



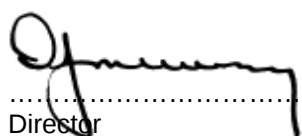
# IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

## Appendix 4D Half Year Report for the period ending 31 December 2017

### Results for Announcement to the market:

| <i>Reporting Period / Previous corresponding period</i>                                                                                                                       | <b>6 months to 31 Dec 2017</b>                                                      | <b>6 months to 31 Dec 2016</b>                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <i>2.1 The amount of and percentage change up or down from the previous corresponding period of revenue from ordinary activities</i>                                          | 74,000<br>(Up 80%)                                                                  | 41,000                                                                              |
| <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> | (\$20,000)<br>(Down 217%)                                                           | (\$63,000)                                                                          |
| <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>             | (\$20,000)<br>(Down 217%)                                                           | (\$63,000)                                                                          |
| <i>2.4 The amount per security and franked amount per security of final and interim ordinary dividends.</i>                                                                   | 6.25 cents in fully franked dividends paid on 12 Oct 2017.                          | 5.0 cents in fully franked dividends paid on 19 Oct 2016.                           |
| <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>                                                                | \$1.28                                                                              | \$1.01                                                                              |
| <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>                                                                                         | \$192,000 – 6.25 cents in fully franked dividends paid on 12 Oct 2017               | \$145,000 - 5.0 cents in fully franked dividends paid on 19 Oct 2016                |
| <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 – 30.8% owned (Dec 2017 – Profit contrib. of \$50,612) | London City Equities Limited – 30.1% owned (Dec 2016 – Profit contrib. of \$10,566) |
| <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

15 February 2018



# IMPERIAL PACIFIC LIMITED

ABN 65 000 144 561

[And Controlled Entities]

## Half Yearly Report

**31 December 2017**

***Established in 1954***



Website: [www.imperialpacific.com.au](http://www.imperialpacific.com.au)

*Imperial Pacific Limited*



# IMPERIAL PACIFIC LIMITED

## Chairman's Key Points – December Half

### ➤ **The Big Picture – a good story**

The financials for the December half year tell a quite remarkable story – Net Assets per share have grown by over 15% - despite the payment of an increased 6.25 cent dividend in October. In addition the increased fee and dividend income has edged us closer to a break-even position on the Profit & Loss Account.

Our plans to create a **performance / activist investment fund** have moved ahead slowly. As we have said for some time now, progress on this front has been restrained by our inability to locate a truly positive target investment. Of course, the formation of such a fund would add seriously to our investment management revenues.

### ➤ **Operational**

Over the period Imperial Pacific continued to focus its efforts on its 30% associate, **London City Equities Limited**. Our operating expenses continued to be very modest.

### ➤ **Financial Results – Excellent**

The December half resulted in Imperial Pacific recording a near break-even result with a minor loss of only \$20,000. Increased fee and dividend income is starting to impact positively. Again, a solid fully franked dividend was paid to shareholders during the half, in this case 6.25 cents a share.

### ➤ **Net Assets Per Share – Up 15% to \$1.28 per share at 31 December**

The group's net assets of \$3.97 million at balance date reflected a major performance by the investment gains by both Imperial Pacific and its 30.8% owned associate, London City Equities Limited. Recent stock-market falls have had a somewhat modest negative impact on current net asset values with a reduction in portfolio values of approximately \$450,000,

### ➤ **Main Investments**

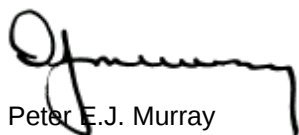
Imperial Pacific's 30.8% shareholding in **London City** was certainly positive in this half as London City saw its share portfolio appreciate 31% to \$10.8 million. In this regard credit has to be given to the efforts of the Board and management of **Fiducian Group Limited**, of whom London City is the second largest shareholder with a 6% shareholding.

Imperial Pacific Fund Managers Pty Limited continues to put administrative time into the Penrice Soda debacle. On 31 January 2018 London City announced it had commenced legal proceedings against Ernst & Young, auditors of Penrice.

### ➤ **Outlook**

Given the huge market gains in the USA and some good gains here, too, we should be careful in any forecast – especially as the worldwide trend in interest rates is “up”. However as a long term investor in companies such as Fiducian, where wealth and fund management services are continuing to grow, we can be positive looking ahead, despite recent stock-market declines.

For and on behalf of the Board



Peter E.J. Murray  
Chairman of Directors

15 February 2018



## **Statutory Directors' Report**

### **For the Half Year ended 31 December 2017**

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 a modest operating loss of \$20,000 for the six months. The net assets, however, grew significantly to \$3.965,000 through the solid performance of 30.8% 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 paid a fully franked dividend of 6.25 cents per share. Funds on deposit are acceptable.

Subsidiary Imperial Pacific Fund Managers Pty Limited is examining scope for recompense from the Penrice Soda situation. It is too early to assess the extent of any financial return.

#### **Events occurring after Balance Date**

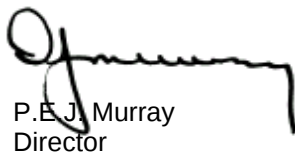
Other than items reported elsewhere, including the recent reduction in the value of the investment portfolio by some \$450,000, no other material event has taken place since balance date.

#### **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 15th day of February, 2018

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 2017

|                                                                                                       | --- Consolidated Entity --- |                 |
|-------------------------------------------------------------------------------------------------------|-----------------------------|-----------------|
|                                                                                                       | 31 Dec<br>2017              | 31 Dec<br>2016  |
|                                                                                                       | \$                          | \$              |
| <b>Revenue</b>                                                                                        |                             |                 |
| Investment revenue                                                                                    | 7,478                       | 4,046           |
| Management fees received                                                                              | 53,851                      | 37,387          |
| Proceeds - sale on Investments                                                                        | 12,670                      | 0               |
|                                                                                                       | <hr/> 73,999                | <hr/> 41,433    |
| <b>Operating Expenses</b>                                                                             |                             |                 |
| Cost of Investments Sold                                                                              | (10,330)                    | 0               |
| Management fees                                                                                       | (67,360)                    | (53,520)        |
| Directors' fees                                                                                       | (30,000)                    | (24,903)        |
| Other                                                                                                 | (36,949)                    | (36,921)        |
|                                                                                                       | <hr/> (70,640)              | <hr/> (73,911)  |
| Share of net profit (loss) of associate accounted for<br>using the equity accounting method           | 50,612                      | 10,566          |
|                                                                                                       | <hr/> 50,612                | <hr/> 10,566    |
| <b>Profit (Loss) from Ordinary Activities</b>                                                         |                             |                 |
| <b>before Income Tax</b>                                                                              | (20,028)                    | (63,345)        |
| Income Tax Expense relating to<br>ordinary activities                                                 | -                           | -               |
|                                                                                                       | <hr/> -                     | <hr/> -         |
| <b>Net Profit (Loss) attributable to outside equity interests</b>                                     | <b>(20,028)</b>             | <b>(63,345)</b> |
|                                                                                                       | <hr/>                       | <hr/>           |
| <b>Total changes in equity other than those resulting<br/>from transactions with owners as owners</b> | <b>(20,028)</b>             | <b>(63,345)</b> |
|                                                                                                       | <hr/>                       | <hr/>           |
| Basic and diluted Earnings Per Share (Cents per Share)                                                | (0.7)                       | (2.2)           |

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 2017

|                                  | --- Consolidated Entity --- |                  |
|----------------------------------|-----------------------------|------------------|
|                                  | 31 Dec<br>2017              | 30 June<br>2017  |
| <b>CURRENT ASSETS</b>            | <b>\$</b>                   | <b>\$</b>        |
| Cash and cash equivalents        | 232,933                     | 587,575          |
| Trade and other receivables      | 160,521                     | 68,342           |
| <b>TOTAL CURRENT ASSETS</b>      | <b>393,454</b>              | <b>655,917</b>   |
| <b>NON-CURRENT ASSETS</b>        |                             |                  |
| Investment Portfolio             | 3,685,516                   | 2,839,996        |
| Deferred Tax Assets              | 60,000                      | 61,800           |
| <b>TOTAL NON-CURRENT ASSETS</b>  | <b>3,745,516</b>            | <b>2,901,796</b> |
| <b>TOTAL ASSETS</b>              | <b>4,138,970</b>            | <b>3,557,713</b> |
| <b>CURRENT LIABILITIES</b>       |                             |                  |
| Trade and other payables         | 158,784                     | 123,340          |
| <b>TOTAL CURRENT LIABILITIES</b> | <b>158,784</b>              | <b>123,340</b>   |
| <b>NON-CURRENT LIABILITIES</b>   |                             |                  |
| Deferred Tax Liability           | 15,700                      | -                |
|                                  | -                           | -                |
| <b>TOTAL LIABILITIES</b>         | <b>174,484</b>              | <b>123,340</b>   |
| <b>NET ASSETS</b>                | <b>3,964,486</b>            | <b>3,434,373</b> |
| <b>SHAREHOLDERS' EQUITY</b>      |                             |                  |
| Issued Capital                   | 1,692,585                   | 1,692,585        |
| Realised Capital Gains Reserve   | 2,848,050                   | 2,848,050        |
| Unrealised Revaluation Reserve   | 2,106,805                   | 1,363,713        |
| Accumulated Losses               | (2,682,954)                 | (2,469,975)      |
| <b>TOTAL EQUITY</b>              | <b>3,964,486</b>            | <b>3,434,373</b> |

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 2017

| <b>2017</b>                            | Issued<br>Capital | Realised<br>Capital Gains<br>Reserve | Unrealised<br>Profits<br>Reserve | Retained<br>Earnings<br>(Losses) | Total Equity     |
|----------------------------------------|-------------------|--------------------------------------|----------------------------------|----------------------------------|------------------|
|                                        | \$                | \$                                   | \$                               | \$                               | \$               |
| <b>At 1 July 2017</b>                  | 1,692,585         | 2,848,050                            | 1,363,713                        | (2,469,975)                      | 3,434,373        |
| Available-for-sale financial assets    |                   |                                      |                                  |                                  |                  |
| - Net Unrealised gain taken to equity: |                   |                                      | 827,484                          |                                  | 827,484          |
| - Net Tax on unrealised loss           |                   |                                      | (84,392)                         |                                  | (84,392)         |
| Net Income for period                  |                   |                                      |                                  | (20,028)                         | (20,028)         |
| Dividends Paid                         |                   |                                      |                                  | (192,951)                        | (192,951)        |
| <b>At 31 December 2017</b>             | <b>1,692,585</b>  | <b>2,848,050</b>                     | <b>2,106,805</b>                 | <b>(2,682,954)</b>               | <b>3,964,486</b> |

| <b>2016</b>                            | Issued<br>Capital | Realised<br>Capital Gains<br>Reserve | Unrealised<br>Profits<br>Reserve | Retained<br>Earnings<br>(Losses) | Total Equity     |
|----------------------------------------|-------------------|--------------------------------------|----------------------------------|----------------------------------|------------------|
|                                        | \$                | \$                                   | \$                               | \$                               | \$               |
| <b>At 1 July 2016</b>                  | 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)        |
| <b>At 31 December 2016</b>             | <b>1,691,184</b>  | <b>2,756,308</b>                     | <b>1,178,472</b>                 | <b>(2,485,209)</b>               | <b>3,140,755</b> |

*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 2017

|                                                      | --- Consolidated Entity --- |                  |
|------------------------------------------------------|-----------------------------|------------------|
|                                                      | 31 Dec<br>2017              | 31 Dec<br>2016   |
|                                                      | \$                          | \$               |
| <b>Cash flows from operating activities</b>          |                             |                  |
| Receipts from customers                              | 24,167                      | 45,496           |
| Payments to suppliers and management                 | (163,831)                   | (101,877)        |
| Dividends received                                   | 98,768                      | 81,142           |
| Interest received                                    | 1,086                       | 4,646            |
| Proceeds - Trading Investments                       | 12,670                      |                  |
| Payments - Trading Investments                       | -                           |                  |
| Income Tax Paid                                      | -                           | -                |
| Net Cash provided by (used in ) operating activities | <b>(27,140)</b>             | <b>29,407</b>    |
| <b>Cash flows from investing activities</b>          |                             |                  |
| Proceeds from Investments                            | -                           | -                |
| Payments for Investments                             | (138,745)                   | (232,121)        |
| Net Cash provided by (used in) investing activities  | <b>(138,745)</b>            | <b>(232,121)</b> |
| <b>Cash flows from financing activities</b>          |                             |                  |
| Increase in Issued Capital                           | -                           | 133,380          |
| Financing movements                                  | 4,191                       | (28,438)         |
| Dividend Paid to Shareholders                        | (192,948)                   | (145,325)        |
| Net Cash provided by (used in) financing activities  | <b>(188,757)</b>            | <b>(40,383)</b>  |
| <b>Net increase ( decrease) in cash held</b>         | <b>(354,642)</b>            | <b>(243,097)</b> |
| Cash at beginning of half year                       | 587,575                     | 597,957          |
| <b>Cash at end of the period</b>                     | <b>232,933</b>              | <b>354,860</b>   |
| <b>Comprising:</b>                                   |                             |                  |
| Cash and cash equivalents:                           | 232,933                     | 354,860          |
|                                                      | <b>232,933</b>              | <b>354,860</b>   |

The accompanying notes form part of this financial report.

# Imperial Pacific Limited

## and Controlled Entities



### Notes to the Accounts as at 31 December 2017

#### **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 2017 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 2017 Annual Report. New standards or interpretations mandatory for the annual reporting period beginning 1 July 2017 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 2017 was authorised for issue in accordance with a resolution of the Directors on 15 February 2018.

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 2017 (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:

Interest

Dividends Received

Proceeds - Sale of Investments

Management Fees - associated company

31 Dec  
2017  
\$

31 Dec  
2016  
\$

|               |               |
|---------------|---------------|
| 851           | 4,046         |
| 6,627         | -             |
| 12,670        | -             |
| 53,851        | 37,387        |
| <u>73,999</u> | <u>41,433</u> |

(b) charging as expense:

Cost of Investments Sold

Payable to Auditors - Audit

Payable to Auditors - Other Services

Directors Fees - parent company

Management Fees - Director Related

Superannuation - Director Related

Other Operating Expenses

|                  |                  |
|------------------|------------------|
| (10,330)         | -                |
| (1,600)          | (1,250)          |
| (500)            | (1,100)          |
| (30,000)         | (24,903)         |
| (67,360)         | (53,520)         |
| (4,038)          | (3,296)          |
| (30,811)         | (31,275)         |
| <u>(144,639)</u> | <u>(115,344)</u> |

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

|        |        |
|--------|--------|
| 50,612 | 10,566 |
|--------|--------|

#### Profit (Loss) from Ordinary Activities before Income Tax

|                 |                 |
|-----------------|-----------------|
| <u>(20,028)</u> | <u>(63,345)</u> |
|-----------------|-----------------|

#### Note 3 Shares on Issue

Ordinary Shares - 1 July 2017

Plus Changes during Period

Ordinary Shares - 31 December 2017

Average Shares on Issue during period

#### ---- Number of Shares ----

|                  |                  |
|------------------|------------------|
| 3,087,171        | 2,906,504        |
| -                | 180,667          |
| <u>3,087,171</u> | <u>3,087,171</u> |
| 3,087,171        | 2,996,838        |

#### Note 4 Trade and other receivables

Other Debtors and Prepayments

Associated Company

|                |               |
|----------------|---------------|
| 171,814        | 51,827        |
| 2,670          | -             |
| <u>174,484</u> | <u>51,827</u> |

#### Note 5 Dividends

The following dividends were recognised in the current accounting period.

A fully franked ordinary dividend of 6.25 cents per share was paid to shareholders on 12 October 2017 (5.00 cents in 2016)

|         |         |
|---------|---------|
| 192,948 | 145,325 |
|---------|---------|

There are no interim dividends proposed for payment.

# Imperial Pacific Limited

## and Controlled Entities



### Notes to the financial statements - 31 December 2017 (Cont'd)

#### Note 6 Segment Information

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

| <b>December 2017</b>                      | <b>Investment</b> | <b>Financial Services</b> | <b>Consolidated</b> |
|-------------------------------------------|-------------------|---------------------------|---------------------|
| Revenue                                   |                   |                           |                     |
| Investment /other revenue                 | 20,133            | 53,866                    | 73,999              |
| Segment Result                            |                   |                           |                     |
| Profit (Loss) after Tax                   | (6,739)           | (13,289)                  | (20,028)            |
| Segment Assets                            | 4,026,855         | 112,115                   | 4,138,970           |
| Segment Liabilities                       | (93,757)          | (80,727)                  | (174,484)           |
| Net cash inflow from operating activities | 63,935            | (91,075)                  | (27,140)            |

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

|           |   |           |
|-----------|---|-----------|
| 3,396,111 | - | 3,396,111 |
|-----------|---|-----------|

| <b>December 2016</b>                      | <b>Investment</b> | <b>Financial Services</b> | <b>Consolidated</b> |
|-------------------------------------------|-------------------|---------------------------|---------------------|
| 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 |
|-----------|---|-----------|

#### Note 7 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. On 31 January 2018 London City announced it had commenced legal proceedings and served on Ernst & Young a Statement of claim concerning that firm's role as auditor of Penrice. There is insufficient information at the date of this report to estimate any future benefit that may arise.

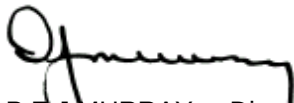


## Directors' Declaration

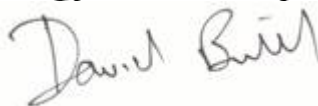
In the Directors' opinion:

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 2017 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. G. BUTEL, Director

Sydney

Dated this 15th day of February 2018

**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 2017, 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

9 February 2018

## **Independent Review Report to the Members of Imperial Pacific Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the financial report of Imperial Pacific Limited ("the Company") and its consolidated entities ("the Consolidated Entity") for the half year ended 31 December 2017 as set out on pages 3 to 10. The financial report comprises the statement of financial position as at 31 December 2017, the income statement, cash flow statement, and statement of changes in equity for the half-year ended on that date, accompanying notes to the financial statements, and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Imperial Pacific Limited and its consolidated entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

- 12 -

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors, would be in the same terms if given to the Directors as at the time of this auditor's report.

### *Conclusion*

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 the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2017 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*.



**Mark O'Connor CA**  
**Partner**



Cutcher & Neale  
Chartered Accountants

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15 February 2018