

Cocciardi

**Short Project Brief
Resort Development
South Denarau Island Project
Fiji**

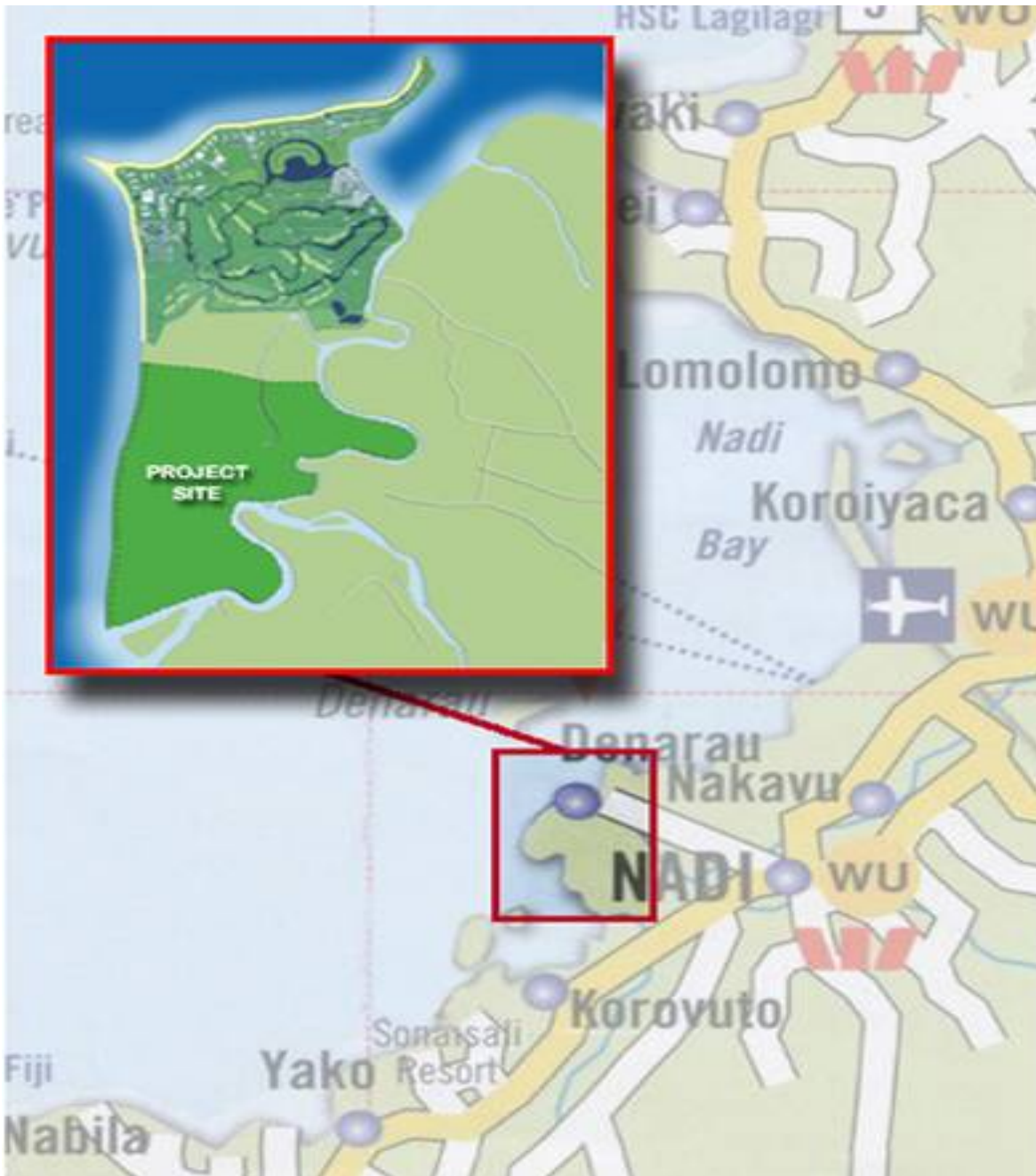
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Cocciardi Holdings Pty Ltd
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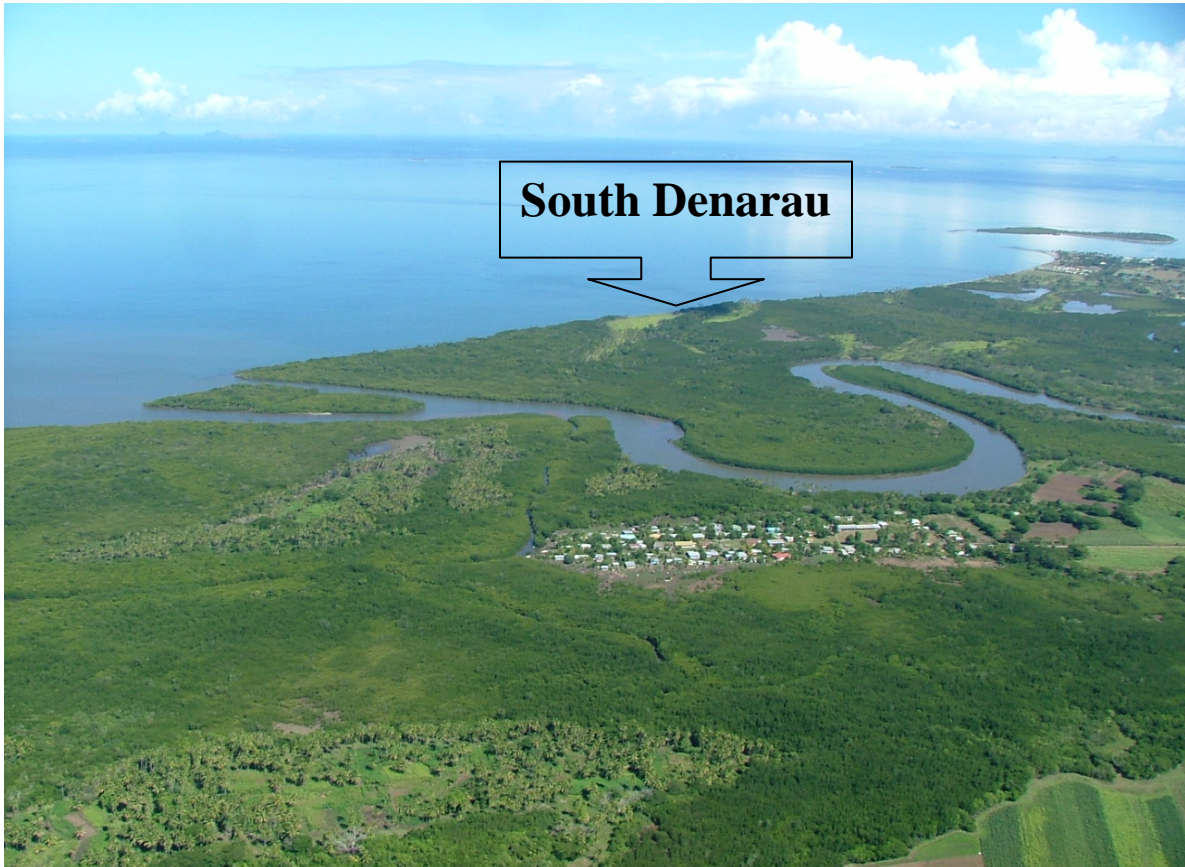
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| Retirement Village - 250 to 300 units. | |
| World Class Convention / Entertainment Centre | |
| Fiji Cultural and Heritage Centre. | |
| • 2000 seat Venue. | |
| • History section / Display | |
| Development of local support industries | |
| Localized sourcing of labor, materials and services | |
| • Construction phases 2000+ Jobs. | |
| • Ongoing | |
| • 5000 + permanent new jobs directly. | |
| • 5000 + secondary support jobs. | |
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1. INTRODUCTION

This brief provides an overview of the development of a large resort at South Denarau Island, situated near Nadi, Fiji Islands. The project can commence immediately and when finished will comprise approximately 600 riverside/beach front private residences, 6 hotels, 2 retail / services precincts, 2 boating marinas and other entertainment / recreational services in one of Fiji's most successful resort locations.



The South Denarau site is irregular in shape with beach Ocean frontage of over 2 kilometers and boundaries of 4 kilometers along the Nadi River. This undeveloped land comprises both State and Native Leaseholds totaling over 265 hectares (653 acres). Of this, 208 hectares is state leasehold with a secured lease for 99 years which, when developed, can be converted to freehold for private dwellings subject to government approval.



All planning, environmental and development approvals are now in place to enable commencement of this project.



North Denarau fully developed and fully sold with solid long term demand for properties.

2. PROPERTY VALUATION.

The estimated Gross Realization as at 25th May 2012 for bare building blocks only is put at FJD 435,530,000 (USD 235,880,633) using the exchange rate of 0.5416.

3. GOVERNMENT SUPPORT.

It is important to note that this project has received the highest level of support from the government of Fiji, which has assisted the development team to:

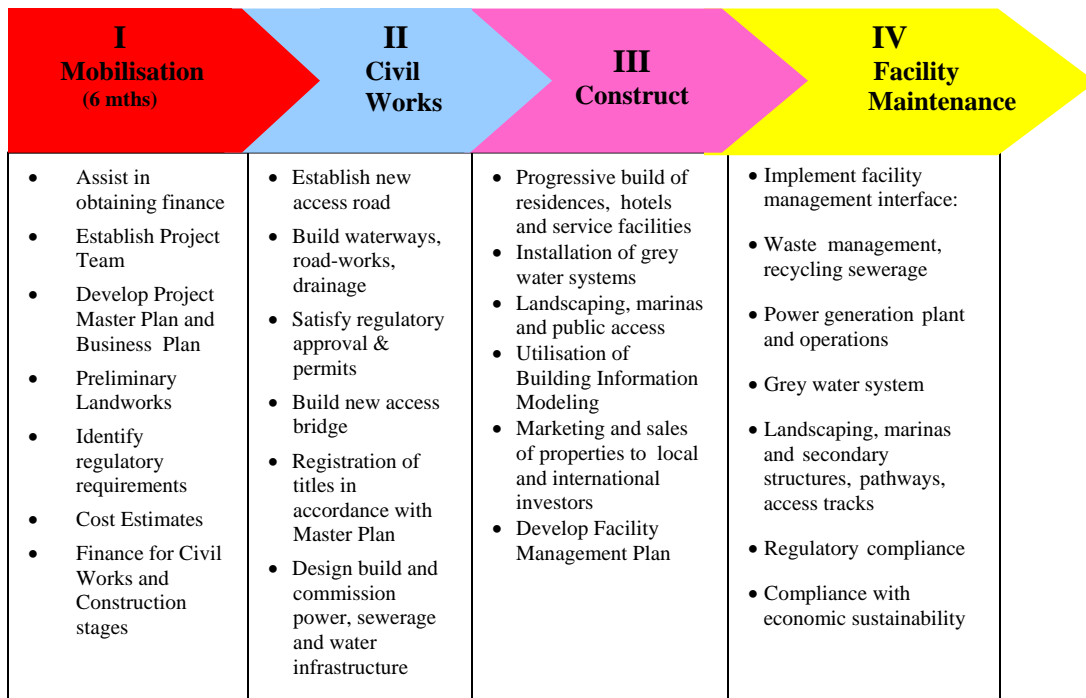
- facilitate removal of leasehold encumbrances associated with native title
- remove restrictive development conditions normally associated with the native title leaseholds
- extend leaseholds to 99 years
- List the project on the <http://www.investmentfiji.org.fj> website.

The project has also received full authorisation, approval and unprecedented support from the Reserve Bank of Fiji, the Ministry of Lands, and the Foreign Trade and Investment Bureau of Fiji.

4. THE ROLE OF COCCIARDI HOLDINGS

Cocciardi Holdings Pty Ltd is an Australian owned company providing digitised construction modelling and coordination, project management and Building Information Modelling. Cocciardi Holdings Pty Ltd as the appointed Project Director will manage/oversee all aspects of the project’s mobilisation and ongoing development through to completion including all negotiations in relation to investment funds.

5. THE PROJECT



Current Status.

Strong support from key design consultants in Australia / Fiji.

Cocciardi Holdings has used its strong relationships within the Australian and international construction industry to secure the support of two of the worlds top ten architectural firms Peddle Thorp Architects <http://www.pta.com.au> and Grimshaws <http://www.grimshaw-architects.com>

Completion of the Environmental Impact Assessment.

The Environmental Impact Assessment (EIA) is complete. The primary report was submitted to the Department of Environment Fiji who provided their initial response and decision on the 24th November 2010. The decision contained within the report is “Based on the EIA received, and further communications by letter and meeting, the above project will be supported, subject to the conditions below.” The project design will meet all conditions as per the memorandum received from the Department of Environment Fiji.

Complete survey of the project site including all native leases.

A complete topographical survey is complete for the entire resort site. This survey has defined ALL native title land reserves by location and size. It has established the project boundary and provided some indications on key vegetation locations. This survey will form the basis for the project master plan and native land consolidation.

Securing of road access to the property site.

Direct access to the project site has now been secured via a 20meter road reserve which has now been approved by the Department of Town and Country planning. The access road is dedicated to Gulf Investment (Fiji) Pty Ltd in order to provide access to the property at Denarau Island. All services infrastructure eg: Electricity, Sewer, Water, Telephone & Gas are to be laid within the 20 meter road reserve. The road will be designed to comply with all regulations and bylaws of the relevant authorities. This is a significant step in allowing direct unrestricted access to the site.

Confirmation of services supply for water and sewerage.

Formal advice was provided by the Ministry for Works & Energy Public Works Department Divisional Engineer Western in February 2004. The letter from the Ministry for Works & Energy confirms that the augmentation works completed during 2004 / 2005 were sufficient to meet the additional demand and reconfirmed that the Nadi sewerage system had more than sufficient capacity to accommodate the additional projected inflows from the proposed resort.

River Drainage and Dredging.

Significant dredging was completed in 2007 on the Nadi River bordering the project site. As a result first class fill material has been provided to the development site. Further dredging was completed following recent floods in 2009. The dredge material provided thus far is approx 150,000 cu meters and will greatly assist the resort development in establishing the required levels for the various building zones without the need to bring additional fill onto the site.

5.1 Stage I–Mobilisation

- Estimated Timeframe: 6 months

Mobilisation of the project will comprise essential project planning, identification of resource requirements and development of a framework within which the physical, technical and commercial components of the project will be managed.

5.2 Role of Construction Specialist in Mobilisation

Cocciardi Holdings will appoint an established construction management organisation with proven internationally competitive commercial and technical capabilities to provide the management of all major construction works required.

5.3 The Role of the Architect in Mobilisation

The role of the appointed architect will be to develop a Master Plan which meets design performance consistent with highest civil construction and engineering standards. The brief provided to the architect for development of the Master Plan will encompass the following features and characteristics:

5.3.1 Site Characteristics

The land comprises State and Native Leaseholds totalling 264.1883 hectares. The development site is irregular in shape with a beach frontage of approximately 2.2 kilometres (northern boundary), while the southern and western boundaries meander along the Nadi River for approximately 4 kilometres.

5.3.2 Hotel sites.

It is envisaged that 6-8 hotels will be sited with a total of approximately 20% of the Project site.

5.3.3 Retail/Services Precinct

It is envisaged that the development will require approximately 4 commercial lots (total 8 hectares) to cater for resident professional service providers and boutique retailers.

5.3.4 Domestic Dwelling Lots

Domestic dwelling lots will incorporate:

- (i) River views
- (ii) Lake frontage
- (iii) Beach frontage
- (iv) Marina
- (v) Inland
- (vi) Canal

It is envisaged that there will be between 600 and 750 prime house lots of various sizes depending on position and orientation.

5.3.5 Public and Recreational

Public and recreational areas including access tracks, waterways, pathways, public parking, and associated landscaping are expected to utilise approximately 25% of the Project site or 65 hectares in area.

The ratio of public and recreational land to developed land will be a high 1:3.

6. STAGE II: CIVIL AND ENGINEERING WORKS

- Timeframe: 12 - 18 months Estimated

This stage of the Project will broadly encompass the civil and related earthworks necessary to complete all major land works required for the project. The civil works will be developed in three separate areas thereby allowing early access to two hotel sites and a selection of ocean view residential blocks.

7. STAGE III: RESORT CONSTRUCTION

7.1 Scope of Resort Construction

The development of the Project encompasses all design and construction elements of the finished resort, including privately owned dwellings, hotels, conference/convention centres, entertainment, and other recreational tourist facilities. The construction will be completed in 3 stages covering three separate areas of the project site. Each stage will include a minimum of two hotels a number of residential sites along with some commercial and retail space. Marinas, public spaces will also be included and progressively rolled out in accordance with the master plan.

7.2 Optimisation of Tax Benefit

A key strategy in the completion of these stages will be to facilitate optimal tax and fiscal benefits available through the Fijian Government's tourism hotel development incentives schemes (previously "Short Life Investment Package" or SLIP). (Appendix 13)

7.3 Optimisation of BOOT Scheme.

All works associated with bringing services to the site including the access road, the bridge works and associated land works may qualify for the Fiji Governments **Build Own Operate Transfer** (Boot) scheme, whereby costs associated with this work can be fully reimbursed immediately the works are completed. These schemes are negotiated on a project by project basis with the Fiji Government so as to exactly meet the requirements of that particular project.

7.4 Utilisation of Building Information Modelling

The design, planning, construction and entire life cycle phases of the Project will be underpinned by the utilisation of Building Information Modeling (BIM). The benefits of a fully planned and coordinated approach to construction can significantly reduce timelines and costs. For this project it is expected that BIM will enable significant prefabrication and the adoption of a module-based approach to the construction of dwellings and resort facilities. Bulk purchasing of key elements such as doors, windows, kitchens, bathrooms, plumbing fittings, either prefabricated or partially assembled from local suppliers.

8. STAGE IV: FACILITY MANAGEMENT.

- Estimated Timeframe: Progressively developed throughout all stages.

A significant part of the construction of this resort is to develop, implement and manage a state of the art Facility Maintenance Management System. This system will be supported by data captive within the Building Information Model, that is, *all* data developed during the design and construction stages.

9. COMMUNITY BENEFITS OF THE DEVELOPMENT.

A key driving force behind the development from day one is the desire to see maximum flow through benefits to the local communities and to Fiji as a whole. The project will be focused on sourcing as much as is possible locally and developing Joint Ventures with local companies or if necessary establish new companies to meet the significant resources a project of this size demands.

Directly associated with the outcomes projected will be the following direct benefits:

- Community based training (**2 new Vocation centre's** built and fully staffed)
- Support for further localized projects:
 - Construction of **Surgical hospital (Minimum 40 beds)**
 - With free out patient facilities on adjacent site.
 - Establishment of Medical tourism facility to offset running costs.
 - Attract world class medical professionals.
 - Construction of **250 to 300 units Retirement Village** on adjacent site.
 - Construction of a **world class Convention Centre** on adjacent site.
 - Establish Fiji as a recognized Convention destination.
 - Significant increase in tax revenue from Convention Tourism.
 - Construction of an integrated multi use **Cultural and Heritage Centre.**
 - **2000 seat Venue** for performing arts of **Cultural significance.**
 - History section / Display specifically targeting **Fiji Culture.**
 - **Development of local support industries**
 - recycling and waste management
 - construction
 - hospitality
 - resort management
- **Localized sourcing of labor, materials and services**
 - During development/construction phase **2000+ Jobs.**
 - Ongoing
 - **5000** + permanent new jobs directly.
 - **5000** + secondary support jobs.
- Increased tourism revenue
- Significant investment in **6 – 8 new hotels**, marinas, commercial precincts.
- Considerable foreign residential investment in **600 – 750 homes.**
- Major infrastructure development throughout the area.
- Increased tax revenue from foreign residents and investors.
- Important technology and skills transfer-BIM to local support industries.

10. CONCLUSION

We are confident that the proposed Project at South Denarau Island represents significant benefits for all investors. It embraces:

- Achievement of optimal commercial outcomes utilising world class quality and superior design and construction methods;
- Completion in a time frame that is practicable and achievable and shorter than conventional building methods would achieve;
- Utilisation of technologies and disciplines that are demonstrably more efficient, less costly and take less time than conventional construction methods and disciplines;
- Engagement of reputable local and internationally competitive design and construction specialists to produce a resort with highest standards of economic sustainability;
- Conversion of an undeveloped property in South Denarau Island, valued in September 2009 at FJD 60 million (USD 32.5 million), into a resort and residential development worth significantly in excess of USD 500 million;
- Provision to equity holders of ongoing significant profit and potential post construction revenue streams generated by hotel lease revenues and licensed Maintenance Management;
- Highest level of support and assistance from the Government of Fiji.
- Maximum flow through benefits to the local community and Fiji as a whole.

I will be pleased to elaborate further on any aspect of this proposal and look forward to further discussions in the near future.

For and On Behalf of Cocciardi Holdings Pty Ltd

Peter Cocciardi
Managing Director