



22nd August, 2008

**Ms. Jinita Prasad**  
**The Chief Executive Officer,**  
South Pacific Stock Exchange,  
Level 2, Plaza One, Provident Plaza,  
33 Ellery Street,  
**Suva.**

**Dear Ms Jinita,**

**Re: PGI , Six Months Report to SPSE**

Attached please find our six months report to South Pacific Stock Exchange,

- > Six Months Report
- > Financial Report in the SPSE Format (unaudited)
  - Profit & Loss Account
  - Statement of Assets, Liabilities And Shareholders' Equity
  - Statement of Cash Flows

Please fax or call undersigned should you need any further information.

**Yours faithfully,**

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**Ravin Chandra**  
**GROUP GENERAL MANAGER/COMPANY SECRETARY**

**Save the Forest – Use Palmwood**

**PACIFIC GREEN INDUSTRIES (FIJI) LIMITED**  
**SIX MONTHS REPORT TO SPSE**

The financial results for the 6 months to June 30 show, once again, that PG was unable to reduce its losses in Fiji. Given the track record of the past 4 years (since the Nov 04 fire) it is apparent that we may continue to lose money until the primary manufacturing operation can be rebuilt. The on-going expenses of the factory complex at Sigatoka continue to far outweigh the Fiji sales income which is burdened by (a) our inability to supply sufficient quality raw materials on time to China and (b) our inability to manufacture quality export products for the South Pacific area. These factors resulted in a loss for our Fiji operation of \$62,530 (2007 it was profit \$33,424) It should also be noted that these losses also contain significant statutory, community and legal costs.

On the other hand the China operation continues to progress despite a surge in manufacturing costs (with global inflation increasing the fuel and leather costs and China contributing a sharp hike in labour, steel and upholstery product costs) the weakening of the US dollar, the softness of the USA market and a shortage of Palmwood - that severely affected June sales which meant that we had over \$700,000 of orders on hand. The China subsidiary contributed a profit to the group of \$101,468 (2007 \$374,118).

Looking at the financials for the group. The profits from China were sufficient to balance the Fiji books and resulted in a small group profit of \$38,938. Group income decreased to \$3,194,696 (2007 \$3,727,320).

No matter how management approaches the company's ongoing survival task it simply gets harder to maintain an international market presence... The 2008 market place is tough and expensive (Advertising and exhibition expenditure increased to \$339,735 (2007 \$122,334) and it is now imperative to quickly receive rebuilding and reequipping funds. It has been almost 4 years since we lost our manufacturing facility and in that time. PGI and Fiji has lost many opportunities. Further delays only exacerbate the situation. Fortunately we have made a little progress and in winning our case against the insurance company (now subject to an appeal) we may be closer to a final result with the Fiji High court setting aside 3 days in September for the quantum hearing.

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**Ravin Chandra**  
**GROUP GENERAL MANAGER/COMPANY SECRETARY**

## APPENDIX 4

### HALF YEAR REPORT ANNOUNCEMENT

Pacific Green Industries (Fiji) Limited

(Half Year Report can be audited or unaudited. If accounts are audited, an audit statement needs to be attached)

#### PROFIT & LOSS STATEMENT (UNAUDITED)

FOR HALF YEAR ENDED 30th JUNE 2008

CONSOLIDATED			
	Current *half year/full year F\$	*Increase/ Decrease %	Previous corresponding *half year/full year F\$
<b>1. OPERATING REVENUE</b>			
(a) Sales Revenue	3,194,696	-14%	3,727,320
(b) Other revenue			-
(c) Total Operating Revenue	<b>3,194,696</b>		<b>3,727,320</b>
<b>2. (a) Net Profit/Loss before Tax</b>	<b>38,938</b>	<b>-92%</b>	<b>476,407</b>
(b) Income tax Expense	-		-
(c) <b>Net Profit/Loss after Tax</b>	<b>38,938</b>		<b>476,407</b>
<b>3. (a) Extraordinary item after tax</b>	-		-
<b>(b) Net Profit/Loss after Tax &amp; Extraordinary Item</b>	<b>38,938</b>		<b>476,407</b>
<b>4. (a) OEI in net profit and extraordinary items after income tax</b>			
(b) Minority interest in profit of subsidiary	(30,440)		
<b>(c) Net Profit/Loss after Extraordinary Items and Income Tax Attributable to Members of the Company</b>	<b>8,498</b>	<b>-98%</b>	<b>476,407</b>
(d) Retained Profit at Beginning	526,531		55,359
<b>(e) Total available for appropriation</b>			
(f) Ordinary dividend provided for			
(g) Preference dividend provided for			
(h) Transfer to general reserves	504,210		504,210
(i) Total appropriations			
(j) Retained profit at year end	565,469	<b>6%</b>	531,766
<b>5. Earnings Per Share</b>			
(a) Basic earnings per share	0.001		0.06
(b) Diluted earnings per share	0.001		0.06

\*Delete as required

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**Ravin Chandra**  
**GROUP GENERAL MANAGER/COMPANY SECRETARY**

**STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY**  
**FOR HALF YEAR ENDED 30th JUNE 2008**

<b>CONSOLIDATED</b>			
	At end of current *half year F\$	As shown in last Annual Report F\$	If half yearly as shown in last Half Yearly Report F\$
<b>6. CURRENT ASSETS</b>			
(a) Cash Assets	475,732	783,942	313,576
(b) Trade receivables	249,978	278,461	1,236,152
(c) Other receivables	113,738	250,454	163,287
(d) Inventories	2,746,286	2,922,419	3,236,940
(e) Short-term investment	-	-	-
(f) Other assets	196,234	116,161	146,808
<b>(g) Total Current Assets</b>	<b>3,781,967</b>	<b>4,351,437</b>	<b>5,096,763</b>
<b>NON-CURRENTS ASSETS</b>			
(h) Property, plant and equipment	3,036,429	3,142,994	3,598,946
(i) Long-term investment	-	-	-
(j) Term deposit	9,928	9,928	9,928
(k) Future Income tax benefit	-	-	-
(l) Intangible assets	2,856	2,423	2,061
(m) Other	-	-	-
<b>(n) Total Non-Current Assets</b>	<b>3,049,213</b>	<b>3,155,345</b>	<b>3,610,935</b>
<b>(o) Total Assets</b>	<b>6,831,180</b>	<b>7,506,782</b>	<b>8,707,698</b>
<b>7. CURRENT LIABILITIES</b>			
(a) Trade payables	1,000,726	898,536	1,031,408
(b) Other payables and accruals	91,450	96,738	331,973
(c) Current tax liabilities	-	-	-
(d) Interest-bearing borrowings	-	-	-
(e) Term loan - secured	1,339,606	1,435,706	1,537,180
(f) Bank overdraft	117,342	195,295	751,569
(g) Unsecured advance	-	-	-
(h) Inter-company loan	-	-	-
(i) Provisions	-	-	-
(j) Other	-	-	-
<b>(k) Total Current Liabilities</b>	<b>2,549,125</b>	<b>2,626,275</b>	<b>3,652,130</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	-	-	-
<b>(r) Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(s) Total Liabilities</b>	<b>2,549,125</b>	<b>2,626,275</b>	<b>3,652,130</b>
<b>(t) NET ASSETS</b>	<b>4,282,055</b>	<b>4,880,507</b>	<b>5,055,567</b>

**8. EQUITY**

(a) Contributed equity	7,619,234	7,619,234	7,619,234
(b) Reserves	504,210	504,210	504,210
(c) Retained profits/foreign currency translation reserve/accumulated losses	(4,451,521)	(3,976,956)	(3,067,877)
<b>(d) Equity Attributable to Members</b>	<b>3,671,923</b>	<b>4,146,488</b>	<b>5,055,567</b>
<b>(e) Minority Interest</b>	<b>610,132</b>	<b>734,019</b>	<b>-</b>

**OEI in Controlled Entities**

(f) Contributed equity	-	-	-
(g) Reserves	-	-	-
(h) Retained profits/accumulated losses	-	-	-
<b>(i) Total Outside Equity Interest in Controlled Entities</b>		<b>-</b>	<b>-</b>
<b>(j) TOTAL EQUITY</b>	<b>4,282,055</b>	<b>4,880,507</b>	<b>5,055,567</b>

\*Delete as required

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**Ravin Chandra**  
**GROUP GENERAL MANAGER/COMPANY SECRETARY**

**STATEMENT OF CASH FLOWS  
FOR HALF YEAR ENDED 30th JUNE 2008**

		<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	3,223,179	3,496,968
(b)	Cash Payments	(3,289,020)	(2,798,356)
(c)	Interest Received	-	-
(d)	Dividend Received	-	-
(e)	Interest Paid	(47,246)	(86,505)
(f)	Income Tax Paid	-	-
(g)	Net VAT Paid	(31,396)	(19,050)
	<b>(h) Net Cash Inflow from Operating Activities</b>	<b>(144,483)</b>	<b>593,057</b>
<b>10. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(a)	Acquisition of Fixed Assets	10,324	(3,199)
(b)	Proceeds from Sale of Fixed Assets	-	-
(c)	Acquisition of Investment	-	-
(d)	Long Term Deposit	-	-
(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>10,324</b>	<b>(3,199)</b>
<b>11. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(a)	Dividend Paid	-	-
(b)	Repayment of Secured Loan	(91,219)	(86,815)
(c)	Proceed from Issue of Shares	-	-
(d)	Proceeds from Borrowings	-	-
(e)	Repayment of Lease Principal	(4,881)	(15,827)
	<b>(f) Net Cash (Outflow)/Inflow from Financing Activities</b>	<b>(96,100)</b>	<b>(102,642)</b>
<b>12. NET INCREASE/(DECREASE) IN CASH HELD</b>			
(a)	Cash/(Overdraft) at beginning of year	<b>588,648</b>	<b>(925,209)</b>
(b)	Effects of exchange rate changes on opening cash balances	<b>(230,258)</b>	<b>487,216</b>
(c)	Cash/(Overdraft) at end of half year	<b>358,390</b>	<b>(437,993)</b>

\*Delete as required

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