



A wholly owned subsidiary of BSP Papua New Guinea

Registered Office: Level 12 Suva Central Building, Cnr of Renwick Rd & Pratt Street, Suva, Fiji Islands.
Postal Address: Private Mail Bag Suva Fiji Islands, Telephone (+679) 321 4412, Fax (+679) 321 4422

Market Announcement to South Pacific Stock Exchange

“Half Year Financial Statements - 30 June 2014”

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**.



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18 August 2014

“Financial Statements for Half Year Ended – 30 June 2014”

“Market Announcement to South Pacific Stock Exchange”

Please refer attached the detailed Financial Statement for half year ended 30 June 2014.

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Kevin McCarthy
Director
BSP Convertible Notes Limited

About BSP Convertible Notes Limited (BSP CN Fiji):

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APPENDIX D

HALF YEAR REPORT ANNOUNCEMENT (UNAUDITED)
BSP Convertible Notes Limited

PROFIT & LOSS STATEMENT
FOR HALF YEAR ENDED 30 JUNE 2014

1. OPERATING REVENUE

- (a) Interest Income
- (b) Other revenue
- (c) Total Operating Revenue

2. (a) Net Profit/(Loss) before Tax

- (b) Income tax Expense
- (c) Net Profit/(Loss) before Tax

3. (a) Extraordinary item after tax

- (b) Net Profit/(Loss) after Tax & Extraordinary Item

4. (a) OEI in net profit and extraordinary items after income tax

- (b) Net Profit/(Loss) after Extraordinary Items and Income Tax Attributable to Members of the Company

- (c) Retained Profit/(Loss) at Beginning

- (d) Total available for appropriation

- (e) Ordinary dividend provided for

- (f) Preference dividend provided for

- (g) Transfer to general reserves


- (h) Total appropriations

- (i) Retained Profit/(Loss) at year end

5. Earnings Per Share

- (a) Basic earnings per share
- (b) Diluted earnings per share

CONSOLIDATED		
Current half year F\$	Increase/Decrease %	Previous corresponding half year F\$
225,751	(48.1%)	434,711
900,000	0.0%	-
1,125,751	159.0%	434,711
1,111,905	(1393.8%)	74,435
-		
1,111,905	(1393.8%)	74,435
1,111,905	(1393.8%)	74,435
1,111,905	(1393.8%)	74,435
(88,021)		(952,638)
1,023,884		(878,203)
0.3628	(1394%)	0.0243



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Director


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Company Secretary

**STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY
FOR HALF YEAR ENDED 30 JUNE 2014**

CONSOLIDATED			
	At end of current half year F\$	As at Dec 2013 F\$	Previous half year F\$
6. CURRENT ASSETS			
(a) Cash Assets	491,626	407,809	62,360
(b) Trade receivables			
(c) Other receivables			
(d) Inventories			
(e) Short-term investment			
(f) Other assets	3,582	-	79,149
(g) Total Current Assets	495,208	407,809	141,510
NON-CURRENTS ASSETS			
(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
(n) Total Non-Current Assets	15,100,000	15,100,000	15,100,000
(o) Total Assets	15,595,208	15,507,809	15,241,510
7. CURRENT LIABILITIES			
(a) Trade payables	6,974	8,700	24,105
(b) Other payables and accruals	-	-	-
(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			
(k) Total Current Liabilities	6,974	8,700	24,105
NON-CURRENT LIABILITIES			
(l) Term loan - secured			
- unsecured			
(m) Unsecured advance			
(n) Inter-company loan			
(o) Deferred tax liabilities			
(p) Provisions			
(q) Other	-	-	16,090,806
(r) Total Non-Current Liabilities	-	-	16,090,806
(s) Total Liabilities	6,974	8,700	16,114,911
(t) NET ASSETS	15,588,234	15,499,109	(873,401)
8. EQUITY			
(a) Contributed equity	250,000	250,000	250,000
(b) Dividend Distribution	(1,776,456)	(753,676)	(245,197)
(c) Retained Profits/(Accumulated Losses)	1,023,884	(88,021)	(878,203)
(e) Fiji Class Shares	16,090,806	16,090,806	-
(f) Equity Attributable to Members	15,588,234	15,499,109	(873,401)
OEI in Controlled Entities			
(g) Contributed equity			
(h) Reserves			
(i) Retained Profits/(Accumulated Losses)			
(j) Total Outside Equity Interest in Controlled Entities			
(k) TOTAL EQUITY	15,588,234	15,499,109	(873,401)


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Director


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Company Secretary

**STATEMENT OF CASH FLOWS
FOR HALF YEAR ENDED 30 JUNE 2014**

	CONSOLIDATED	
	Current half year F\$	Previous corresponding half year F\$
9. CASH FLOW FROM OPERATING ACTIVITIES		
(a) Cash Received from Trading activities		
(b) Cash Payments	(19,154)	(8,021)
(c) Interest Received	225,751	546,828
(d) Dividend Received		
(e) Interest Paid	-	(561,635)
(f) Income Tax Paid		
(g) Net VAT Paid		
(h) Net Cash (Outflow)/Inflow from Operating Activities	206,597	(22,828)
10. CASH FLOWS FROM INVESTING ACTIVITIES		
(a) Acquisition of Fixed Assets		
(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		
(h) Net Cash (Outflow)/Inflow from Investing Activities		
11. CASH FLOWS FROM FINANCING ACTIVITIES		
(a) Dividend Paid	(1,022,780)	(245,197)
(b) Repayment of Secured Loan		
(c) Proceed from Issue of Shares		
(d) Proceeds from Support fees	900,000	-
(e) Repayment of Lease Principal		
(f) Net Cash (Outflow)/Inflow from Financing Activities	(122,780)	(245,197)
12. NET INCREASE/(DECREASE) IN CASH HELD	83,817	(268,025)
(a) Cash/(Overdraft) at beginning of year	407,809	330,386
(b) Effects of exchange rate changes on opening cash balances	-	-
(d) Cash/(Overdraft) at end of year	491,626	62,360


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Director


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Company Secretary