



MISSION STATEMENT

Leading the change to a globally competitive Sugar Industry.

CORPORATE OBJECTIVE

The Corporation's principal objective is to competitively produce and sell high quality raw sugar. In doing so, the Corporation is committed to continually enhancing efficiency and quality, to developing new market opportunities and long term relationships with customers and to support the development of a more efficient sugar industry in Fiji.

CORPORATE IDEALS

To be an outstanding corporate citizen, dedicated to make cane sugar at ever improving efficiencies, by:

In the Field

Helping to facilitate the planning, fertilizing, growing and harvesting of the best regional cane varieties at the right time and in the right way.

In Transport

Scheduling the continuous flow of cane from field to factory on time, and maintaining and operating a competitive rail transport system.

In the Factory

Milling and processing at optimum recovery and capacity, and with minimal stops, to produce the best quality of sugar.

In the Workplace

Rewarding performance, nurturing teamwork and innovation, and investing in the health, safety and personal development of employees.

In the Community

Being as concerned with the welfare of cane growers as we are with our own fate, and showing we value our suppliers and stakeholders.

In the Environment

Respecting our rivers and seas, the air and soil, plants and animals, forever mindful to sustain the Earth, Fiji's natural resources and people.

In the Marketplace

Storing, shipping and marketing our products at maximum revenues to the full satisfaction of our long term customers, and new markets.

In Commercial Practice

Conducting our business with integrity, responding to national goals and seeking a wise return on investment for our shareholders.

In Word and Deed

Freely communicating the great value of our products and activities without reservation to anyone who may benefit from understanding this.



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BOARD OF DIRECTORS

Hafizud Dean Khan
Director since August 1994

Mr Khan was previously a commercial/corporate banker, having served in the South Pacific, Asia and North America with international banks. He commenced his own practice as a financial/business consultant in 1983 and diversified into property development in 1984.

He is currently the Managing Director of the Hexagon Group that owns and operates a number of hotels, motels and serviced apartments. Mr Khan was Deputy Chairman of the Fiji Electricity Authority and also served in the past as a Director of the Fiji Development Bank, Chief Administrator of the Nausori Town Council, and on other Government and private sector authorities and boards.

Kirit Prahbudas Patel
BCom (NSW), ACA (Aust), CA (Fiji), CPA (Aust).
(Director since July 1998)

Mr Patel, a chartered accountant, is Company Secretary and Director Finance & Strategic Planning with the Motibhai Group. Prior to joining the Motibhai Group in 1980, he worked for Coopers & Lybrand in Sydney for four years. He is a member of the Institute of Chartered Accountants in Australia, the Australian Society of Accountants and the Fiji Institute of Accountants. Mr Patel is a past Vice-President of the Ba Chamber of Commerce and Past President of the Rotary

John McFadden
BSc, BCom (NSW).
(Managing Director since May 2001)

Mr McFadden brings to the Corporation more than 30 years of global experience with major international companies, working in the functional areas of manufacturing, finance and marketing and as Chairman and Chief Executive Officer of Norton Company (St. Gobain) operations in Asia Pacific for more than 10 years. He also serves as a Director of the Fiji Sugar Marketing Co., FSC Projects Ltd., Member of Sugar Commission of Fiji, and is the current Chairman, FSC Services Pty Ltd.

Vipul M Mishra LLB
(Director since July 1999)

Mr Mishra is a barrister and solicitor by profession and is one of the two partners of Mishra Prakash & Associates, which has offices at Ba, Lautoka and Suva. He is a Past Vice President of the Fiji Law Society and acted as President in the absence of the President on a few occasions. He was on the council for several years. Mr Mishra represented the Fiji Law Society as counsel to the Beattie Commission of Inquiry into the Judiciary and Court System covering Fiji including Lau and Lomalviti Group. He has served on several committees of the Law Society and has been a member of the International Bar Association and LAWASIA. He is currently a member of the Law Society

Solomone Sila Kotobalavu
Permanent Secretary for Finance
(Director since January 2001)

Permanent Secretary for Finance effective from 1 December 2000. Previously Permanent Secretary for National Planning and was Deputy Secretary for Finance from 1997 to 2000. Former Executive Director's Assistance in the World Bank. Chairman of the Fiji Islands and Customs Authority Board (FIRCA), and serves as a Director on the Boards of the Fiji Electricity Authority and Fiji Visitor's Bureau. Mr Kotobalavu is currently leading government's effort in reforming its financial management information system through the Ministry of Finance's Financial Management Reform Project. He has spent over 20 years in the Public Service, 19 of which have been spent in the Civil Service.

Kelera Tukituku
(Director since August 2000)

Mrs Tukituku is a retired School Teacher and is currently a member of the National Diabetes Board. She was appointed to the Board of the Corporation in 2000. She has been a Board member of Rewa Rice Ltd in 1997 and has also served as a Board member of the Fiji National Council of Women and YWCA (Fiji) for several years in the past. She was also Chairperson of Scripture Union Fiji from 1997 to 1999 and Regional Executive of Scripture Union (Australia, NZ and Pacific) from 1995 to

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COMPANY PROFILE

The Fiji Sugar Corporation Limited was incorporated in Fiji by an Act of Parliament in 1972 and commenced operations from the 1st of April 1973. The shareholders of the Corporation include the Government of Fiji, statutory bodies, local public companies and individuals. The company's shares are listed and traded on the South Pacific Stock Exchange Limited. The Corporation is the largest private sector employer with a workforce exceeding 2400 individuals during the height of the crushing season.

The Corporation owns and operates four sugar mills in Fiji, three sugar mills on Viti Levu and one on Vanua Levu that manufacture raw sugar. In addition, the Corporation owns and maintains some 730 kilometres of railway network on which sugarcane is transported to its mills. The Corporation, on behalf of the industry, manages the Sugar Cane Research Centre, and is responsible for the storage, marketing, delivery, and sale of raw sugar and molasses to customers in Fiji, the Pacific and the rest of the world. Raw sugar currently accounts for about 30 per cent of Fiji's total merchandise exports.

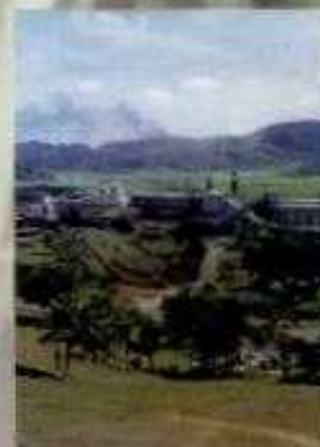
The Corporation through its subsidiaries and related companies, is also engaged in the procurement of material and machinery (FSC Services Pty Ltd - Australia), special development and project work (FSC Projects Ltd), the blending and sale of fertiliser (South Pacific Fertilisers Ltd), and agricultural chemicals (Agchem Ltd).



Lautoka Mill



Rarawai Mill



Labasa Mill



Penang Mill

MANAGEMENT COMMITTEE

HEAD OFFICE

John McFadden, BSc, BCom (NSW)
Managing Director

P Glassop
General Manager Technical

M R Farland
General Manager Human Resources

A Ubadutt, CA (Fiji)
General Manager Finance

E Black, FICA (Eng)
Financial Advisor

MILLS

R Wade
General Manager Lautoka Mill

A Shamsheer
General Manager Rarawai Mill

A Radrodru
General Manager Labasa Mill

S Cavalevu, BA, PGDD (USP)
General Manager Penang Mill

THE FIJI SUGAR CORPORATION LTD DIRECTORS' REPORT

INTRODUCTION

The Directors of The Fiji Sugar Corporation Limited wish to present to shareholders the Annual Report of the Corporation for the financial year ended 31st March 2002, incorporating the results for the 2001 season. The financial statements have been prepared on the basis that the company will continue operating with the support of all stakeholders in the sugar industry including the Government of the Fiji Islands.

The company is taking active steps to restructure its operations and the industry to achieve future viability through the Industry Restructure Proposals, to which the Directors are awaiting Government support. Otherwise, there have been no changes in the nature of the company's business, or in the company's subsidiaries, or in the classes of business in which the company has an interest, whether as a member of another company or otherwise.

FINANCIAL RESULTS


The Corporation recorded a net operating loss before tax of \$13.6 million for the year from its operations. During the year some \$4.6 million worth of tax benefit in respect of prior years was reversed in view of the uncertainty surrounding its realisation. The loss for the year charged to the Shareholders' Funds after income tax expense is \$16.4 million.



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When compared to the previous year, the operating loss before tax reduced by \$7.3 million. Likewise, the Corporation's share of revenue increased by \$1.1 million whilst its cost of production reduced by \$6.4 million.

The operating result includes provisions for manpower rationalisation; uninsured loss; demolition of redundant structures; and company reorganisation/restructure, amounting to some \$10 million.

As a result of hardening insurance market after the events of September 11, 2001, and rising insurance premium, the Corporation has opted to insure against limited material risks. The remaining risks are self-insured by the Corporation and appropriate provisions for these have been raised in the accounts. The Corporation has also identified redundant structures at the four mills that are a risk to our employees under the Occupational Health and Safety Standards and hence an appropriate provision for this is made in the accounts for the year under review.



DIVIDEND

In view of the result for the year, and taking into consideration other relevant factors, your Directors have decided not to recommend a dividend payment for the year.



FIXED ASSETS, DEPRECIATION AND CAPITAL EXPENDITURE

The fixed assets of the Corporation, including works in progress, in the financial statements, valued at cost and Directors' valuation now stand at \$370.9 million, a net decrease of \$7.2 million from the previous year. The written-down value of fixed assets at the end of the financial year was \$185.4 million, compared to \$200.5 million at the end of the previous year. Details of

fixed assets and the changes that took place during the financial year are outlined in Note 6 of the "Notes to and forming part of the Financial Statements".

The Corporation's freehold land and buildings were re-valued by the Directors on 25th February 2000 based on an independent valuation carried out by registered valuers, Rolle Hillier Parker (Rolle) of Suva, Fiji. However following the events of May 2000 (and the resulting economic downturn), the Directors instructed Rolle to review its valuation in order to establish the current market values. Rolle carried out a desktop valuation on 19th July 2002 on the same basis as prior valuation and their assessment has resulted in a reduction in the value of freehold land and buildings by some \$7.2 million. The revised values in this regard have been incorporated in the accounts with the consequent reduction in the revaluation reserve.

During the year, the Directors approved a total of \$12.3 million for capital expenditure. These investments were relevant to our efforts to stay in business. About \$8.4 million was approved for the purpose of improving the productivity and efficiency of the mills, of which \$4 million was for upgrading the diffuser and dewatering mills at Lautoka mill. The upgrade is expected to improve extraction of sugar from the cane in addition to reducing moisture level in bagasse for better burning efficiency.



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The approval also includes \$1.3 million for upgrading the welfare and safety facilities at the mills. The Corporation continues to be committed to providing a healthy and safe working environment for its employees.

CAPITAL AND RESERVES

The total reserves of the Corporation (comprising a Capital Profits Reserve of \$2.4 million and Revenue Reserves of \$125.8 million) stand at \$128.2 million.

CANE PRODUCTION

Cane production for the 2001 season was 2.8 million tonnes from an area of 66,304 hectares, with an average yield of 42.3 tonnes cane per hectare.

The decline in cane production by 26 per cent from the previous year is largely attributed to the effects of non-renewal of expired cane leases under ALTA to sitting tenants, arising out of the indigenous landowners' desire to farm the land themselves.

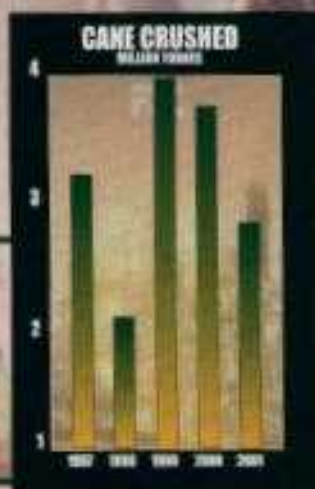
The willingness of landowners to embark on commercial cane farming is being advanced to some extent by the \$10,000 Government grants through the Farming Assistance Scheme.

However, a lasting solution for the industry lies in the crafting of an amicable land tenure system that will bring fair returns to the landowners and compelling security to the tenants.

OPERATIONS

The crushing season did not commence, as scheduled, in early June due to an industrial dispute, on shift rosters, between the Fiji Sugar General Workers Union and the Corporation. Actual crushing started in mid June after the dispute was amicably resolved.

The season was notably shorter due to a lower crop volume. On average, the season length at all mills lasted only 22 weeks, with Lautoka mill being the last to close on 01 December 2001.



SUGAR MANUFACTURE

The four mills produced a total of 293,133 tonnes of sugar and 106,033 tonnes of molasses from 2,804,780 tonnes of cane. The resulting Tonnes Cane to Tonnes Sugar ratio (TCTS) of 9.57 was better than the previous season's ratio of 11.08, and is attributed to relatively better quality cane in 2001 season. However, with a reduced crop volume, total sugar produced during the season was 14 per cent lower than the previous year.

CANE QUALITY

The seasonal average sugar content of cane (POCS - Pure Obtainable Cane Sugar) and cane purity of 11.5 per cent and 83.2 per cent respectively were better than the levels recorded in 2000 season. The POCS peaked in late September at around 12.3 per cent but advanced harvesting, delays and indiscriminate cane burning towards the end of the season depressed the cane quality significantly.

Burnt cane level decreased slightly from the previous year to reach 43 per cent of all cane received. Unlike previous years, however, burning had started from the first week and escalated to the 50 per cent mark before mid season. This seriously affected the milling processes and sugar quality.

SUGAR QUALITY

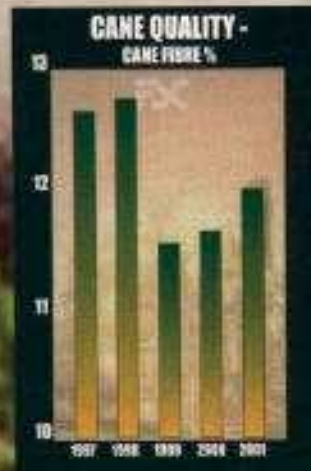
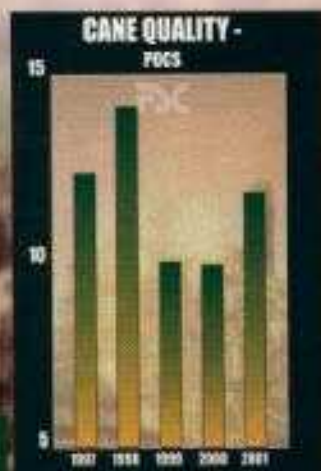
While sugar quality parameters were generally satisfactory in 2001 season, concerns were again raised by our buyers on the high level of Dextran in some sugar shipments during the season. The industry must now implement strong measures to curb cane burning or risk losing its valuable customers.



SUGAR EXPORTS AND MARKETING

Sugar manufactured for export in the 2001 season was sold and shipped to the following destinations: -

Destination	Quantity (mttq)
United Kingdom	172,693
Portugal	19,000
USA	9,065
Japan	46,615
TOTAL	247,373



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MOLASSES

Molasses produced during the season were shipped to the following destinations: -

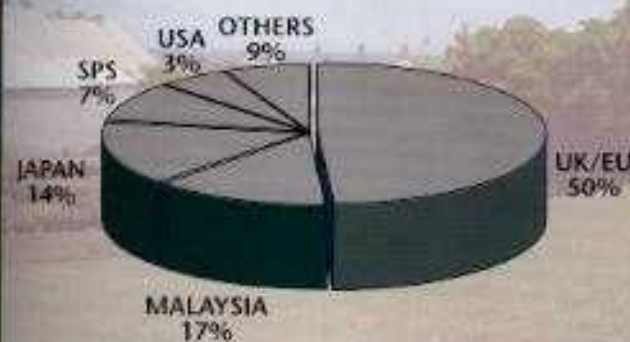
Destination	Tonnage (mt)
Taiwan	31,500
Indonesia	7,750
Puerto Rico	59,840
Tahiti	34
TOTAL	98,924

Apart from the shipment to Tahiti, all exportable molasses were sold under the existing 2-year marketing agreement with United Molasses, a subsidiary of Tate & Lyle Group UK.

WORLD MARKET

Sugar prices have rallied from the lows of about US4.00 cents per lb. with an almost 300 per cent increase to the recent March highs of approximately US11.40 cents. A combination of producer selling, and in particular selling of low quality whites from India, coupled with trade and speculative long liquidation, saw prices fall back to current levels of close to 8.00 cents. The rally coincided with a world production/consumption deficit forecast of approximately 3.0 million tons for the 2000/01 season and forecasts of strong buying from Russia. In addition, for weather related reasons, Brazil's exports fell dramatically from 11.5 million metric tons (mmt) in the 1999/00 crop year to 7.2 mmt in the 2000/01 season.

MAJOR DESTINATIONS OF FIJI SUGAR -
(1992 - 2001 Average)



TRADE AGREEMENTS

ACP/EU - Seventh Special ACP Ministerial Conference on Sugar.

The 7th Special ACP Ministerial Conference on Sugar was held in Georgetown, Guyana from 22 - 26 April 2001. ACP Ministers adopted the **Georgetown Action Plan**, which sets a clear strategy and actions for issues identified to be critical in the context of ACP-EU relationship on sugar.

The Conference also agreed on the strategy for the negotiations of the new Special Preferential Sugar (SPS) Agreement and resolved the sensitive issue relating to a new sharing mechanism under this agreement.

EU New Sugar Regime

On 22nd May 2001, the EU agreed on the new Sugar Regime to commence on 1st July 2001 and end on 30th June 2006. The ACP-EU raw sugar arrangements, namely the Sugar Protocol and the SPS Agreement, are integral parts of the EU Sugar Regime.


New SPS Agreement

An agreement between the ACP signatories to the Sugar Protocol and the EU Commission on the terms for the renewal of the SPS Agreement was reached on 21st September 2001.

The renewed SPS Agreement will be for five years from 1st June 2001 to 30th June 2006. Fiji's SPS allocation from this quantity is 19,643 tonnes wse, which will be delivered to Tate & Lyle in May 2002 together with the balance of our Protocol sugar for the 2001/02-delivery period.

EU's Everything But Arms (EBA) Initiative

The EU adopted the EBA initiative, which grants duty free access to the EU market for all products, with the exception of arms, from the Least Developed Countries (LDCs) on 26th February 2001.



For the sugar sector, the initiative entails full liberalisation for sugar in the EFTA region from 1st July 2009 with a duty free interim global quota of 74,185 tonnes to be gradually opened from 2001/02. The initial quota of 74,185 tonnes will be increased by 15 per cent annually during the interim period rising to 197,335 tonnes in 2009. In fact, the EBA interim sugar quota comes out of the Special Preferential Sugar quantities.

SUGARCANE RESEARCH CENTRE

About 700 growers are now cultivating the early maturing and high sugar yielding cane variety, Naidiri.

Research is now focused on developing farming systems for high-density cane planting, which has the potential to improve yields further. So far, results of high density cane planting trials have shown potential yield increases of 8 - 10 per cent with other inputs constant.

INFORMATION SYSTEMS CENTRE

The Information Systems Centre continued its commitment to minimise operational disruptions by providing proper maintenance of all computer systems, networks and hardware.

A review of the current systems in August 2002 has recommended replacing existing hardware, software and networks, which are around 10 years old, with modern windows-based applications together with a maintenance system for the mills. The new package should keep the Corporation abreast with the technology needs of today and the future.

HUMAN RESOURCES

This year has seen the introduction of a number of strategic initiatives designed to begin the development of the Corporation's human resource management towards world best practice.

In the same vein, a comprehensive benchmarking exercise has been initiated to introduce a competency based training framework based on internationally recognised sugar industry competency standards. A full training needs analysis will follow to guarantee that future training will be of consequence to the work

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Improved industrial relations practices now focus less on confrontation and more on partnership. A more proactive relationship has been established with our four employees unions. Regular dialogue remains a priority for the Corporation at national and branch level.

A new industrial relations forum titled the National Development Council has been established under the chairmanship of the Industrial Commissioner to deal specifically with issues arising from any industry restructure proposals.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

The Corporation is the first organisation in Fiji to put together its own Occupational Health and Safety Management System (OHSMS), following its launch in March 2001. The OHSMS was a joint venture with the Ministry of Labour and took almost a year to complete.

The early implementation of the system will be monitored in collaboration with the Ministry of Labour during the next 3 years (2002 - 2004). A comprehensive audit will be carried out in the following year to evaluate the effectiveness of the system.

As a precautionary measure against earthquake or cyclone, a detailed structural steel survey was conducted at the four mills in October 2001. A result of the survey was the identification of redundant structures and plant that are to be dismantled.

ENVIRONMENT

As part of its corporate obligations under the Sustainable Development Bill and commitment towards protecting the environment, a plan is now in place to bring about further improvements at the mills.

Among other issues, the plan addresses the solid and liquid effluent problems at the mills, and is going to be progressively implemented over the next 10-15 years.

What used to be a major environmental issue is soon to become a source of soil enrichment. The Asian Pacific Organisation is funding a pilot project in Labasa mill that will see the conversion and blending of solid wastes such as bagasse, boiler ash and mill mud into fertilizer for use by cane farmers on their crop.

CONCLUSION

The year under review has been another difficult one, with the Corporation again operating below economically sustainable levels. A solution to the problem of slow or non-renewal of expiring native leases has to be found quickly and the decline in crop size arrested.

It is now accepted that the sugar industry has to be restructured if it is to survive. The industry has presented to Government and other stakeholders a proposal to restructure the industry as a business, with all the stakeholders i.e., landowners, growers, employees and Government as shareholders.

The Asian Development Bank has signed a Memorandum of Understanding whereby it will address the problems of those leaving the industry and assist the stakeholders in arriving at an acceptable structure to resolve the industry's problems.

The Directors appreciate and acknowledge the dedication of all its employees during another difficult and stressful year.



H D Khan
Director



J McFadden
Director





FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

Scope

We have audited the financial statements of The Fiji Sugar Corporation Limited and of the group for the year 31 March 2002 as set out on pages 15 to 30. The company's directors are responsible for the preparation and presentation of the financial statements and the information contained therein. 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 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 Fiji Accounting 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 and their cash flows.

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

Audit Opinion

In our opinion:

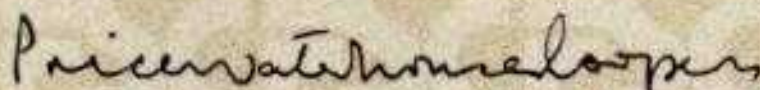
- (a) proper books of account have been kept by the company, so far as it appears from our examination of the books, and
- (b) the accompanying accounts which have been prepared in accordance with Fiji Accounting Standards:
 - (i) are in agreement with the books of account;
 - (ii) to the best of our 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 31 March 2002, and of the results and cash flows of the company and of the group for the year ended on that date;
 - b) give the information required by the Fiji Companies Act, 1983 in the manner so required.

Matter of Emphasis

Without qualifying our opinion above, we draw your attention to Note 1.1 (B) to the financial statements, which refers to the preparation of the accounts on a going concern basis and which indicates that the continuing viability of the company and the group is dependent upon ongoing support from the Government of the Republic of the Fiji Islands (Government). As noted in Note 20 to the financial statements, the Government has provided a guarantee limited to \$75 million to allow the company to borrow in short-term money market, which is valid until 31 March 2003. It has given a written undertaking to provide necessary funding to enable the 2003 crush to proceed.

The financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the company and the group be unable to continue as a going concern.

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.



PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

	Note	Consolidated		Holding Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
TURNOVER		243,837	251,252	243,806	251,186
OPERATING LOSS BEFORE INCOME TAX	2	(13,483)	(20,821)	(13,595)	(20,946)
Income tax benefit / (expense)	3	(2,852)	74	(2,839)	76
OPERATING LOSS AFTER INCOME TAX		(16,335)	(20,747)	(16,434)	(20,870)
(Accumulated Losses)/Retained Profits - at 31 March 2001		(3,485)	17,262	(3,890)	16,980
ACCUMULATED LOSSES AT 31ST MARCH 2002		(19,820)	(3,485)	(20,324)	(3,890)

The accompanying notes form part of these financial statements.

BALANCE SHEET
AS AT 31 MARCH 2002



	Note	Consolidated		Holding Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
CURRENT ASSETS					
Cash		7,715	3,004	6,495	2,314
Short term deposits		6,005	7,000	6,005	7,000
Receivables	4	3,610	7,665	3,517	6,554
Inventories	5	49,994	51,674	49,994	51,674
TOTAL CURRENT ASSETS		67,324	69,343	66,011	67,542
NON-CURRENT ASSETS					
Receivables	4	300	600	300	600
Property, plant and equipment	6	185,451	200,563	185,392	200,477
Investments	7	972	972	932	932
Future income tax benefit		-	4,584	-	4,584
TOTAL NON-CURRENT ASSETS		186,723	206,719	186,624	206,593
TOTAL ASSETS		254,047	276,062	252,635	274,135
CURRENT LIABILITIES					
Creditors & borrowings	8	41,203	46,085	40,425	44,662
Provisions	9	20,360	15,835	20,230	15,736
Term loan - secured	11	6,246	6,015	6,246	6,015
TOTAL CURRENT LIABILITIES		67,809	67,935	66,901	66,413
NON-CURRENT LIABILITIES					
Provisions	9	23,298	25,804	23,298	25,804
Deferred income	10	2,191	2,365	2,191	2,365
Term loans - secured	11	4,645	8,856	4,645	8,856
- unsecured	12	25,500	17,000	25,500	17,000
TOTAL NON-CURRENT LIABILITIES		55,634	54,025	55,634	54,025
TOTAL LIABILITIES		123,443	121,960	122,535	120,438
NET ASSETS		130,604	154,102	130,100	153,697
SHAREHOLDERS' EQUITY					
Share capital	13	22,200	22,200	22,200	22,200
Reserves	14	128,224	135,387	128,224	135,387
Accumulated losses		(19,820)	(3,485)	(20,324)	(3,890)
TOTAL SHAREHOLDERS' EQUITY		130,604	154,102	130,100	153,697

The accompanying notes form part of these financial statements.
These financial statements are approved by a resolution of the Board of Directors.

For and on behalf of the Board

.....(Director)

.....(Director)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by The Fiji Sugar Corporation Limited and its subsidiaries are stated to assist in a general understanding of these financial statements. These policies have been consistently applied by group companies except as otherwise indicated.

1.1 Basis of accounting

(i) The financial statements have been prepared on the basis of historical cost and except where stated, do not take into account current valuation of non-current assets.

(ii) The group and company have incurred operating losses of \$13.5m and \$13.6m respectively for the year ended 31 March 2002. As at that date the group and company have recorded accumulated losses of \$19.8m and \$20.3m respectively. The accounts have been prepared on a going concern basis, which the directors believe is fair and reasonable given the following:

- the directors are taking active steps to restructure the company and the industry via its Industry Restructure Proposal to achieve future viability and are currently awaiting Government approval of the same;
- undertaking by the Government to provide periodic financial guarantee and related support. The Government has renewed its guarantee to 31 March 2003.

1.2 Principles of consolidation

The group consolidation includes as subsidiaries all companies in which the group holds more than 50% of the issued share capital. These subsidiaries are listed in Note 7. All intercompany balances and transactions have been eliminated.

1.3 Investments

Investments in subsidiary and other companies are valued at cost less any amounts written off to recognise any permanent diminution in value.

1.4 Depreciation and amortisation of property, plant and equipment

Property, plant and equipment, other than freehold land, are depreciated over their estimated useful lives using the straight line method at the following rates:

Buildings and improvements	2%
Plant and equipment	3% to 25%
Motor vehicles	15% and 20%

Leasehold land is depreciated over the term of the applicable lease. New assets are depreciated from the commencement of the half year in which they are commissioned.

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

1.5 Income tax

Income tax has been brought to account using the liability method of tax effect accounting.

1.6 Foreign currency conversions

All foreign currency transactions during the year are recorded in the books using the rate of exchange prevailing at the date of the transaction. At balance date amounts receivable and payable in foreign currency are translated at the exchange rate prevailing at that date. All exchange gains and losses are brought to account in determining the results for the year.

The Balance Sheet and the Profit and Loss Account of the company's foreign subsidiary have on consolidation been translated to Fijian currency in accordance with Fiji Accounting Standard No. 21 on Foreign Currency Translation.

1.7 Receivables

Provision is raised for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

1.8 Inventories

Sugar and molasses produced locally are valued at net realisable value. Net realisable value is determined by approved selling prices, contracts or free market prices and is net of expected related marketing, selling and distribution costs.

Spares are stated at cost. Costs are assigned to spares using the weighted average basis and comprise all costs incurred in bringing the stocks to their present location and condition.

1.9 Employee entitlements

The amounts expected to be paid to employees for their pro rata entitlements to long service leave, annual leave and other benefits are accrued at current wage rates. The company has no liability for current or past service pension.

1.10 Slack season overhaul costs

All slack season overhaul costs are taken into account in determining the results for the year.

1.11 Government grants

Government grants are recognised in the Profit and Loss Statement over the periods necessary to match them with related costs which the grants are intended to compensate.

1.12 Uninsured risk

A provision is made to cover uninsured risks based on an assessment of the risks involved.

1.13 Turnover

Turnover represents revenue received by the group for the sale of its products and services, net of returns, trade allowances, brokerage, marketing fees, duties and taxes paid.

1.14 Cash flows

For the purpose of the statements of cash flows, cash includes cash on hand, deposits held at call with banks and investments in money market instruments, net of bank overdrafts.

1.15 Comparative figures

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
2. OPERATING LOSS				
Operating loss before income tax has been determined after:				
(i) Crediting as revenue:				
Interest received/receivable from:				
Bank	72	368	72	368
Others	87	170	57	110
Amortisation of Government grants (Note 10)	174	174	174	174
Dividend income:				
Associate companies	217	198	138	138
(ii) Charging as expense:				
Amortisation of leasehold land	1	1	1	1
Auditors' remuneration for:				
Auditing services	81	82	67	69
Other services	20	16	20	16
Bad debts written off	400	20	400	20
Stock written off	25	11	25	11
Depreciation:				
Building & improvements	1,639	1,623	1,639	1,623
Plant & equipment	12,220	12,145	12,199	12,113
Motor vehicles	417	476	404	476
Directors' emoluments for:				
Services as directors	33	38	33	38
Other services	423	242	321	114
Interest paid/payable	1,187	1,326	1,187	1,326
Loss on disposal of property, plant and equipment	838	314	838	316
Provision for				
- doubtful debts	(39)	17	(39)	17
- employee benefits	(392)	(223)	(406)	(150)
- others	(101)	2,415	(101)	2,415
- Voluntary Separation Scheme	4,628	5,600	4,628	5,600
- Wages Regulation Industry Order	102	2,642	102	2,642
- Restructure/ Reorganisation	1,000	-	1,000	-
- Demolition of redundant structures	2,000	-	2,000	-
- Uninsured Risk	2,500	-	2,500	-

	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
3. INCOME TAX (EXPENSE) / BENEFIT				
The prima facie income tax benefit on pre-tax operating loss is reconciled to the income tax benefit shown in the profit and loss account as follows:				
Prima facie income tax benefit on the operating loss before income tax.	4,584	7,287	4,622	7,331
(a) Tax effect of permanent differences which :				
i) Reduce tax payable:				
Amortisation of Government grants	59	61	59	61
Dividends received	74	69	47	48
Change in tax rate	1,446	384	1,446	384
ii) Increase tax payable:				
Depreciation expense not allowable for income tax	(465)	(444)	(465)	(444)
Sundry non-allowable expenditure	(1,824)	(64)	(1,825)	(65)
Prima facie tax benefit adjusted for permanent differences	3,874	7,293	3,884	7,315
Timing differences not brought to account	(3)	20	-	-
Future income tax benefit in respect of prior years now reversed.	(4,584)	-	(4,584)	-
Future income tax benefit in respect of current year loss not brought to account.	(2,139)	(7,239)	(2,139)	(7,239)
Income tax (expense) / benefit	<u>(2,852)</u>	<u>74</u>	<u>(2,839)</u>	<u>76</u>

Future income tax benefit relating to tax loss and provisions have not been brought to account as realisation of the same is not regarded as virtually certain. The benefit will only be obtainable if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in the tax legislation adversely affect the Company in realising the benefit from the deductions for the loss.

	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
4. RECEIVABLES				
Current				
Trade receivables	214	3,335	214	3,335
related companies	465	304	465	304
Associated companies	-	-	-	-
	<u>679</u>	<u>3,639</u>	<u>679</u>	<u>3,639</u>
Other receivables and prepayments	2,981	4,115	2,888	3,004
Deduct: Provision for doubtful debts	(50)	(89)	(50)	(89)
	<u>2,931</u>	<u>4,026</u>	<u>2,838</u>	<u>2,915</u>
Total Current	<u>3,610</u>	<u>7,665</u>	<u>3,517</u>	<u>6,554</u>
Non Current				
Related companies	300	600	300	600
	<u>3,910</u>	<u>8,265</u>	<u>3,817</u>	<u>7,154</u>
5. INVENTORIES				
Sugar and molasses	30,821	35,009	30,821	35,009
Spare parts and other inventories	19,373	16,865	19,373	16,865
	<u>50,194</u>	<u>51,874</u>	<u>50,194</u>	<u>51,874</u>
Deduct: Provision for obsolescence	(200)	(200)	(200)	(200)
	<u>49,994</u>	<u>51,674</u>	<u>49,994</u>	<u>51,674</u>

	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
6. PROPERTY, PLANT & EQUIPMENT				
(a) Cost/Valuation				
At directors' valuation :				
Freehold land	22,458	26,778	22,458	26,778
Buildings	45,969	51,431	45,969	51,431
At cost:				
Freehold land	22	22	22	22
Leasehold land	159	159	159	159
Buildings and improvements	10,709	10,338	10,709	10,338
Plant and equipment	275,042	273,473	274,923	273,359
Motor vehicles	8,940	9,167	8,857	9,054
Capital works in progress	7,864	6,959	7,864	6,959
TOTAL	371,163	378,327	370,961	378,100
(b) Accumulated Depreciation				
At directors' valuation :				
Buildings	-	1,270	-	1,270
At cost:				
Leasehold land	20	19	20	19
Buildings and improvements	5,012	4,734	5,012	4,734
Plant and equipment	172,694	163,492	172,603	163,422
Motor vehicles	7,986	8,249	7,934	8,178
TOTAL	185,712	177,764	185,569	177,623
(c) Written Down Value				
At directors' valuation :				
Freehold land	22,458	26,778	22,458	26,778
Buildings	45,969	50,161	45,969	50,161
At cost:				
Freehold land	22	22	22	22
Leasehold land	139	140	139	140
Buildings and improvements	5,697	5,604	5,697	5,604
Plant and equipment	102,348	109,981	102,319	109,937
Motor vehicles	954	918	924	876
Capital works in progress	7,864	6,959	7,864	6,959
TOTAL	185,451	200,563	185,392	200,477

The holding company's freehold land and buildings were revalued on 25 Feb 2000 on an independent valuation carried out by registered valuers, Rolle Hillier Parker (Rolle) of Suva, Fiji. At the request of the directors Rolle conducted a further valuation in July 2002 which shows a decrease of \$7.2m compared to the previous valuation. The resulting decline in value has been brought to account at 31 March 2002.

7. INV

Shares

Shares

(a) In

Name

Unlist

FSC P

FSC S

(b) I

Name

Sout

Agcl



	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
7. INVESTMENTS				
Shares in subsidiary companies at cost	-	-	12	12
Shares in associated companies at cost	972	972	920	920
	<u>972</u>	<u>972</u>	<u>932</u>	<u>932</u>

(a) Investments in subsidiaries

Name of Company	Place of Incorporation	Contribution to Group Results		Book Value of Holding Company Investment (Ordinary shares)		% Shareholding	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 %	2001 %
<u>Unlisted</u>							
FSC Projects Ltd	Fiji	77	58	-	-	100	100
FSC Services Pty Ltd	Australia	35	67	12	12	100	100
		<u>112</u>	<u>125</u>	<u>12</u>	<u>12</u>		

(b) Investments in associated companies

Name of Company	Place of Incorporation	% Shareholding	
		2002 %	2001 %
South Pacific Fertilizers Limited	Fiji	40	40
Agchem Limited	Fiji	40	40



	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
8. CREDITORS AND BORROWINGS				
Bank overdraft - unsecured	2,153	1,180	2,153	1,180
Amount payable to subsidiary company	-	-	873	227
Trade creditors and accruals	39,050	44,905	37,399	43,255
	<u>41,203</u>	<u>46,085</u>	<u>40,425</u>	<u>44,662</u>
9. PROVISIONS				
Non-current	23,298	25,804	23,298	25,804
Current	20,360	15,835	20,230	15,736
	<u>43,658</u>	<u>41,639</u>	<u>43,528</u>	<u>41,540</u>
Non-current provisions				
Employee benefits	158	169	158	169
Deferred income tax liability	23,140	24,885	23,140	24,885
Other provisions	-	750	-	750
	<u>23,298</u>	<u>25,804</u>	<u>23,298</u>	<u>25,804</u>
Current provisions				
Income Tax	13	-	-	-
Employee benefits	2,362	2,743	2,245	2,644
Uninsured risk	4,634	2,346	4,634	2,346
Other	13,351	10,746	13,351	10,746
	<u>20,360</u>	<u>15,835</u>	<u>20,230</u>	<u>15,736</u>
<p>The holding company embarked on a major manpower rationalisation programme last year through voluntary separation scheme, outsourcing of non core operations and redundancies through job mergings. The other provision includes a provision for redundancy payment to the affected employees amounting to \$8.2m (2001-\$5.6m), which is yet to be confirmed with the employees and the union. It also includes a sum of \$2m for demolition of redundant structures at the four mills and a further \$1m for Company reorganisation/restructure works.</p>				
10. DEFERRED INCOME				
Government grants	5,014	5,014	5,014	5,014
Less: Provision for amortisation	(2,823)	(2,649)	(2,823)	(2,649)
	<u>2,191</u>	<u>2,365</u>	<u>2,191</u>	<u>2,365</u>

	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
11. TERM LOAN - SECURED				
Westpac Banking Corporation Ltd	10,891	14,871	10,891	14,871
Less				
Current Portion	6,246	6,015	6,246	6,015
Non-Current Portion	4,645	8,856	4,645	8,856

The terms and conditions of the above loan are as follows:

- Term of Loan : 5 years
- Interest Rate : 5.99% and 6.18% for the first and second year, thereafter, at 0.27% above the bank's Prime Lending Rate (PLR). Presently this is around 9.25%.
- Repayment : Half yearly, principal and interest.
- Security : Limited guarantee of \$20,400,000 from the Government of the Republic of Fiji Islands.

12. TERM LOAN - UNSECURED

Term Loan from the Government of Fiji	25,500	17,000	25,500	17,000
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Term loan from the Government is to assist finance the purchase of plant and equipment that will improve the milling efficiency. The loans are also to be used for upgrade of sections of the tramline network, and to generally improve infrastructure relating to the transportation of rail cane. The amount is repayable over a period of 15 years with moratorium on principal and interest repayments for the first five years. Thus far the Corporation has received \$8.5m in 1998, \$8.5m in 1999 and another \$8.5m in 2001 in this regard.

The interest rate on the loan is fixed at 8% p.a. over the loan period.



	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
13. SHARE CAPITAL				
Authorised capital 160,000,000 (2001 - 160,000,000) ordinary shares of 50 cents each	80,000	80,000	80,000	80,000
Issued capital 44,399,998 (2001 - 44,399,998) fully paid ordinary shares of 50 cents each	22,200	22,200	22,200	22,200
14. RESERVES				
(a) Capital profits reserve	2,393	2,393	2,393	2,393
(b) Revenue reserves:				
Asset replacement reserve	66,000	66,000	66,000	66,000
Uninsured risk reserve	3,500	3,500	3,500	3,500
Asset revaluation reserve	56,331	63,494	56,331	63,494
	125,831	132,994	125,831	132,994
	128,224	135,387	128,224	135,387

Capital profits reserve represents realised capital profits which are distributable to the shareholders free of income tax.

Movement in Asset revaluation reserve was:

Balance at 1 April 2001	63,494	63,551	63,494	63,551
Movement during the year	(7,163)	(57)	(7,163)	(57)
Balance at 31 March 2002	56,331	63,494	56,331	63,494

The reduction in asset revaluation reserve by some \$7.2m is as a consequence of updated valuation of freehold land and buildings. Refer Note 6.

	Consolidated		Holding Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000

15. CONTINGENT LIABILITIES

Guarantees or undertakings given by the bank.	414	76	414	76
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At balance date, no provision was included in respect of sundry court actions against the Holding Company; the company's solicitors believe that claims arising from such actions are not likely to be of material nature.

16. CAPITAL COMMITMENTS

Capital commitments contracted but not provided for in the accounts	9,952	4,366	9,952	4,366
Capital commitments approved by the directors but not yet contracted	3,986	3,962	3,986	3,962
	<u>13,938</u>	<u>8,328</u>	<u>13,938</u>	<u>8,328</u>

17. INSURANCE

As a result of hardening insurance market after the events of September 11, 2001, and rising insurance premium, the company has opted to insure against limited material risks. The remaining risks are self-insured by the company and appropriate provisions for these have been raised in the accounts.



18. RELATED PARTY INFORMATION

Ownership interests in related parties

Interests held in subsidiaries and associated companies are set out in note 7 to the financial statements.

Transactions with related parties

All transactions with related parties are made on normal commercial terms and conditions. The material transactions during the year were:

	2002 \$'000	2001 \$'000
Purchases by holding company from subsidiary company FSC Services Pty Ltd	<u>12,470</u>	<u>12,112</u>

Amounts receivable from or payable to related parties are disclosed in notes 4 & 8 to the financial statements.

19. PRINCIPAL ACTIVITIES

Holding Company

Principal activities are the milling of sugar cane in Fiji and the sale of sugar and molasses produced.

Subsidiary Companies

Principal activities of subsidiary companies are as follows:

FSC Projects Limited - the examination and development of projects relating to the utilisation of natural resources on behalf of the Corporation.

FSC Services Pty Limited - the procurement and supply of materials and spare parts and the provision of ancillary services to the holding company.

20. GOVERNMENT GUARANTEE

The Government has provided a guarantee limited to \$75 million to allow the company to borrow in short-term money market. The guarantee is in place until 31 March 2003. The Government has also given a written undertaking to the company ensuring availability of necessary funding to enable the 2003 Crush to proceed.

21. STOCK EXCHANGE LISTING

The shares of the holding company, which is incorporated in Fiji, is listed on the South Pacific Stock Exchange.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2002**



	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Cash flows from operating activities				
Receipts from trade and other debtors	244,925	248,200	244,894	248,134
Payments to trade creditors, other suppliers & employees	(238,399)	(265,038)	(238,795)	(265,585)
Income tax paid	-	(708)	-	(703)
Dividend received	217	138	138	138
Interest received	159	538	128	478
Interest and other cost of finance paid	(1,187)	(1,326)	(1,187)	(1,326)
Net cash flows from operating activities (Note 1)	5,715	(18,196)	5,178	(18,864)
Cash flows from investing activities				
Payments for property, plant and equipment	(7,631)	(6,106)	(7,624)	(6,062)
Proceeds from sale of property plant and equipment	139	74	139	66
Net cash flows from investing activities	(7,492)	(6,032)	(7,485)	(5,996)
Cash flows from financing activities				
Westpac Term Loan - Secured	(3,980)	(1,970)	(3,980)	(1,970)
Govt Term Loan - Unsecured	8,500	-	8,500	-
Net cash flows from financing activities	4,520	(1,970)	4,520	(1,970)
Net increase/ (decrease) in cash held	2,743	(26,198)	2,213	(26,830)
Cash at 31 March 2001 (Note 2)	8,824	35,022	8,134	34,964
Cash at 31 March 2002 (Note 2)	11,567	8,824	10,347	8,134

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2002**



	Consolidated		Holding Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
1. Reconciliation of net cash flows from operating profit after income tax				
Operating loss after income tax	(16,335)	(20,747)	(16,434)	(20,870)
Depreciation & amortisation	14,277	14,244	14,243	14,212
Loss on disposal of property, plant and equipment	838	314	838	316
Provision for doubtful debts	(39)	17	(39)	17
Provision for employee entitlements	(392)	(223)	(406)	(150)
	<u>(1,651)</u>	<u>(6,395)</u>	<u>(1,798)</u>	<u>(6,475)</u>
Change in assets and liabilities				
(Increase)/Decrease in accounts receivable	4,320	(2,893)	3,302	(1,788)
(Increase)/Decrease in inventory	1,680	(8,800)	1,680	(8,800)
Decrease in deferred income	(174)	(174)	(174)	(174)
(Decrease)/Increase in accounts payable	(1,484)	(1,505)	(837)	(3,236)
(Decrease)/Increase in other accruals & provisions	(272)	(12)	(272)	(12)
Increase/(Decrease) in deferred income tax	(1,745)	(76)	(1,745)	(76)
(Decrease)/Increase in provision for income tax	13	(703)	-	(703)
(Decrease)/Increase in Future Income Tax Benefit	4,584	-	4,584	-
Decrease/(Increase) in other assets	444	2,362	438	2,400
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>5,715</u>	<u>(18,196)</u>	<u>5,178</u>	<u>(18,864)</u>

2. Reconciliation of cash

Cash at the end of reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash balances

Cash	7,715	3,004	6,495	2,314
Short term deposit	6,005	7,000	6,005	7,000
Deduct bank overdraft - unsecured	(2,153)	(1,180)	(2,153)	(1,180)
	<u>11,567</u>	<u>8,824</u>	<u>10,347</u>	<u>8,134</u>

SOUTH PACIFIC STOCK EXCHANGE REQUIREMENTS



Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report).

1. As at 6 June 2002, Directors' interests in the share capital of the Corporation or related companies were as follows:
(a) Mr Vipul M Mishra - 6,500 shares in FSC Ltd.

2. DIRECTORS' INTEREST IN CONTRACTS

During the financial year, none of the Directors had any material interest in any contract with the Corporation.

3. DIRECTORS' TERMINATION BENEFITS

There are no termination benefits payable to Directors in respect of their tenure as Directors.

4. STATEMENT OF SHAREHOLDERS

Distribution of Share Holding

Holding	No. of Holders	No. of Shares	% Holding
Less than 500 shares	1,478	313,244	0.71
501 to 5,000 shares	529	710,709	1.60
5,001 to 10,000 shares	24	166,385	0.37
10,001 to 20,000 shares	10	132,840	0.30
20,001 to 30,000 shares	1	24,000	0.05
30,001 to 40,000 shares	Nil	Nil	Nil
40,001 to 50,000 shares	1	40,800	0.09
50,001 to 100,000 shares	2	172,770	0.39
100,001 to 1,000,000 shares	5	1,121,971	2.53
Over 1,000,000 shares	3	41,717,279	93.96

5. TWENTY LARGEST SHAREHOLDERS

As at 6 June 2002 the twenty largest shareholders held 43,199,420 shares which is equal to 97.30% of the total issued capital of 44,399,998 fully paid shares of 50 cents each.

1. The Government of Fiji Permanent Secretary of Finance PO Box 2212 Government Buildings Suva	30,239,160	2. Fiji National Provident Fund Private Mail Bag Suva	7,544,219
3. Fijian Holdings Ltd PO Box 2110 Government Buildings Suva	3,933,900	4. Unit Trust of Fiji (Trustee) Co Ltd PO Box 1359 Suva	374,539
5. FHL Securities Limited P.O. Box 2110 Government Buildings Suva	300,000	6. Colonial Mutual Life Assurance Society Ltd PO Box 155 Suva	250,080
7. Sugar Cane Growers Council PO Box 5162 Lautoka	119,401	8. Ba Provincial Holdings Co. Ltd. Rogorogovuda House Lautoka	101,951
9. Robert Lee GPO Box 13510 Suva	98,720	10. Reddys' Enterprises Limited PO Box 784 Lautoka	74,050



11. Morris Hedstrom Limited Scholarship Fund Trustees PO Box 299 Suva	40,800	12. Pacific Transport Ltd. PO Box 1266 Suva	18,000
13. Lionel Ding Sun Yee GPO Box 13600 Suva	17,160	14. Amraiya Naidu GPO Box 13153 Suva	14,800
15. Rotuma Development Fund Government Station PO Box 18 Rotuma	14,400	16. Saimone Lutu PO Box 170 Levuka	12,120
17. Fiji Public Service Association - Investments Co-op Ltd. PO Box 1405 Suva	12,000	18. Johnson Fong 5/113 Mount Street Coogee, NSW 2034 Australia	12,000
19. Joyce Due & Rasmus Due 93 Mallawa Ave Palm Beach, QLD 4221 Australia	11,320	20. Sugar Milling Staff Officers' Association The Secretary The Sugar Milling Staff Officers' Association FSC Limited, Lautoka.	10,800

6. VOTING RIGHTS OF SHAREHOLDERS

Article 65 provides for:

On show of hands - 1 vote

On a poll - 1 vote for each share held

7. MAJOR SHAREHOLDERS

The names, addresses and number of shares held by shareholders holding 10% or more of the issued capital:

1. The Government of Fiji Permanent Secretary of Finance PO Box 2212 Government Buildings Suva	30,239,160	2. Fiji National Provident Fund Private Mail Bag Suva	7,544,219
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8. SITUATION OF THE SHARE REGISTER

The share register of the Fiji Sugar Corporation Limited is situated at Third Floor of the Western House in Lautoka.

STATISTICAL REVIEW

- FINANCIAL
- PRODUCTION
- FIELD STATISTICS
- SUGAR EXPORTS



FINANCIAL STATISTICS

for year ended 31 March	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Turnover (\$m)	243.8	251.2	287.2	257.1	239.1	279.3	313.1	292.7	255.8	270.6
Profit before taxation (\$m)	(13.6)	(20.9)	(5.3)	3.0	(11.1)	(2.0)	13.0	18.1	9.3	16.3
Income Tax expense (\$m)	(2.8)	0.1	(2.0)	1.0	(4.1)	(0.8)	4.4	6.2	3.2	4.1
Profit after tax & Extraord items (\$m)	(16.4)	(20.8)	(3.3)	2.0	(3.0)	(1.2)	8.7	11.9	6.1	12.2
Total Assets (\$m)	252.6	274.1	304.1	237.2	228.9	235.0	270.6	257.5	251.5	233.6
Net Assets (\$m)	130.1	153.7	174.6	114.4	113.5	118.0	120.9	115.6	107.0	104.2
Proceeds of Sugar & Molasses* (\$m)	239.4	236.6	282.8	245.1	232.7	275.3	310.1	288.8	255.8	273.4
FSC's share of proceeds (\$m)	71.8	70.7	83.1	73.5	69.3	79.1	89.0	81.6	73.7	79.2
Price per tonne cane (\$)	60.43 ^a	44.01	50.76	81.79	80.07	44.82	53.78	50.98	49.16	54.99

* Estimate

PRODUCTION STATISTICS

Season	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Cane Crushed (000t)	2805	3786	3958	2098	3280	4380	4110	4064	3704	3533
Sugar Produced (000t)	293	341	377	256	347	454	454	517	442	426
Molasses Produced (000t)	106	164	159	96	139	186	181	155	136	129
Tonnes Cane/Tonnes Sugar	9.57	11.10	10.50	8.20	9.45	9.65	9.05	7.86	8.38	8.29
Molasses % Cane	3.8	4.3	4.0	4.6	4.2	4.2	4.4	3.8	3.7	3.7
POCS %	11.50	9.96	10.00	13.19	11.90	11.15	11.88	13.29	12.60	12.56
Cane Purity %	83.2	80.5	80.4	83.5	83.1	82.4	82.8	85.0	84.3	83.9
Fibre in Cane %	11.96	11.79	11.40	12.77	12.62	12.18	12.24	12.83	12.64	12.31
Average Crushing Rate - All mills (tctph)	1083	1115	1025	968	984	1044	1071	1057	1039	1042
Actual Crushing Time as % of Available Time	71.0	69.7	74.4	76.8	70.7	83.0	80.6	89.0	80.7	88.7

FIELD STATISTICS

Season	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Number of Growers - as at 31 March	21882	22179	22178	22146	22100	22304	22449	23264	23454	23334
Tonnes Cane per Hectare	42.3	56.6	61.3	36.8	44.7	59.2	55.6	54.6	50.1	48.6
Average Tonnes Cane per Grower	128	171	178	93	148	196	183	175	158	151
Number of Cane Cutters	15280	17251	13866	13417	14891	15118	14305	13797	12635	11881
Output per Custer (tonnes)	184	219	285	156	220	290	287	295	293	297
Burnt Cane %	43.4	50.4	30.7	64.0	61.5	43.4	47.0	40.2	33.4	31.5

SUGAR EXPORTS - DESTINATIONS AND QUANTITIES (METRIC TONNES)

Season	UK/EU	MALAYSIA	USA	JAPAN	KOREA	CANADA	SINGAPORE	CHINA	INDONESIA	SPS	TAIWAN	TOTAL
1992	198929	117239	15750	31500	-	14000	-	15000	-	-	-	392418
1993	183204	106886	8453	46500	20422	38000	-	-	-	-	-	403465
1994	169043	113367	11200	143080	-	36000	-	-	-	-	-	472690
1995	192950	90000	10200	31500	-	18000	-	15750	-	55400	-	413800
1996	137554	90000	20000	77250	15000	-	20000	20000	-	30150	-	409954
1997	145710	60000	18900	45000	-	-	-	-	-	33900	-	303510
1998	186770	-	-	17000	15000	-	-	-	-	34280	-	253050
1999	200074	-	18420	49410	30000	-	-	-	-	38500	-	336404
2000	163624	22000	9044	18385	14600	-	-	20000	33778	27650	-	309081

Notice of Meeting

Notice is hereby given that the Annual General Meeting of The Fiji Sugar Corporation Limited will be held at the Conference Room, Waterfront Hotel, Lautoka on 24th September, 2002 at 3pm.

Business

1. To receive and consider the Balance Sheet, the Profit and Loss Account and the reports of the Directors and Auditors for the year ended 31st March 2002, including the declaration of a dividend as proposed by the Board.
2. To appoint Auditors and fix their remuneration.
3. To transact such other business as may properly be brought before the meeting.

By order of the Board

Ali Ubadutt

Company Secretary

3rd Floor, Western House, Lautoka

Telephone: (679) 666 2655

Date: 3rd September, 2002

Proxies

A member is entitled to appoint a proxy to attend and vote instead of himself. A proxy shall be a member of the Company. A form of proxy is enclosed overleaf for this purpose. The proxy form, or any instrument appointing a proxy, must be received at the Corporation's Registered Office (3rd Floor, Western House, Lautoka) not less than forty-eight hours before the time fixed for the meeting.



Form of Proxy
How to complete this form

- Note 1** In the case of a Company/Corporation, the proxy must either be under seal or under the hand of an officer or attorney duly authorised.
- Note 2** Unless the appointer is a Company/Corporation, the proxy must be signed in the presence of a Justice of Peace, Magistrate, Police Officer, Roko or other recognised public official.
- Note 3** Please ensure that all details are legible.
- Note 4** To be effective, this instrument must be received by the Corporation not less than forty-eight hours before the time of the meeting.



The Fiji Sugar Corporation Limited
3rd Floor, Western House, Lautoka
Postal Address: Private Mail Bag, Lautoka

I/We*
being a shareholder/s* of The Fiji Sugar Corporation Limited,

hereby appoint
who is also a shareholder of the Corporation, or failing him, the Chairman of the Meeting,
as my proxy to vote for me/us* on my/our* behalf at the Annual General Meeting of the
Corporation to be held on 24th September 2002, and at any adjournment thereof.

At witness my/our* hand this day of September, 2002.

signed in my presence by the said
who is personally known to me. (Name of Shareholder) (Signature of Shareholder)

.....
(Signature of Witness) (Name of Witness) (Designation of Witness-
Refer note 2 above)

* DELETE WHICHEVER IS INAPPLICABLE