	-	(205,246)
Payable to Auditors - Audit	(1,250)	(4,500)
Payable to Auditors - Other Services	(1,100)	(2,000)
Directors Fees - parent company	(24,903)	(25,000)
Management Fees - Director Related	(53,520)	(60,240)
Superannuation - Director Related	(3,296)	(1,187)
Other Operating Expenses	(31,275)	(27,984)
	<u>(115,344)</u>	<u>(326,157)</u>

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

10,566	157,921
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Profit (Loss) from Ordinary Activities before Income Tax

<u>(63,345)</u>	<u>75,317</u>
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Note 3 Shares on Issue

Ordinary Shares - 1 July 2016

Plus Changes during Period

Ordinary Shares - 31 December 2016

Average Shares on Issue during period

---- Number of Shares ----

2,906,504	2,906,504
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180,667	-
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<u>3,087,171</u>	<u>2,906,504</u>
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<u>2,996,838</u>	<u>2,906,504</u>
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Note 4 Trade and other receivables

Other Debtors and Prepayments

Associated Company

51,827	232,014
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-	31,203
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<u>51,827</u>	<u>263,217</u>
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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 19 October 2016 (same in previous year)

<u>145,325</u>	<u>145,325</u>
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There are no interim dividends proposed for payment.

Imperial Pacific Limited

and Controlled Entities



Notes to the financial statements - 31 December 2016 (Cont'd)

Note 6 Segment Information

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

December 2016	Investment	Financial Services	Consolidated
Revenue			
Investment /other revenue	4,046	37,387	41,433
Segment Result			
Profit (Loss) after Tax	(43,060)	(20,285)	(63,345)
Segment Assets	3,226,767	25,914	3,252,681
Segment Liabilities	(59,847)	(52,079)	(111,926)
Net cash inflow from operating activities	55,225	(25,818)	29,407

Carrying amount on investment in associates accounted for using the equity accounting method

2,432,414	-	2,432,414
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December 2015	Investment	Financial Services	Consolidated
Revenue			
Investment /other revenue	215,375	28,178	243,553
Segment Result			
Profit (Loss) after Tax	107,595	(32,278)	75,317
Segment Assets	2,737,753	44,587	2,782,340
Segment Liabilities	(125,805)	(34,105)	(159,910)
Net cash inflow from operating activities	31,899	(94,370)	(62,471)

Carrying amount on investment in associates accounted for using the equity accounting method

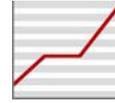
1,858,182	-	1,858,182
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Note 7 Contingent Liabilities

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 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. In addition, a subsidiary of Imperial Pacific Limited acquired in early 2016 a Penrice Soda owing debt of \$5 million, some perceived as secured, and is examining scope for recovery. 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 2016 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.

A handwritten signature in black ink, appearing to read 'P.E.J. Murray', written over a horizontal line.

P.E.J. MURRAY, Director

A handwritten signature in black ink, appearing to read 'David Butel', written in a cursive style.

D. G. BUTEL, Director

Sydney

Dated this 23rd day of February 2017

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 2016, 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.



Mark O'Connor CA
Partner



Cutcher & Neale
Chartered Accountants

25 Bolton Street
Newcastle NSW 2300

23 February 2017

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 2016 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 2016.

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 2016 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.



Mark O'Connor CA
Partner



Cutcher & Neale
Chartered Accountants

25 Bolton Street
Newcastle NSW 2300

23 February 2017