



11th July 2009

Message from the Managing Director – Q2 2009

Greetings in the name of our Lord and Saviour!

Quarter 2 of 2009 has definitely been an interesting period to live through globally, and especially in Fiji - with the backdrop of the global financial crisis of 2008-2009 prevailing, the abrogation of Fiji's 1997 Constitution by Fiji President Iloilo, and the appointment of himself as Head of State, in the new order. President Iloilo also announced that Fiji would hold democratic elections in September 2014, at the latest. He also appointed an interim Prime Minister, Frank Bainimarama.

We continue in prayer for Fiji and their leaders, knowing full well that our Lord and Saviour is in control.

EDP is honoured to advise all shareholders and investors of some major achievements in this quarter:

A. Provisional Approval for Standard Allowance

On the 18th May 2009, Executive Development Properties Limited (*The Haven*) was granted Provisional Approval for Standard Allowance, for *The Haven* property development, by Fiji's Ministry of Finance. This approval is administered in accordance with the Eleventh Schedule (Section 16C) of the Hotel Investment Tax Incentives – refer to attached schedule. In effect, it is the individual villas and apartments owners who will claim the standard allowance, and benefit, not EDP. The major benefit to the owners/potential owners of inventory in *The Haven* property development are detailed in the attached schedule, but in summary, in terms of the standard allowance:

- i. A hotel owner is entitled to an Investment Allowance (in addition to ordinary depreciation) of 55% of the total capital expenditure (excluding the land cost), as a deduction provided there is no shift of tax revenues to other countries;
- ii. Applicable to building of new hotels including renovations or refurbishments or extensions of existing hotels;
- iii. Investment Allowance can only be written off against the income of the hotel business or income from the hotel premises;
- iv. Losses carried forward extended to 13 years; and
- v. The Investment Allowance, upon being applied to inventory purchased will not be 'clawed back' by the Fiji Ministry of Finance, should the property which such investment allowance was applied, be sold by the owner, after receiving the Investment Allowance.

[Note – the term 'hotel owner' used in the Eleventh Schedule, refers to purchasers of inventory (villa and apartments) in *The Haven* development. This approval equates to a major financial

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benefit to *The Haven* inventory purchasers, and will greatly aid EDP in promoting and securing additional sales of inventory in *The Haven* property development]

B. Effect of Provisional Approval

“When a provisional approval is granted, all capital goods, imported within the period specified in the definition “short life investment” under paragraph 2, by or on behalf of the company and used in the carrying out of the short life investment, shall be exempt from all duties payable in respect of their exemption.”

[Note – In effect, EDP has received an import duty reduction on goods imported for use in *The Haven* property development, which should greatly reduce the costs associated with importing materials for the development.

The Company, Management and Directors of the Company continue diligently working toward closing the deal with an ethical US Christian investor, who intends taking a major equity position in the Company. Please continue in prayer as this investment is only a matter of time, to be closed.

In pursuit of additional investment funding/financing, the Company has also commenced the process of engaging, on an exclusive regional basis (Singapore, Malaysia and Indonesia), an investment broker to secure the funds required by the Company to move into construction phase of *The Haven* development. Upon successful sourcing of investment/financing funds by the broker, the Company is prepared also to offer the broker an exclusive Sales Agency Agreement covering the regions aforementioned. Offshore sales of inventory in *The Haven*, from these ‘cash rich’ regions, are expected to be actively promoted and secured by this broker.

Also, the Company has commenced discussions with a local Fiji bank, who have expressed a desire to provide funding for *The Haven* development. The Company will provide all requested due diligence documentation to the bank in early July.

EDP seeks the active support of our shareholders in exercising their share options, and introducing new investors to EDP, *The Haven* development, and the most recent benefits to purchasers with the approval of Standard Allowance.

The market anxiously awaits the commencement of construction, and continues to respond favorably to *The Haven* development and EDP.

The Traffic Impact Assessment undertaken by Sinclair Knight Merz (SKM) is nearing completion, and we are in possession of a draft report of research findings and recommendations.

We are pleased to inform you that the Company has also had approval granted by the Fiji Islands Trade & Investment Bureau (FTIB) for the Company to extend its business activities to include ‘Business and Management Consultancy Services.’ This extension of business granted the Company, strategically underpins the existing FTIB approvals that the Company holds, and allows generation of a diverse revenue stream, other than from property development. The Company has already commenced consultancy works with one of Fiji’s largest food retailers. Praise the Lord!



We continue diligently doing His work.....

A handwritten signature in black ink, which appears to read 'N. J. Slack', is positioned below the text. The signature is fluid and includes a long, sweeping flourish at the end.

Neale J Slack J.P.

Managing Director

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