



*A wholly owned subsidiary of BSP Papua New Guinea*

South Pacific Stock Exchange (SPSE)

"Market Announcement and Press Release

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TUESDAY 30 AUGUST 2011

## **"Financial Statements for Half Year Ended 2011- BSP Convertible Notes Limited**

### **"Market Announcement to South Pacific Stock Exchange"**

Please refer attached the detailed Financial Statement for half year ended 30 June 2011.



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Alvina Ali

**Company Secretary**

**BSP Convertible Notes Limited**

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#### **About BSP Convertible Notes Limited (BSP CN Fiji):**

BSP Convertible Notes Limited (BSP CN Fiji) is a wholly owned subsidiary of Bank of South Pacific Limited (BSP). BSP is a Papua New Guinea based full service Bank with representation in many major Pacific economies. BSP is listed on the Port Moresby Stock Exchange (POMSoX) and has a B+ credit rating from Standard & Poors. BSP Convertible Notes Limited (BSP CN Fiji) is a special purpose vehicle incorporated in Fiji with limited powers under its Memorandum and Articles. It is listed in the South Pacific Stock Exchange (SPSE) in Fiji as **BCN**.



**STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY  
FOR HALF YEAR ENDED 30 JUNE 2011**

	<b>CONSOLIDATED</b>		
	At end of current half year F\$	As at Dec 2010 F\$	Previous half year F\$
<b>6. CURRENT ASSETS</b>			
(a) Cash Assets	348,545	375,243	1,244,339
(b) Trade receivables	-		-
(c) Other receivables			
(d) Inventories			
(e) Short-term investment			
(f) Other assets	191,791	191,791	191,791
<b>(g) Total Current Assets</b>	<b>540,336</b>	<b>567,034</b>	<b>1,436,130</b>
<b>NON-CURRENTS ASSETS</b>			
(h) Property, plant and equipment			
(i) Long-term investment			
(j) Term deposit			
(k) Future Income tax benefit			
(l) Intangible assets			
(m) Other	15,100,000	15,100,000	15,100,000
<b>(n) Total Non-Current Assets</b>	<b>15,100,000</b>	<b>15,100,000</b>	<b>15,100,000</b>
<b>(o) Total Assets</b>	<b>15,640,336</b>	<b>15,667,034</b>	<b>16,536,130</b>
<b>7. CURRENT LIABILITIES</b>			
(a) Trade payables	2,300	15,425	943,863
(b) Other payables and accruals	219,100	222,186	220,084
(c) Current tax liabilities			
(d) Interest-bearing borrowings			
(e) Term loan - secured			
(f) Bank overdraft			
(g) Unsecured advance			
(h) Inter-company loan			
(i) Provisions			
(j) Other			
<b>(k) Total Current Liabilities</b>	<b>221,400</b>	<b>237,611</b>	<b>1,163,947</b>
<b>NON-CURRENT LIABILITIES</b>			
(l) Term loan - secured			
- unsecured			
(m) Unsecured advance			
(n) Inter-company loan			
(o) Deferred tax liabilities			
(p) Provisions			
(q) Other	16,090,806	16,090,806	16,090,806
<b>(r) Total Non-Current Liabilities</b>	<b>16,090,806</b>	<b>16,090,806</b>	<b>16,090,806</b>
<b>(s) Total Liabilities</b>	<b>16,312,206</b>	<b>16,328,417</b>	<b>17,254,753</b>
<b>(t) NET ASSETS</b>	<b>(671,870)</b>	<b>(661,383)</b>	<b>(718,623)</b>
<b>8. EQUITY</b>			
(a) Contributed equity	250,000	250,000	250,000
(b) Reserves			
(c) Retained profits/accumulated losses	(921,870)	(911,383)	(968,623)
<b>(d) Equity Attributable to Members</b>	<b>(671,870)</b>	<b>(661,383)</b>	<b>(718,623)</b>
<b>OEI in Controlled Entities</b>			
(e) Contributed equity			
(f) Reserves			
(g) Retained profits/accumulated losses			
<b>(h) Total Outside Equity Interest in Controlled Entities</b>			
<b>(i) TOTAL EQUITY</b>	<b>(671,870)</b>	<b>(661,383)</b>	<b>(718,623)</b>

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Director

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Company Secretary

**STATEMENT OF CASH FLOWS  
FOR HALF YEAR ENDED 30 JUNE 2011**

	<b>CONSOLIDATED</b>	
	Current half year F\$	Previous corresponding half year F\$
<b>9. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(a) Cash Received from Trading activities		
(b) Cash Payments	(35,139)	(1,587)
(c) Interest Received	570,076	5,120
(d) Dividend Received		
(e) Interest Paid	(561,635)	-
(f) Income Tax Paid		
(g) Net VAT Paid		
<b>(h) Net Cash Inflow from Operating Activities</b>	<b>(26,698)</b>	<b>3,533</b>
<b>10. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(a) Acquisition of Fixed Assets		
(b) Proceeds from Sale of Fixed Assets		
(c) Acquisition of Investment		
(d) Long Term Deposit	-	(15,100,000)
(e) Audio Visual Production		
(f) Proceeds from Sale of Associate		
(g) Proceed from Sale of Investment		
<b>(h) Net Cash (Outflow) from Investing Activities</b>	<b>-</b>	<b>(15,100,000)</b>
<b>11. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(a) Dividend Paid		
(b) Repayment of Secured Loan		
(c) Proceed from Issue of Shares	-	250,000
(d) Proceeds from Borrowings	-	16,090,806
(e) Repayment of Lease Principal		
<b>(f) Net Cash (Outflow)/Inflow from Financing Activities</b>	<b>-</b>	<b>16,340,806</b>
<b>12. NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(26,698)</b>	<b>1,244,339</b>
(a) Cash/(Overdraft) at beginning of year	<b>375,243</b>	<b>-</b>
(b) Effects of exchange rate changes on opening cash balances	<b>-</b>	<b>-</b>
(d) Cash/(Overdraft) at end of year	<b>348,545</b>	<b>1,244,339</b>

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**Director**

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**Company Secretary**

**General Information**

13 BSP Convertible Notes Limited (BSP CNL) was incorporated on 27 October 2006 as a shelf company. In March 2010 its ordinary capital was wholly acquired by BSP, a Papua New Guinea company with branch registration in Fiji, and BSP's nominees. Accordingly, BSP CNL is now a wholly-owned subsidiary of BSP. BSP CNL is a special purpose vehicle incorporated in Fiji with limited powers under its Memorandum and Articles to facilitate the issue of the Notes, BSP Fiji Class Shares and the loan to BSP Fiji Branch of funds raised. 100% of the ordinary shares of BSP CNL are beneficially owned by BSP Limited.

14 Interest is payable to Noteholders twice yearly on 20 April and 20 October for three (3) years at 7% per annum.

15 BSP CNL has advanced \$15.1m to BSP Fiji Branch for a period of 3 years at 7.6% per annum pursuant to a loan agreement.