FLOUR MILLS OF FIJI LIMITED

CONTENTS

FLOUR MILLS OF FIJI LIMITED

DIRECTORS

Mr. Hari Punja OF, OBE, JP - Chairman

Mr. Sanjay Punja

Mr. Lionel D S Yee CF

Mr. Gary Callaghan

Mr. Radike Qereqeretabua

CHIEF EXECUTIVE

Mr. Sanjay Punja

GROUP CFO & COMPANY SECRETARY

Mr. Kumar Shankar B.Com, L.L.B , A.C.A , A.C.S , A.M.I.M.A

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
Suva

SOLICITORS

M/s AK Lawyers

M/s Diven Prasad Lawyers

M/s Munro Leys

M/s Sherani & Co.

BANKERS

Australia and New Zealand Banking Group Limited

REGISTERED OFFICE

Lot 2 , Leonidas street
Walu Bay , Suva
Telephone : 330 1188 Fax : 330 0944
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FLOUR MILLS OF FIJI LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty – Sixth Annual General Meeting of the members of Flour Mills Of Fiji Limited will be held at 3.00 p.m. on Friday, the 31st October 2008, in the Training room at Atlantic & Pacific Packaging Company Limited, Leonidas Street, Walu Bay, Suva to transact the following business:

Ordinary business

1. Confirmation of the minutes of the Thirty – Fifth Annual General Meeting held on 26th October 2007.

2. Matters arising from the minutes.

3. To receive and adopt the Audited Balance Sheets and Profit and Loss Statements and the reports of the Directors and Auditors for the year ended 30th June 2008.

4. To elect, in accordance with Article 86 of the Articles of Association of the company, Mr. Hari Punja as a director of the company. He retires by rotation and being eligible, offers himself for re-election.

5. To elect, in accordance with Article 86 of the Articles of Association of the company, Mr. Sanjay Punja as a director of the company. He retires by rotation and being eligible, offers himself for re-election.

6. To appoint Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a fee to be negotiated by the Directors .The retiring Auditors M/s. PricewaterhouseCoopers, Chartered Accountants, being eligible, offer themselves for appointment.

7. Any other business brought up in conformity with the Articles of Association of the company.

By order of the Board of Directors

Kumar Shankar
Group CFO &
Company Secretary
Dated: 26th September 2008
Suva, Fiji

FLOUR MILLS OF FIJI LIMITED

CHAIRMAN'S REPORT

Dear Shareholders,

The past year has been a very difficult environment for the group. This is due to our continued difficulties in obtaining price increases fro the PIB despite an agreed template for price adjustments. This delay activity on their part has been made worse by the rapid increase in wheat prices worldwide.

Nevertheless, I am at least pleased to report an after tax profit of $4,450,932 which is a turn around from last years loss of $2,447,001.

During the year we increased the dividends paid from $1.8 million to $3 million. This increase reflects our confidence in the future prospects of the company and in particular our expectation that the results from our value added products will improve significantly.

Our group turnover during this year increased from $115 million to $151 million, an increase of 31%. This trend is continuing and therefore we expect another significant increase in turnover for the next year. Managements challenge is now to achieve more acceptable margins on this turnover.

Again, I would like to thank our management and staff and I would like to thank them for their loyalty and hard work.

Hari Punja OF, OBE, JP
Chairman
26th September 2008
Suva, Fiji Islands

DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the Group Financial Statements, Statement of Changes in Equity and Group Cash Flow Statement for the year ended 30 June 2008 and report as follows:

1 Directors

The following were directors of the company at any time during the financial year and up to the date of this report:

- Hari Punja $_{\text{OF, OBE, JP}}$ – Chairman
- Sanjay Punja
- Lionel D S Yee $_{\text{CF}}$
- Gary Callaghan
- Radike Ulaiasi Qereqeretabua

2 Principal Activities

The principal activities of the group comprise the milling of wheat, rice and whole dunfield peas, manufacturing of packaging materials including corrugated cartons and assorted boxes and packets, manufacturing of biscuits and snacks food products, sale of crushed and feed wheat and related products and investment.

3 Trading Results

The profit after income tax of the group attributable to the members of the holding company for the year ended 30 June 2008 was $3,873,757 (2007: Loss - $1,665,566) and for the holding company was $4,450,932 (2007: Loss - $2,447,001).

4 Provisions

There were no material movements in provisions, other than provisions for leave, doubtful debts and taxes.

5 Dividends

The directors declared an interim dividend of $3,000,000 during the year.

6 Bad and Doubtful Debts

The directors took reasonable steps before the financial statements were made out, to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, inadequate to any substantial extent.

DIRECTORS' REPORT - Continued

7 Current Assets

The directors took reasonable steps before the income statement and balance sheet were made out to ascertain that the current assets of the company and the group were shown in the accounting records of the company and the group at a value equal to or below the value that would be expected to be realised in the ordinary course of the business. At the date of this report, the directors are not aware of any circumstances which would render the values attributable to the current assets in the company and the group's financial statements misleading.

8 Reserves

The directors recommend that no amounts be transferred to reserves in respect of the year ended 30 June 2008.

9 Events Subsequent to Balance Date

No charge on the assets of the company or the group has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the date of this report which, in the opinion of the directors, will or may affect the ability of the company and the group to meet its obligations as and when they fall due.

10 Basis of Accounting

The directors believe the basis of the preparation of the financial statements is appropriate and the company and the group will be able to continue in operation for at least twelve months from the date of this report. Accordingly the directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate

11 Related Party Transactions

In the opinion of the directors all related party transactions have been adequately recorded in the books of the company and the group.

12 Other Circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements misleading.

DIRECTORS' REPORT – Continued

13 Unusual Transactions

The results of the company and the group's operations during the year have not in the opinion of the directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

14 Directors' Interest

Interest of directors and any additions thereto during the year in the ordinary shares of the company are as follows:

	Beneficially		Non-Beneficially	
	Additions	Holding	Additions	Holding
Hari Punja	-	-	-	102,166,175
Sanjay Punja	-	-	-	as above
Lionel D S Yee	-	100,000	-	126,870
Gary Callaghan	-	1,500,225	-	250,000

15 Group Contribution

Contributions to group profit after income tax are as follows:

	Contribution $
Flour Mills of Fiji Limited	242,432
Subsidiary Companies	4,267,562
	$ 4,509,994

Signed in accordance with a resolution of the directors this 26th day of September 2008.

For and on behalf of the Board

Director

Director

STATEMENT BY DIRECTORS

In the opinion of the directors:

(a) the accompanying income statements are drawn up so as to give a true and fair view of the results of the company and of the group for the year ended 30 June 2008,

(b) the accompanying balance sheets are drawn up so as to give a true and fair view of the state of the company and the group's affairs at 30 June 2008,

(c) the accompanying statement of changes in equity and consolidated statement of changes in equity for the year ended 30 June 2008 are drawn up so as to give a true and fair view of the movement in shareholder's funds.

(d) the accompanying consolidated cash flow statement is drawn up so as to give a true and fair view of the cash flows of the group for the year ended 30 June 2008, and

For and on behalf of the Board of Directors by authority of a resolution of the Directors.

....
Director

....
Director

PRICEWATERHOUSECOOPERS

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INDEPENDENT AUDIT REPORT

To the members of Flour Mills of Fiji Limited

Scope

We have audited the financial statements of Flour Mills of Fiji Limited and of the group for the year ended 30 June 2008 as set out on pages 10 to 41. The company's directors and management are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial statements are presented fairly in accordance with International Financial Reporting Standards and statutory requirements so as to present a view which is consistent with our understanding of the company's and the group's financial position, the results of their operations, statement of changes in equity and their cash flows.

We have examined the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors as shown in note 15(b). The audit reports on the financial statements of the Fiji subsidiaries were not subject to any qualification or comment. The financial statements of the Samoan subsidiary were not audited.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

(a) proper books of account have been kept by the company and by the group companies, so far as it appears from our examination of those books, and

(b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:

- (i) are in agreement with the books of account;
- (ii) to the best of our information and according to the explanations given to us:
  - (a) give a true and fair view of the state of affairs of the company and of the group as at 30 June 2008 and of the results and statement of changes in equity of the company and of the group and consolidated cash flows of the group for the year ended on that date;
  - (b) give the information required by Fiji Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.

PricewaterhouseCoopers

Suva
26 September 2008

PricewaterhouseCoopers
Chartered Accountants

	Notes	Group 2008 $	Group Restated 2007 $	Company 2008 $	Company Restated 2007 $
Revenue	26	151,080,421	115,046,540	62,214,340	43,660,428
Other operating income		4,767,280	4,634,972	10,946,886	8,265,788
Changes in inventories of finished goods and work in progress		988,702	(230,103)	513,892	(43,459)
Raw materials and consumables used		(114,146,818)	(89,085,548)	(51,857,862)	(39,542,963)
Staff costs		(5,071,607)	(6,422,495)	(2,182,904)	(3,967,625)
Depreciation/amortisation		(5,681,740)	(5,414,391)	(2,251,274)	(2,627,564)
Other operating expenses		(21,571,280)	(16,461,005)	(10,643,875)	(8,586,635)
Profit/(loss) from operations		10,364,958	2,067,970	6,739,203	(2,842,030)
Finance costs		(3,838,238)	(3,962,433)	(1,649,285)	(1,773,563)
Profit/(loss) before tax	16	6,526,720	(1,894,463)	5,089,918	(4,615,593)
Income tax (expense)/credit	11	(2,016,726)	713,905	(638,986)	2,168,592
Profit/(loss) after tax		$ 4,509,994	($ 1,180,558)	$ 4,450,932	($ 2,447,001)
Attributable to:					
Equity holders of the company		3,873,757	(1,665,566)		
Minority interest		636,237	485,008		
		$ 4,509,994	($ 1,180,558)		
Earnings per share	19	$ 0.026	($ 0.011)		

The above income statements should be read in conjunction with the accompanying notes.

FLOUR MILLS OF FIJI LIMITED
AND SUBSIDIARIES

BALANCE SHEETS
30 JUNE 2008

	Notes	Group 2008 $	Group Restated 2007 $	Company 2008 $	Company Restated 2007 $
CURRENT ASSETS					
Cash at bank and on hand	17	1,727,887	1,359,236	1,527,960	1,194,767
Inventories	5	31,023,223	23,239,024	12,246,508	10,228,327
Trade receivables	6	19,561,331	12,941,556	5,910,996	4,090,937
Other receivables	7	5,232,523	1,040,687	1,043,413	6,237,177
Amounts owing by related companies	23(c)	-	-	61,702	911,161
		57,544,964	38,580,503	20,790,579	22,662,369
NON-CURRENT ASSETS					
Related company loan	23(e)	-	1,000,000	1,000,000	4,400,000
Term deposits		4,427,170	5,428,718	3,498,973	4,726,132
Property, plant and equipment	13	35,738,074	39,003,943	13,664,204	15,172,403
Investments	15	-	-	10,979,251	7,579,250
Investment property	14	17,429,870	17,088,011	-	-
Intangible assets	10	572,355	549,910	535,000	535,000
Deferred tax assets	12(b)	5,269,369	4,286,722	2,838,030	3,084,064
		63,436,838	67,357,304	32,515,458	35,496,849
TOTAL ASSETS		120,981,802	105,937,807	53,306,037	58,159,218
Less:					
CURRENT LIABILITIES					
Bank overdraft	8	23,973,967	34,684,454	1,977,792	7,423,058
Trade payables		5,615,597	2,190,895	788,660	771,922
Other payables and accruals		3,835,084	5,541,425	1,697,029	4,311,084
Borrowings	9	7,755,996	4,272,367	3,944,200	2,760,367
Amounts owing to related companies	23(d)	311,481	277,425	41,358	11,229,129
Related company loan	23(e)	-	-	3,000,000	1,704,000
Current tax Liabilities		1,200,281	723,105	(125,331)	(125,331)
		42,692,406	47,689,671	11,323,708	28,074,229
NON-CURRENT LIABILITIES					
Borrowings	9	40,056,509	22,239,099	19,290,557	9,237,099
Deferred tax liabilities	12(a)	2,949,299	1,900,443	559,277	166,327
		43,005,808	24,139,542	19,849,834	9,403,426
TOTAL LIABILITIES		85,698,214	71,829,213	31,173,542	37,477,655
NET ASSETS		$ 35,283,588	$ 34,108,594	$ 22,132,495	$ 20,681,563
		==========	===========	==========	==========
SHAREHOLDERS' EQUITY					
Issued capital	4	6,000,000	6,000,000	6,000,000	6,000,000
Reserves		26,589,441	25,715,684	16,132,495	14,681,563
		32,589,441	31,715,684	22,132,495	20,681,563
Minority Interest		2,694,147	2,392,910	-	-
		$ 32,283,588	$ 34,108,594	$ 22,132,495	$ 20,681,563
		==========	===========	==========	==========

Capital commitments 20
Contingencies and commitments 21

The above balance sheets should be read in conjunction with the accompanying notes.

These financial statements are approved in accordance with the resolution of the Board of Directors.

For and on behalf of the Board

....
Director

....
Director

Group

	Notes	Attributable to the members of the Holding Company							
		Share Capital	Capital Profit Reserve	Trade Development Reserve	Foreign Currency Translation Reserve	Unappropriated Profits	Total	Minority Interest	Total Shareholders' Equity
		$	$	$	$	$	$	$	$
Balance at 30 June 2006		6,000,000	41,500	10,000,000	1,844	19,274,552	35,317,896	2,222,402	37,540,298
IFRS adjustment		-	-	-	-	(139,055)	(139,055)	-	(139,055)
Adjusted opening balance		6,000,000	41,500	10,000,000	1,844	19,135,497	35,178,841	2,222,402	37,401,243
Loss for the year		-	-	-	-	(1,663,157)	(1,663,157)	485,008	(1,178,149)
Transfer to Unappropriated Profits		-	-	(10,000,000)	-	10,000,000	-	-	-
Dividends	18	-	-	-	-	(1,800,000)	(1,800,000)	(314,500)	(2,114,500)
Balance at 30 June 2007		6,000,000	41,500	-	1,844	25,672,340	31,715,684	2,392,910	34,108,594
Profit for the year		-	-	-	-	3,873,757	3,873,757	636,237	4,509,994
Dividends	18	-	-	-	-	(3,000,000)	(3,000,000)	(335,000)	(3,335,000)
Balance at 30 June 2008		$ 6,000,000	$ 41,500	$ -	$ 1,844	$ 26,546,097	$ 32,589,441	$ 2,694,147	$ 35,283,588

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Holding Company

	Notes	Share Capital	Capital Profit Reserve	Trade Development Reserve	Unappropriated Profits	Total
		$	$	$	$	$
Balance at 30 June 2006		6,000,000	41,500	10,000,000	9,026,119	25,067,619
IFRS adjustment	27	-	-	-	(139,055)	(139,055)
Adjusted opening balance		6,000,000	41,500	10,000,000	8,887,064	24,928,564
Loss for the year		-	-	-	(2,447,001)	(2,447,001)
Transfer to Unappropriated Profits		-	-	(10,000,000)	10,000,000	-
Dividends	18	-	-	-	(1,800,000)	(1,800,000)
Balance at 30 June 2007		6,000,000	41,500	-	14,640,063	20,681,563
Profit for the year		-	-	-	4,450,932	4,450,932
Dividends	18	-	-	-	(3,000,000)	(3,000,000)
Balance at 30 June 2008		$ 6,000,000	$ 41,500	$ -	$ 16,090,995	$ 22,132,495

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2008

	Note	2008 $	2007 $
Cash flows from operating activities			
Receipts from customers		160,203,343	114,534,067
Payments to suppliers and employees		(151,395,968)	(108,536,179)
Cash generated from operations		8,807,375	5,997,888
Income tax paid		(3,765,774)	(3,707,432)
Interest paid		(1,468,050)	(933,530)
Net cash provided by operating activities		3,573,551	1,356,926
Cash flows from investing activities			
Acquisition of investment properties		(243,726)	-
Acquisition of property, plant and equipment		(3,548,707)	(12,819,219)
Proceeds from sale of property, plant and equipment		513,008	24,056
Proceeds from disposal of investments		-	1,677,252
Payment for trademark		(26,079)	(6,551)
Investment in term deposits		1,011,151	(1,935,779)
Interest received		(157,722)	171,500
Net cash used in investing activities		(2,452,075)	(12,888,741)
Cash flows from financing activities			
Proceeds from borrowings		22,693,380	3,082,422
Repayment of borrowings		(4,116,824)	(3,325,156)
Loan to related companies (net)		(5,283,894)	(1,000,000)
Dividends paid		(3,335,000)	(2,540,119)
Net cash provided by/ (used in) financing activities		9,957,662	(3,782,853)
Net increase/ (decrease) in cash and cash equivalents		11,079,138	(15,314,668)
Cash and cash equivalents at the beginning of the year		(33,325,218)	(18,010,550)
Cash and cash equivalents at the end of the year	17(a)	($ 22,246,080)	($ 33,325,218)
		============	===========

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by Flour Mills of Fiji Limited and its subsidiaries are stated to assist in a general understanding of these financial statements. These policies have been consistently applied by the company and its subsidiaries except where otherwise indicated.

(a) Basis of Accounting

These consolidated financial statements have been drawn up in accordance with the provisions of the Companies Act 1983 and International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the basis of historical cost convention, as modified under the revaluation of property, plant and equipment.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

i) Application of IFRS 1 First-time Adoption of International Financial Reporting Standards

These consolidated financial statements are the first financial statements for the group to be prepared in accordance with IFRS. IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied in preparing these financial statements.

Consolidated financial statements of the group until 30 June 2007 had been prepared in accordance with Fiji Accounting Standards (FAS). FAS differs in certain respects from IFRS. When preparing the financial statements for the group, management has amended certain accounting, measurement and valuation methods applied in the FAS financial statements to comply with IFRS. The comparative figures in respect of 2007 were restated to reflect these adjustments.

An explanation of how the transition to IFRS affected the reported Statement of Changes in Equity, Balance Sheet and the Income Statement of the company is provided in Note 27: Explanation of transition to IFRS.

ii) Standards, amendments and interpretations issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the company and its subsidiaries accounting periods beginning on or after 1 January 2008 or later periods, but the company and its subsidiaries have not early adopted them. No significant impact is expected to arise out of these standards, amendments and interpretations.

- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009).
- IFRS 8, 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14.
- IFRIC 14, 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008).

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(b) Principles of Consolidation – Continued

(i) Subsidiaries– Continued

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Transactions and minority interests

The group applies a policy of treating transactions with minority interests as transactions with parties external to the group. Disposals to minority interests result in gains and losses for the group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) **Intangible Assets**

Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Acquired trademarks are shown at historical cost. Amortisation is charged on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Amounts expended to acquire a share, upon coming into existence of the copyright to an audio visual production, is stated at a value expected to be recovered from the exploitation of the copyright in accordance with that production's Investment Agreement.

(d) **Property, Plant and Equipment**

Property, Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land	- term of lease
Buildings	- 2.5%
Plant and machinery	- 4% - 10%
Motor vehicles	- 25%
Furniture, fittings and office machines	- 10%
Computers	- 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(d) **Property, Plant and Equipment – Continued**

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within income statement.

(e) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Weighted average cost (WAC) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The group adopted the WAC method during the year. First- In- First- Out basis was used previously.

(f) **Provisions**

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(g) **Income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the Fiji Islands, where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of temporary difference will not reverse in the foreseeable future.

(h) **Foreign Currency Translation**

i) Functional and presentation currency
The company operates in Fiji and hence its financial statements are presented in Fiji dollars, which is the company's functional and presentation currency.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(h) Foreign Currency Translation – Continued

ii) Transactions and balances
Foreign currency transactions are translated into the Fijian currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(i) **Financial Assets and Liabilities**

Investments in equity securities have been classified as available-for-sale financial assets. The classification is dependent on the purpose for which the investments are acquired. Management determines the classification of investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognised on the trade date, which is the date the group commits to purchase or sell the asset. Cost of purchase includes transaction costs.

Available-for-sale financial assets
Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Equity investments not held for trading are classified under this category. Available-for-sale financial assets are subsequently carried at cost less amortisation. Provision for impairment of investments is made where in the opinion of the directors there has been a permanent diminution on the value of the investments.

(j) **Investment Properties**

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields. Investment properties are stated at historical cost less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

(k) **Revenue Recognition**

Revenue comprises the fair value of the received or recoverable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of sales discount and value added tax.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the group and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sale of Goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Sales of offal by-products are included as other income.

(ii) Audio Visual Copyrights

Proceeds from exploitation of copyrights in audio visual productions are brought to account when received in accordance with the copyrights' related Investment Agreement.

(iii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(iv) Interest Income

Interest income is recognised on a time-proportion basis using the effective interest or compound interest method which matches income earned to the funds employed on a constant basis.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(l) **Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within other operating expenses.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to other operating income in the income statement.

(m) **Trade and Other Payables**

Trade payables and other accounts payable are recognised at fair value.

(n) **Segment Information**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(o) **Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand and at bank, deposits held with banks, and bank overdrafts.

(p) **Employee Entitlements**

Liability for annual leave is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employee services up to that date.

Liabilities for other employee entitlements, which are not expected to be paid or settled within twelve months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid.

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(q) **Dividend Distribution**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are proposed or declared by the company's directors.

Dividends are subject to the provisions of the Fiji Income Tax Act and Income Tax (Dividend) Regulations 2001.

(r) **Earnings Per Share**

Basic earnings per share

Basic earnings per share (EPS) is determined by dividing profit after income tax attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted EPS is the same as the basic EPS as there are no ordinary shares which are considered dilutive.

(s) **Comparative Figures**

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(t) **Use of estimates and judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements including the following notes:

Note 1(l) – Allowance for doubtful debts
Note 1(d) – Property, Plant and equipment impairment
Note 1(p) – Long Service Leave

2 FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by a risk management committee under policies approved by the board of directors. The committee identifies and evaluates financial risks in close co-operation with the group's operating units. The board provides written policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk
The group is exposed to foreign exchange risk arising from various currency exposures in respect to purchase of inventory, primarily with respect to the Australian and US dollar. Foreign exchange risk arises from future commercial transactions and liabilities.

Management has set up a policy to require the group to manage their foreign exchange risk against their functional currency, in this case the Fiji dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other then the Fiji Dollar. For significant settlements, the group is required to seek quotations from recognised banks and use the most favourable exchange rate for purposes of the settlement.

As at year end, assets and liabilities denominated in foreign currencies are minimal and hence changes in the US, Australian and NZ dollars by 10% (increase or decrease) is expected to have minimal impact on the net profit and equity balances currently reflected in the group's financial statements. Because of minimal asset and liability balances in overseas currencies, there has been little sensitivity to movements in the US, Australian and NZ dollars in 2008 and 2007.

(ii) Price risk
The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated balance sheet as Investments. The group is not exposed to commodity price risk. To manage its price risk arising from investment in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

(iii) Cash flow and fair value interest rate risk
As the group has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

2 FINANCIAL RISK MANAGEMENT– Continued

(b) Credit risk
Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. As part of its risk control procedures, an assessment of the credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out prior to the board approval. Individual credit risk limits are then set based on the assessments done. Individual risk limits are set based on assessments done. The utilisation of credit limits is regularly monitored. Sales to credit retail customers are settled in either cash or bank cheques.

(c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash to meet its present obligations.

Management monitors rolling forecasts of the group's liquidity reserve comprising of cash and cash equivalents on the basis of expected cash flow.

The group's financial liabilities, analysed below, illustrates that all balances are due within 12 months and are equal to their carrying balances as the impact of discounting is not significant.

As at 30 June 2008	**Up to 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Borrowings	7,756	7,221	7,221	25,615	47,813
Creditors & accruals	9,451	-	-	-	9,451
Total	**17,207**	**7,221**	**7,221**	**25,615**	**57,264**
As at 30 June 2007					
Borrowings	4,237	3,702	3,702	14,834	26,475
Creditors & accruals	7,732	-	-	-	7,732
Total	**11,969**	**3,702**	**3,702**	**14,834**	**34,207**

3 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. "Equity comprises of "quassi" equity through shareholder advances.

The gearing ratios at 30 June 2008 and 2007 were as follows:

	2008 $	2007 $
Total borrowings (note 9)	47,812,505	26,511,466
Add: cash, cash equivalents and bank overdrafts (note 17)	22,246,080	27,896,500
Net debt	70,058,585	54,407,966
Total equity (page 12)	35,283,588	34,108,594
Total capital	$ 105,342,173	$ 88,516,560
	===========	==========
Gearing ratio	67%	61%

4 SHARE CAPITAL

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Authorised:				
250,000,000 shares of $0.04 each	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000
	==========	==========	==========	==========
Issued:				
150,000,000 shares of $0.04 each fully paid	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000
	==========	==========	==========	==========

5 INVENTORIES

The valuation policy adopted in respect of inventories is set out in note 1(e).

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Finished products	4,606,137	3,895,934	1,199,094	883,271
Raw materials	18,798,257	9,789,358	9,728,604	4,288,129
Packing materials	3,434,611	2,675,857	684,955	502,564
Consumable stores	1,559,631	1,874,548	435,786	838,231
Work in progress	243,013	71,530	198,069	-
Provision for stock obsolescence	(46,662)	-	-	-
	28,594,987	18,307,227	12,246,508	6,512,195
Goods in transit	2,428,236	4,931,797	-	3,716,132
	$ 31,023,223	$ 23,239,024	$ 12,246,508	$ 10,228,327
	==========	==========	==========	==========

6 TRADE RECEIVABLES

Trade receivables	20,311,858	13,408,032	6,147,372	4,267,317
Provision for doubtful debts	(750,527)	(466,476)	(236,376)	(176,380)
	$ 19,561,331	$ 12,941,556	$ 5,910,996	$ 4,090,937
	==========	==========	==========	==========

Trade receivables that are less than one month past due are not considered impaired.

As of 30 June 2008, trade receivables of $ 6,307,306 (2007: $ 2,272,625) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Over 1 month	4,485,307	1,537,080	1,297,699	747,883
Over 2 months	1,821,999	735,545	245,858	168,790
	$ 6,307,306	$ 2,272,625	$ 1,543,557	$ 916,673
	===========	==========	=========	==========

6 TRADE RECEIVABLES– Continued

As of 30 June 2008, trade receivables of $ 668,270 (2007: $ 703,737) were impaired and provided for. The total amount of the provision was $ 750,527 as of 30 June 2008 (2007: $466,476). The individually impaired receivables mainly relate to balances that were in dispute and includes managements assessment of the likely loss from the impact of the adverse economic condition on trade receivables. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	Consolidated		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Over 1 month	4,134	2,384	-	-
Over 2 months	664,136	701,353	236,376	176,380
	$ 668,270	$ 703,737	$ 236,376	$ 176,380

Movements on provision for impairment of trade receivables are as follows:

	Consolidated		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
At 1 July	466,476	501,760	176,380	113,599
Provision for receivables impaired	284,051	(35,284)	59,996	62,781
At 30 June	$ 750,527	$ 466,476	$ 236,376	$ 176,380

The provision for impaired receivables have been included in other operating costs in the income statement (page 10). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.

7 OTHER RECEIVABLES

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Other receivables	5,397,613	1,244,647	1,130,232	6,328,566
Provision for doubtful debts	(165,090)	(203,960)	(86,819)	(91,389)
	$ 5,232,523	$ 1,040,687	$ 1,043,413	$ 6,237,177

8 BANK OVERDRAFT AND BORROWINGS

The secured loans (refer note 9) and overdrafts of the group are secured by a first registered mortgage debenture over all the assets of the group including uncalled capital and unpaid premiums and a second registered mortgage over the holding company's leasehold property, an irrevocable authority by a subsidiary FMF Investment Company Limited to execute mortgage over LD 4/16/6951, cross guarantees by the Fiji subsidiaries, and a negative pledge by a subsidiary Atlantic & Pacific Packaging Company Limited not to lend or grant security to another party. The bank overdraft of a subsidiary was further secured by a second registered mortgage of a related company's Native lease No. 20662 and an unlimited guarantee from the penultimate holding company Hari Punja & Sons Limited.

The secured loan of the holding company is repayable at the rate of $72,000 per month whilst the monthly repayments by subsidiaries, Biscuit Company of (Fiji) Limited and FMF Investment Company Limited are at the rate of $49,000 and $77,000 per month respectively.

The carrying amount of borrowings approximate the fair value.

9 BORROWINGS

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Current				
ANZ Bank (refer note 8)	$ 7,755,996	$ 4,272,367	$ 3,944,200	$ 2,760,367
Non-Current				
ANZ Bank (refer note 8)	$ 40,056,509	$ 22,239,099	$ 19,290,557	$ 9,237,099

10 INTANGIBLE ASSETS

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
F1 Audio Visual productions	1,458,212	1,458,212	1,458,212	1,458,212
Provision for impairment	(923,212)	(923,212)	(923,212)	(923,212)
	535,000	535,000	535,000	535,000
Trademarks – at cost	44,623	18,544	-	-
Provision for impairment	(7,268)	(3,634)	-	-
	37,355	14,910	-	-
	$ 572,355	$ 549,910	$ 535,000	$ 535,000

The amortisation policy adopted in respect of trademark is set out in note 1(c).

11 INCOME TAX EXPENSE/(CREDIT)

The prima facie income tax payable on pre-tax accounting profit/(loss) is reconciled to the income tax expense/(credit) in the income statement as follows:

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Profit/(loss) before tax	$ 6,526,720	($ 1,894,463)	$ 5,089,918	($ 4,615,593)
Prima facie tax payable at 31%	2,023,283	(587,283)	1,577,875	(1,430,834)
Tax effect of:				
Permanent differences				
- Dividends exempt	-	-	(932,635)	(630,695)
- Investment write-down	-	18,046	-	18,046
- Non-deductible items (net)	7,792	52,539	15,464	11,278
- Exempt income	-	(15,758)	-	-
- Sports fund exempt	(193,750)	(186,000)	(193,750)	(186,000)
Prior year adjustments	238,817	50,715	231,448	49,613
Export incentive	(59,416)	(46,164)	(59,416)	-
Income tax expense/(credit)	2,016,726	(713,905)	638,986	(2,168,592)
Temporary differences	2,167,882	2,776,607	(638,986)	2,359,556
	4,184,608	2,062,702	-	190,964
Add: Current tax liability/(credit) - 30 June 2007	723,105	203,403	(125,331)	(316,295)
Less: Tax paid	3,707,432	1,543,000	-	-
Current tax liability/(credit) - 30 June 2008	$ 1,200,281	$ 723,105	($ 125,331)	($ 125,331)

12 DEFERRED TAX

Represented by the tax effect of the following temporary differences:

(a) **Deferred tax liability**

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Depreciation	2,077,261	1,614,013	(128,092)	(101,286)
Other	872,038	286,430	687,369	267,613
	$ 2,949,299	$ 1,900,443	$ 559,277	$ 166,327

(b) **Deferred tax asset**

	Group 2008	Group 2007	Holding Company 2008	Holding Company 2007
Tax losses	4,897,087	3,949,583	2,631,617	2,888,652
Other	(55)	-	-	-
Provisions	372,337	337,139	206,413	195,412
	$ 5,269,369	$ 4,286,722	$ 2,838,030	$ 3,084,064

13 PROPERTY, PLANT AND EQUIPMENT

(a)(i) Property, plant and equipment have been included in the financial statements on the following bases:

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Leasehold land - at cost	659,028	659,028	659,028	659,028
Less: Accumulated amortisation	124,832	117,118	124,832	117,118
	534,196	541,910	534,196	541,910
Leasehold buildings - at cost	5,462,996	5,455,055	5,504,495	5,496,554
Less: Accumulated amortisation	2,776,030	2,596,379	2,776,030	2,596,379
	2,686,966	2,858,676	2,728,465	2,900,175
Freehold land - at cost	32,149	32,149	32,149	32,149
Freehold building - at cost	1,470,974	1,454,313	1,470,974	1,454,313
Less: Accumulated depreciation	277,603	241,346	277,603	241,346
	1,193,371	1,212,967	1,193,371	1,212,967
Plant and machinery - at cost	49,787,547	48,944,621	19,125,395	18,740,357
Less: Accumulated depreciation	22,076,475	17,936,908	11,210,031	9,920,588
	27,711,072	31,007,713	7,915,364	8,819,769
Computers - at cost	1,608,590	1,693,181	1,603,365	1,505,003
Less: Accumulated depreciation	1,319,147	1,137,308	1,315,604	1,114,480
	289,443	555,873	287,761	390,523
Motor vehicles - at cost	2,901,852	2,653,142	2,665,357	2,367,535
Less: Accumulated depreciation	2,180,178	1,849,865	1,972,373	1,643,427
	721,674	803,277	692,984	724,108
Furniture, fittings and office machines - at cost	2,961,832	2,460,925	1,031,220	1,008,883
Less: Accumulated depreciation	1,252,519	947,712	751,306	690,628
	1,709,313	1,513,213	279,914	318,255
Total – at cost	64,884,968	63,352,414	32,091,983	31,263,822
Less: Accumulated amortisation/ depreciation	30,006,784	24,826,636	18,427,779	16,323,966
	34,878,184	38,525,778	13,664,204	14,939,856
Work in progress	859,889	478,165	-	232,547
	$ 35,738,074	$ 39,003,943	$13,664,204	$15,172,403

13 PROPERTY, PLANT AND EQUIPMENT – Continued

(a)(ii) Reconciliation of property, plant and equipment - **Group**

	Leasehold Land & Building $	Freehold Land & Building $	Motor Vehicles $	Plant, Office Furniture & Equipment $	Work In Progress $	Total $
Carrying amount at 1 July 2007	3,502,619	1,245,116	803,277	32,974,768	478,165	39,003,945
Additions	119,113	-	475,332	1,040,191	1,519,968	3,154,604
Transfers to Investment Properties	3,970	16,660	(1,543)	407,279	(845,615)	(419,249)
Depreciation	(187,557)	(36,256)	(509,252)	(4,609,335)	(18,225)	(5,360,625)
Disposals	-	-	(28,000)	(319,972)	(292,629)	(640,601)
Carrying amount at 30 June 2008	$ 3,438,145	$ 1,225,520	$ 739,814	$ 29,492,931	$ 841,664	$ 35,738,074

(a)(iii) Reconciliation of property, plant and equipment - **Company**

	Leasehold Land & Building $	Freehold Land & Building $	Motor Vehicles $	Plant, Office Furniture & Equipment $	Work In Progress $	Total $
Carrying amount at 1 July 2007	3,442,085	1,245,116	724,108	9,528,547	232,547	15,172,403
Additions	4,163	-	473,288	319,455	135,169	932,075
Transfers	3,970	16,660	(1,543)	187,629	(206,716)	-
Depreciation	(187,557)	(36,256)	(474,869)	(1,552,592)	-	(2,251,274)
Disposals	-	-	(28,000)	-	(161,000)	(189,000)
Carrying amount at 30 June 2008	$ 3,262,661	$ 1,225,520	$ 692,984	$ 8,483,039	$ -	$ 13,664,204

(b) The depreciation and amortisation policies adopted are set out in note 1 (d).

14 INVESTMENT PROPERTIES

(i) Investment properties have been included in the financial statements on the following bases:

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Leasehold land - at cost	4,855,110	4,855,110	-	-
Less: Accumulated amortisation	165,445	109,878	-	-
	4,689,665	4,745,232	-	-
Leasehold buildings - at cost	13,664,626	13,001,651	-	-
Less: Accumulated amortisation	924,421	658,872	-	-
	12,740,205	12,342,779	-	-
Total – at cost	18,519,736	17,856,761	-	-
Less: Accumulated amortisation/ depreciation	1,089,866	768,750	-	-
	$ 17,429,870	$ 17,088,011	$ -	$ -
	==========	==========	==========	=========

(ii) Reconciliation of investment property - Group

	Land	Building	Total
	$	$	$
Carrying amount at 30 June 2007	4,745,232	12,342,779	17,088,011
Additions	-	243,726	243,726
Transfers from Property, plant and Equipment	-	419,248	419,248
Amortisation/Depreciation expense	(55,567)	(265,548)	(321,115)
Carrying amount at 30 June 2008	$ 4,689,665	$ 12,740,205	$ 17,429,870
	==========	==========	===========

15 INVESTMENTS

(a) Investments are stated at cost less provision for impairment and comprise:

	% Interest	Country of Incorporation	Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $
Unlisted Companies						
Bakery Company (Fiji) Limited (non operating)	100	Fiji	-	-	2	2
Pea Industries Limited	100	Fiji	-	-	128,250	128,250
Biscuit Company of (Fiji) Limited	100	Fiji	-	-	500,000	500,000
DHF Limited	100	Fiji	-	-	300,000	300,000
FMF Dairy Company Limited (non operating)	100	Fiji	-	-	999	999
FMF Investment Company Limited	100	Fiji	-	-	5,399,997	1,999,997
FMF Snax Limited	100	Fiji	-	-	2	2
FMF Samoa Limited (non operating)	75	Samoa	-	-	139,890	139,890
			-	-	6,469,140	3,069,140
Provision for impairment			-	-	(139,890)	(139,890)
			-	-	6,329,250	2,929,250
Listed Companies						
The Rice Company of Fiji Limited (Market value as at 30.6.08 - $ 11,025,000)	75	Fiji	-	-	2,250,000	2,250,000
Atlantic & Pacific Packaging Company Limited (Market value as at 30.6.08 - $ 3,360,000)	60	Fiji	-	-	2,400,000	2,400,000
Total investments			$ -	$ -	$10,979,250	$ 7,579,250

(b) The financial statements of subsidiaries, The Rice Company of Fiji Limited, FMF Snax Limited and FMF Investment Company Limited are audited by G. Lal + Co.

16 PROFIT/(LOSS) BEFORE TAX

Included in profit/(loss) before tax are the following items of revenue and expenses:

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Revenue				
Gain on disposal of property, plant and equipment	45,312	6,196	45,312	6,196
Gain on disposal of investment	-	50,835	-	-
Interest income	418,942	171,500	592,301	270,984
Exchange gain	476,835	491,226	26,953	-
Expenses				
Depreciation/amortisation	5,681,740	5,417,625	2,251,274	2,627,564
Interest	3,228,050	3,741,338	1,416,503	1,557,272
Auditors' remuneration				
- PricewaterhouseCoopers	78,000	78,000	25,000	25,000
- Other group auditors	33,500	18,500	-	-
Directors' emoluments				
- Directors' fees	12,000	12,000	12,000	12,000
- Other services	270,000	265,655		265,655
Exchange loss	-	81,654	-	80,928
Employee entitlements	24,299	(14,083)	-	(13,205)
Bad debts	86,142	62,874	86,142	-
Doubtful debts	237,756	50,700	60,000	63,024
Impairment loss				
- F1 Audio Visual productions	-	58,212	-	58,212

17 CASH AND CASH EQUIVALENTS

(a) For the purpose of the consolidated cash flow statement, cash includes cash at bank and on hand, net of outstanding bank overdrafts. Cash at the end of the year as shown in the consolidated cash flow statement is reconciled to the related items in the consolidated balance sheet as follows:

	Group 2008 $	Group 2007 $
Cash on hand and at bank	1,727,887	1,359,236
Bank overdraft	(23,973,967)	(34,684,454)
	($22,246,080)	($ 33,325,218)

(b) **FINANCING FACILITIES**

Bank overdraft facilities totalling $25m (2007: $37m), interchangeable amongst the Group companies were available.

18 DIVIDENDS

	Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $
Interim dividend	$ 3,335,000	$ 2,114,500	$ 3,000,000	$ 1,800,000

Dividends are subject to the provisions of the Fiji Income Tax Act and Income Tax (Dividend) Regulations 2001.

19 EARNINGS PER SHARE

Operating profit/(loss) after tax attributable to members of the holding company	$ 3,873,757	($ 1,665,566)
Weighted average number of ordinary shares issued	150,000,000	150,000,000
Basic earnings per share	$ 0.026	($ 0.011)

20 CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements	$ 3,787,300	$ -	$ -	$ -

		Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $

21 CONTINGENCIES AND COMMITMENTS

		Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $
(a)	Letters of credit	$ 213,130	$ 4,499,410	$ 59,770	$ 4,252,840
(b)	Guarantees and bonds	$ 360,737	$ 330,370	$ 317,875	$ 287,508

(c) The holding company and its Fiji subsidiaries have given cross guarantees for the group's borrowings with ANZ Bank (Refer Note 9).

22 EMPLOYEE ENTITLEMENTS

	Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $
Provision for annual leave	$ 290,931	$ 268,564	$ $214,044	$ 214,044

Employee numbers

	Group 2008	Group 2007	Holding Company 2008	Holding Company 2007
Average number of employees during the financial year	602	634	279	262

23 RELATED PARTIES

(a) Directors

The names of persons who were directors of the company at anytime during the financial year are as follows: Hari Punja, Sanjay Punja, Lionel Yee, Gary Callaghan and Radike Ulaiasi Qereqeretabua.

Payments to directors are disclosed in Note 16.

(b) Ultimate Holding Company

The ultimate holding company is Hari Punja Nominees Limited, a company incorporated in Fiji.

(c) Amounts Owing by Related Companies

	Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $
Penultimate Holding Company				
Hari Punja & Sons Limited	-	-	-	230
Related Company				
Petroleum and Gas Co (Fiji) Limited	-	-	-	36,397
Subsidiaries				
FMF Samoa Limited	-	-	128,611	128,611
FMF Investment Company Limited	-	-	34,224	874,534
DHF Limited	-	-	27,478	-
	-	-	190,313	1,039,772
Provision for doubtful debts	-	-	(128,611)	(128,611)
	$ -	$ -	$ 61,702	$ 911,161

23 RELATED PARTIES - continued

(d) Amounts Owing to Related Companies

	Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $
Penultimate Holding Company				
Hari Punja & Sons Limited	10,000	113,298	-	-
Related Company				
Petroleum & Gas Co (Fiji) Limited	301,481	164,127	14,835	-
Subsidiaries				
The Rice Company of Fiji Limited	-	-	-	2,417,948
Atlantic & Pacific Packaging Company Limited	-	-	11,951	530,722
FMF Snax Limited	-	-	-	327,940
DHF Limited	-	-	-	1,908,552
Biscuit Company of (Fiji) Ltd	-	-	14,572	5,455,692
Pea Industries Limited	-	-	-	588,275
	$ 311,481	$ 277,425	$ 41,358	$ 11,229,129

(e) Related company loans

CURRENT - PAYABLE

	Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $
Subsidiaries				
The Rice Company of Fiji Limited	-	-	3,000,000	-
DHF Limited	-	-	-	1,704,000
	$ -	$ -	$ 3,000,000	$1,704,000

NON CURRENT - RECEIVABLE

	Group 2008 $	Group 2007 $	Holding Company 2008 $	Holding Company 2007 $
Penultimate Holding Company				
Hari Punja & Sons Limited	-	1,000,000	-	1,000,000
Subsidiary				
FMF Investment Company Limited	-	-	1,000,000	3,400,000
	$ -	$ 1,000,000	$ 1,000,000	$ 4,400,000

The loan to FMF Investment Company Limited is repayable on call and is on commercial terms and conditions.

The loan from DHF Limited is repayable at call and is interest free.

23 RELATED PARTIES - continued

(f) Related Party Transactions

During the year, the group sourced raw materials, packaging materials and spare parts from director-related parties outside Fiji, paid management fees and rent to a related company and obtained insurance covers from a related company.

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with these director-related parties and subsidiaries were as follows:

	Group		Holding Company	
	2008	2007	2008	2007
	$	$	$	$
Income				
Sales	-	-	14,806,857	7,453,565
Administration fees	-	3,600	1,270,600	1,219,600
Dividends	-	-	3,008,500	2,034,500
Promotion & advertising	-	-	314,920	219,958
Milling & other charges	-	-	588,652	507,768
Rent	-	3,273	18,000	3,273
Interest	-	-	68,559	136,000
Gain on sale of investment	-	50,834	-	-
Expenses				
Purchase of raw materials	-	4,408,439	97,318	1,439,169
Purchase of packaging materials	-	2,789,922	81,825	77,444
Purchase of gas	-	2,211,408	-	99,016
Insurance	161,861	224,581	101,415	120,633
Interest	-	-	115,808	59,342
Milling fees	-	-	30,423	30,000
Rent	-	-	60,000	82,800
Management fees	1,103,792	1,211,244	102,000	102,000

Transactions with director-related entities were on normal trading terms and conditions no more favourable than those which would have been adopted if dealing with the director-related entities at arms length in the same circumstances. The management fees paid are approved by the respective companies' Boards.

Some of the group's insurance covers are placed by independent insurance brokers Marsh Limited, with a related company Dominion Insurance Limited. Some of the subsidiaries' insurance covers are arranged by the holding company for a fee.

24 SHARE REGISTER AND REGISTERED OFFICE

Flour Mills of Fiji Limited
Leonidas Street
PO Box 977
Walu Bay
SUVA

The company is incorporated in the Republic of Fiji Islands with limited liability.
The company and its two subsidiaries, The Rice Company of Fiji Limited and Atlantic & Pacific Packaging Company Limited are listed on the South Pacific Stock Exchange.

25 OPERATING LEASES

(a) Details of operating leases held by the company are as follows:

(i) On 1 March 1972 the company entered into a Crown Lease agreement with the Government of the Republic of Fiji Islands to lease a piece of land at Walu Bay. The terms of the lease agreement is for a period of 99 years ending on 28 February 2071.

Under the agreement, rent is currently payable at the rate of $18,600 per annum.

(ii) The company owns a Crown Lease property in Lami. The terms of the lease agreement is for a period of 99 years ending on 30 June 2064.

Under the agreement, rent is currently payable at the rate of $2,056 per annum.

(iii) On 23 January 1992 the company entered into a Crown Lease agreement with the Government of the Republic of Fiji Islands to lease a piece of land at Muanikau. The terms of the lease agreement is for a period of 60 years ending on 31 May 2052.

Under the agreement, rent is payable at the rate of $483 per annum.

(b) Total commitments for future lease rentals, which have not been provided for in the financial statements, are as follows:

	Group		Company	
	2008 $	2007 $	2008 $	2007 $
Payable not later than 1 year	21,139	21,139	21,139	21,139
Payable later than 1 year but not later than 5 years	84,556	84,556	84,556	84,556
Payable later than 5 years	1,196,313	1,217,452	1,196,313	1,217,452
	$ 1,302,008	$ 1,323,147	$ 1,302,008	$ 1,323,147
	=========	=========	=========	=========

26 SEGMENT INFORMATION

(a) Secondary Reporting – Geographical Segments

The group operates only in the geographical segment of Fiji. The operation of FMF Samoa Limited is dormant.

26 SEGMENT INFORMATION

(b) **Primary Reporting - Business Segments**

	Flour	Biscuit	Rice	Dun Peas	Cartons	Rental	Snax	Inter Segment eliminations	2008 Total
	$	$	$	$	$	$	$	$	$
Sales	85,134,822	45,895,896	19,727,168	4,516,653	5,788,273	1,575,156	6,196,506	(17,754,053)	151,080,421
Other income	11,142,525	446,255	298,969	44,210	35,761	-	33,044	(7,233,484)	4,767,280
	$ 96,277,347	$46,342,151	$20,026,137	$ 4,560,863	$ 5,824,034	$ 1,575,156	$6,229,550	$ (24,987,537)	$ 155,847,701
Segment result before income tax and finance costs	9,104,134	(1,166,837)	3,146,641	913,183	438,357	1,169,611	(137,423)	(3,102,708)	10,364,958
Finance costs	(1,730,655)	(1,166,105)	(8,501)	(53,210)	(84,814)	(694,270)	(285,049)	184,368	(3,838,238)
Profit/(loss) before income tax expense	7,373,479	(2,332,942)	3,138,140	859,973	353,543	475,341	(422,472)	(2,918,342)	6,526,720
Income tax (expense)/credit	(1,350,358)	733,673	(973,765)	(271,058)	(115,685)	(166,847)	127,314	-	(2,016,726)
Net profit/(loss)	$ 6,023,121	($1,599,269)	$ 2,164,375	$ 588,915	$ 237,858	$ 308,494	($295,158)	($ 2,918,342)	$ 4,509,994
Segment assets	55,621,318	34,659,895	8,611,367	2,555,483	4,067,561	19,185,812	6,168,530	(15,157,534)	115,712,433
Deferred Tax Asset	2,838,719	1,635,447	59,464	8,356	33,280	367,466	326,637	-	5,269,369
Total assets	$ 58,460,037	$36,295,342	$ 8,670,831	$ 2,563,839	$ 4,100,841	$ 19,553,278	$6,495,167	($ 15,157,534)	$120,981,802

26 SEGMENT INFORMATION - Continued

Primary Reporting - Business Segments

	Flour	Biscuit	Rice	Dun Peas	Cartons	Rental	Snax	Inter Segment eliminations	2008 Total
	$	$	$	$	$	$	$	$	$
Segment liabilities	5,950,552	3,662,345	1,675,468	165,420	194,465	1,195,183	1,230,502	(4,311,773)	9,762,162
Deferred tax liabilities	559,277	1,598,109	-	25,142	160,641	575,085	31,045	-	2,949,299
Provision for income tax	482,571	(205,630)	802,389	216,758	(20,849)	(68,750)	(6,208)	-	1,200,281
Secured loans	23,234,757	13,393,265	-	-	-	8,181,000	3,003,483	-	47,812,505
Bank overdraft	5,296,320	9,741,634	-	1,500,991	901,834	3,627,696	2,905,492	-	23,973,967
Total liabilities	$ 35,523,477	$ 28,189,723	$ 2,477,857	$ 1,908,311	$ 1,236,091	$ 13,510,214	$ 7,164,314	($ 4,311,773)	$ 85,698,214
Acquisition of property, plant and equipment, intangibles and other non current segment assets	$ 932,075	$ 426,964	$ -	$ -	$ 11,882	$ 1,330,771	$ 696,638	$ -	$ 3,398,330
Depreciation and amortisation expense	$ 2,251,274	$ 2,312,987	$ -	$ -	$ 418,011	$ 339,340	$ 360,128	$ -	$ 5,681,740
Net cash inflow/ (outflow) from operating activities	$ 938,881	$ 767,652	$ 4,044,779	($ 889,990)	$ 1,500,861	$ 815,125	($ 779,643)	($ 2,824,114)	$ 3,573,551

26 SEGMENT INFORMATION - Continued

Primary Reporting: Business Segments

	Flour	Biscuit	Rice	Dun Peas	Cartons	Rental	Snax	Inter Segment eliminations	Restated 2007 Total
	$	$	$	$	$	$	$	$	$
Sales	58,041,741	37,012,395	18,827,924	3,199,034	5,683,206	1,076,969	3,156,705	(11,951,434)	115,046,540
Other income	8,604,147	222,330	275,552	68,895	55,078	-	-	(4,591,030)	4,634,972
	$ 66,645,888	$37,234,725	$19,103,476	$ 3,267,929	$ 5,738,284	$ 1,076,969	$3,156,705	($ 16,542,464)	$ 119,681,512
Segment result before income tax and finance costs	(668,683)	1,732,931	2,187,089	195,479	570,047	629,518	(388,425)	(2,189,986)	2,067,970
Finance costs	(1,786,139)	(1,172,105)	(42,069)	(61,053)	(156,111)	(773,096)	(167,202)	195,342	(3,962,433)
(Loss)/profit before income tax expense	(2,454,822)	560,826	2,145,020	134,426	413,936	(143,578)	(555,627)	(1,994,644)	(1,894,463)
Income tax credit/ (expense)	1,496,344	(129,573)	(665,162)	(83,392)	(126,329)	51,635	170,382	-	713,905
Net (loss)/profit	($ 958,478)	$ 431,253	$ 1,479,858	$ 51,034	$ 287,607	($ 91,943)	($385,245)	($ 1,994,644)	($ 1,180,558)
Segment assets	61,287,021	36,805,919	6,527,045	2,030,977	5,238,390	18,529,363	4,462,395	(33,230,025)	101,651,085
Deferred tax asset	3,084,811	357,747	56,082	5,937	29,148	572,392	180,605	-	4,286,722
Total assets	$ 64,371,832	$ 37,163,666	$ 6,583,127	$ 2,036,914	$ 5,267,538	$ 19,101,755	$4,643,000	($ 33,230,025)	$105,937,807

26 SEGMENT INFORMATION - Continued

Primary Reporting: Business Segments

	Flour	Biscuit	Rice	Dun Peas	Cartons	Rental	Snax	Inter Segment eliminations	Restated 2007 Total
	$	$	$	$	$	$	$	$	$
Segment liabilities	22,864,337	2,701,473	929,286	1,275,687	167,858	4,650,038	1,065,935	(25,644,869)	8,009,745
Deferred tax liabilities	166,384	1,054,082	-	22,891	31,595	613,164	12,327	-	1,900,443
Provision for income tax	295,719	(205,000)	605,242	60,722	41,380	(68,750)	(6,208)	-	723,105
Secured loans	11,997,466	5,640,000	-	-	-	8,874,000	-	-	26,511,466
Bank overdraft	7,634,486	17,768,223	-	487,501	2,199,813	2,649,496	3,944,935	-	34,684,454
Total liabilities	$ 42,958,392	$ 26,958,778	$ 1,534,528	$ 1,846,801	$ 2,440,646	$ 16,717,948	$ 5,016,989	($25,644,869)	$ 71,829,213
Acquisition of property, plant and equipment, intangibles and other non current segment assets	$ 1,347,134	$ 5,126,151	$ -	$ 67,327	$ 6,536	$ 4,657,817	$ 1,768,212	$ -	$ 12,973,177
Depreciation and amortisation expense	$ 2,627,564	$ 1,888,625	$ -	$ 1,080	$ 419,179	$ 268,857	$ 212,320	$ -	$ 5,417,625
Net cash inflow/ (outflow) from operating activities	$ 7,231,438	($ 3,941,436)	$ 142,033	$ 464,197	$ 5,231	$ 72,069	($ 816,599)	($ 1,800,007)	$ 1,356,926

27 EXPLANATION OF TRANSITION TO IFRS

This is the group's first financial statements prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS). Comparatives have been restated in accordance with the requirements of IFRS 1: *First-time Adoption of International Financial Reporting Standards*.

Presented below are the restated balance sheets at 30 June 2006. There are no changes to the income statement and statement of cash flows identified as part of the transition to IFRS.

30 June 2006
Group

		Previous Fiji GAAP	Effect of transition to IFRS	IFRS
CURRENT ASSETS				
Cash and cash equivalents		5,458,856	-	5,458,856
Inventories		19,242,284	-	19,242,284
Trade receivables		13,174,454	-	13,174,454
Other receivables and prepayments		1,394,006	-	1,394,006
		39,269,600	-	39,269,600
NON-CURRENT ASSETS				
Term deposits		3,827,506	-	3,827,506
Property plant and equipment	(a)	48,557,579	(12,775,021)	35,782,558
Investment properties	(a)	-	12,775,021	12,775,021
Investments		1,885,063	-	1,885,063
Intangible assets		11,593	-	11,593
Deferred tax assets		1,762,611	-	1,762,611
		56,044,352	-	56,044,352
TOTAL ASSETS		95,313,952	-	95,313,952
Less:				
CURRENT LIABILITIES				
Bank overdraft		23,469,406	-	23,469,406
Trade creditors		1,349,029	-	1,349,029
Other creditors and accruals		4,290,414	-	4,290,414
Secured loans		3,355,000	-	3,355,000
Amounts owing to related companies		163,338	-	163,338
Provision for income tax		203,403	-	203,403
		32,830,590	-	32,830,590
NON-CURRENT LIABILITIES				
Secured loans		23,399,200	-	23,399,200
Deferred tax liability	(b)	1,543,864	139,055	1,682,919
		24,943,064	139,055	25,082,119
TOTAL LIABILITIES		57,773,654	139,055	57,912,709
NET ASSETS		37,540,298	(139,055)	37,401,243
		===========	===========	===========
SHAREHOLDERS' EQUITY				
Capital and reserves				
Issued capital		6,000,000	-	6,000,000
Reserves	(b)	29,317,896	(139,055)	29,178,841
		35,317,896	(139,055)	35,178,841
Minority Interest		2,222,402	-	2,222,402
		37,540,298	(139,055)	37,401,243
		===========	===========	===========

27 EXPLANATION OF TRANSITION TO IFRS - continued

30 June 2006
Holding company

		Previous Fiji GAAP	Effect of transition to IFRS	IFRS
CURRENT ASSETS				
Cash and cash equivalents		2,432,247	-	2,432,247
Inventories		6,613,460	-	6,613,460
Trade receivables		3,734,323	-	3,734,323
Other receivables and prepayments		4,997,927	-	4,997,927
Amounts owing by related company		2,642,646	-	2,642,646
		20,420,603	-	20,420,603
NON-CURRENT ASSETS				
Related company loan		3,400,000	-	3,400,000
Term deposits		3,412,385	-	3,412,385
Property plant and equipment		16,470,693	-	16,470,693
Investments		8,172,462	-	8,172,462
Deferred tax assets		1,203,569	-	1,203,569
		32,659,109	-	32,659,109
TOTAL ASSETS		53,079,712	-	53,079,712
Less:				
CURRENT LIABILITIES				
Bank overdraft		11,423,595	-	11,423,595
Trade creditors		548,754	-	548,754
Other creditors and accruals		2,501,978	-	2,501,978
Secured loans		1,843,000	-	1,843,000
Amounts owing to related companies		626,417	-	626,417
Related company loan		204,000	-	204,000
Provision for income tax		(316,295)	-	(316,295)
		16,831,449	-	16,831,449
NON-CURRENT LIABILITIES				
Secured loans		10,674,311		10,674,311
Deferred tax liability	(b)	506,333	139,055	645,388
		11,180,644	139,055	11,319,699
TOTAL LIABILITIES		28,012,093	139,055	28,151,148
NET ASSETS		25,067,619	(139,055)	24,928,564
		===========	===========	===========
SHAREHOLDERS' EQUITY				
Capital and reserves				
Issued capital		6,000,000	-	6,000,000
Reserves	(b)	19,067,619	(139,055)	18,928,564
		25,067,619	(139,055)	24,928,564
		===========	===========	===========

(a) Properties leased to related and third parties, and vacant land for which no decision has been made as to the manner in which it will be utilised fall within the definition of Investment property and have been reclassified accordingly.
(b) The option to use a previous revaluation as "deemed cost" for property, plant and equipment was exercised and consequently deferred tax is adjusted.

LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(a) Schedule of each class of equity security in compliance with listing requirements 3.3(c) :

Distribution of ordinary shareholders:

No. of Holders	Holding	Total % Holding
1	Less than 500 shares	0.00
95	501 to 5,000 shares	0.25
74	5,001 to 10,000 shares	0.41
77	10,001 to 20,000 shares	0.86
39	20,001 to 30,000 shares	0.66
17	30,001 to 40,000 shares	0.43
24	40,001 to 50,000 shares	0.79
49	50,001 to 100,000 shares	2.62
48	100,001 to 1,000,000 shares	7.90
8	Over 1,000,000 shares	86.08
432		100

LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT) - Continued

(b) Disclosure under Section 7(4):

	FMF Samoa Limited	Pea Industries Limited	Biscuit Company of (Fiji) Limited	DHF Limited	The Rice Company of Fiji Limited	Atlantic & Pacific Packaging Company Limited	FMF Investment Company Limited	FMF Snax Limited
	$	$	$	$	$	$	$	$
Turnover	-	4,516,653	45,895,896	22,920,483	19,727,168	5,788,273	1,575,156	6,196,506
Other Income	-	44,210	446,255	195,638	298,969	35,761	-	33,044
	-	4,560,863	46,342,151	23,116,121	20,026,137	5,824,034	1,575,156	6,229,550
Depreciation	-	-	2,312,987	-	-	418,011	339,340	360,128
Other Expenses	-	3,700,890	46,362,106	20,832,561	16,887,997	5,052,480	760,475	6,291,894
Income Tax Expense/(Credit)	-	271,058	(733,673)	734,496	973,765	115,685	166,847	(127,314)
	-	3,971,948	47,941,420	21,567,057	17,861,762	5,586,176	1,266,662	6,524,708
Net profit/(loss) after tax	$ -	$ 588,915	($1,599,269)	$ 1,549,064	$ 2,164,375	$ 237,858	$ 308,494	($ 295,158)

FLOUR MILLS OF FIJI LIMITED
PROXY FORM

Share Folio No ………..……..……………

No. of shares held ……….……..……………..

The Company Secretary
Flour Mills Of Fiji Limited
P O Box 977
Suva, Fiji Islands

I/WE………..………………………………………………………………………………………..….

Of ………………..…………………..………………………………………………………………….

Being a member / members of **FLOUR MILLS OF FIJI LIMITED** hereby

appoint ….…………………..……………………………………………………………………………

of……………………..………………………………………..……………………………………………..

or failing him …………………………………………………………………………………………………

of……………………………………………………………………..……………………………..……….

as my/our proxy to vote on my/our behalf at the Annual General Meeting of the company, to be held at 3.00 p.m. on Friday, the **31st October 2008** and at any adjournment thereof.

As witness to my/our hands this……..…day of ………………2008, at …………………………………

Signed by the said member (s) ………………………………………..…………………………..…….

In the presence of (Witnessed by)……….……………………………………………………………

In the case of a body corporate, this form should be under its Seal or be signed by an officer or an attorney duly authorized by it.

Proxies must be received at the Registered Office of the Company no less than **48 hours** prior to the time appointed for holding of the meeting.

As per Article 70 of the company, a member may appoint not more than two proxies. If one proxy is appointed, that proxy shall be entitled to vote on a show of hands. If two proxies are appointed, neither shall be entitled to vote on a show of hands and the appointment shall be of no effect unless each proxy is appointed to represent a specified proportion of the members voting rights.

For office use only :

Proxy received on _____________ at ______am / pm by ________________________________