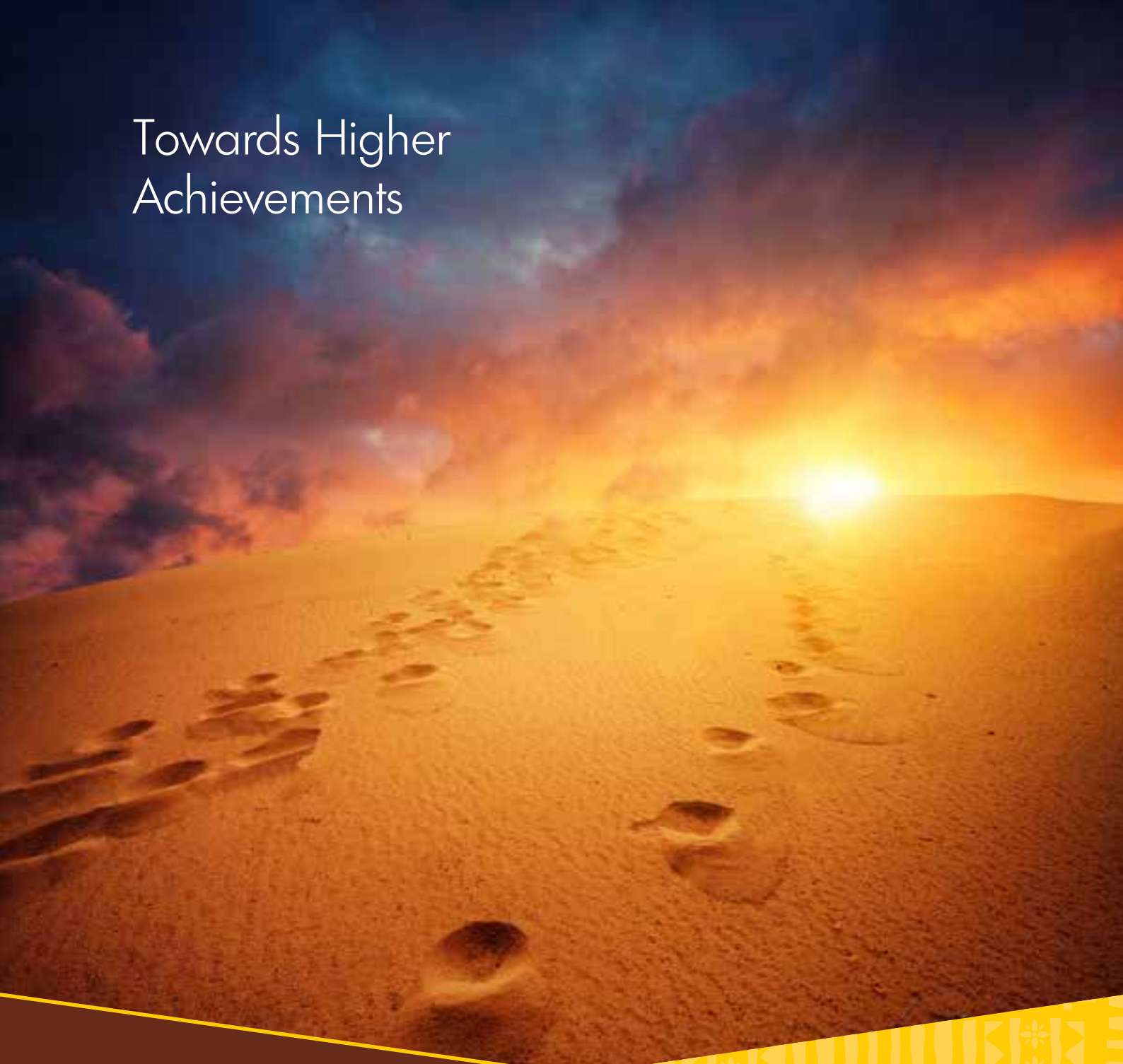


Towards Higher
Achievements



FIJIAN
HOLDINGS
LIMITED

ANNUAL REPORT 2019

FHL GROUP CORE VALUES

- Integrity in our dealings
- Innovative in our solutions
- Progressive in our culture
- Play together to win
- Grow our people

FHL GROUP CORE PURPOSE

“To accelerate the participation of iTaukei in the commercial sector and in doing so, enhance their socio-economic standing”

FHL GROUP VISION

“To be the most innovative investment Group in the South Pacific”

MISSION STATEMENT

The FHL Group is committed to the achievements of its mission statement as set out below:

- We will create sustainable and consistent value for our shareholders & stakeholders.
- We will strive to lead in all our chosen areas of business through creativity, innovation, passion and by putting our customers first at all times.
- We will maintain the highest standards of professional integrity, diligence, responsibility and care in carrying out all aspects of our business.
- We will actively promote the growth & development of our people to excel in business and fulfil their purpose in life.



NA UTO NI VAKABAUTA NI KABANI

- Dina ena neitou veiqaravi
- Wali ni leqa ena vakasama ni veisau vou
- Me toso tiko ga na itovo ni neitou veiqaravi
- Cakacaka vata me da qaqa
- Me tarai cake nai vakatagedegede ni rawa ka ni neitou tamata cakacaka

NA YAVUTU NI KABANI

Me vakusakusataka na nodra vakaitavitaki na iTaukei ena cicivaki bisinisi, vakadeitaka kina nodra bula vakavanua kei na bula vakabisinisi

NA RAI KI LIU NI FHL

“Me dau vakatubu i lavo levu taudua ena Pasifika”

YALAYALA ME VAKAVATUKANATAKI

Sa tu vakarau na Kabani Cokovata me tutaka na kena laurai na vatukana ni nona yalayala e koto oqo e ra:

- Keitou bulia ka cakacakataka na veika keitou vakavulica ena kabani me baleti ira na iTaukei ni sea kei ira era vakaitavi kina.
- Keitou na sasaga me tadolavi yani na vanua ni vakatubu bisinisi ena neitou vakaliuci ira keitou qaravi ira, ni tu vei keitou na kila ni veiqaravi, na vakasama titobu, na Loloma kei na gadrevi ni veisau.
- Keitou na maroroya ka bulataka na iTovo cecere ni veiqaravi ka kena yavu na dina, cakacaka vakadodonu kei na tuvaki, qaravi vinaka ni tavi ni veiqaravi.
- Keitou na tutaka vakaukauwa na nodra tuberi cake kei na nodra vakavulici na iTaukei me ra daunibisinisi vinaka ka tamusuki na vua ni nodra bula.



CONTENTS ULUTAGA

History of Fijian Holdings Limited Tauyavutaki ni Kabani	4	People & Leadership Sub-committee Report Tukutuku ni Komiti ka Qarava na Tamata Cakacaka	19
The Year in Review Na Raici Lesu ni Yabaki Vakailavo	5	Board of Directors Lewe ni Matabose	20
Financial Highlights Tukutuku Vakailavo	6	FHL Group Chief Executive Officer Liuliu ni Kabani Cokovata e FHL	22
Fijian Holdings Ltd Top 30 Shareholders Nai Matai ni 30 ni Taukei ni Sea Levu Taudua	8	FHL Group Management Team Manidia Liu ni Kabani Cokovata e FHL	23
Corporate Governance Statement Tukutuku ni Kena Cicivaki na Kabani	9	FHL Management Team Manidia Veiliutaki Liu e FHL	24
Corporate Social Responsibility Report Tukutuku ni Qaravi ni Bula Raraba	13	Chairman's Report Tukutuku ni Liuliu ni Matabose	25
Investment & Strategy Sub-Committee Report Tukutuku ni Komiti e Qarava na Vakatubuiyau	16	Group CEO's Report Tukutuku ni Liuliu ni Kabani Cokovata	30
Audit & Risk Sub-Committee Report Tukutuku ni Komiti ka Qarava na Ririko	17	Operational Report of Subsidiary Companies Tukutuku mai vei ira na Veikabani Cokovata	40
Board Nomination & Remuneration Committee Tukutuku ni Komiti ka Qarava na Veidigitaki kei nai Sau ni Dairekita	18	Operational Report of Associate Companies Kedra i Tukutuku na Kabani Veiwekani	52

HISTORY OF FIJIAN HOLDINGS TAUYAVUTAKI NI KABANI



RATU SUKUNA HOUSE

Fijian Holdings Limited (FHL) was incorporated in 1984 to fulfil the objectives of the leaders of the iTaukei people of Fiji, creating an entity that meaningfully represented itaukei in the business sector and ensured their meaningful participation in the Fijian economy.

FHL shareholders include provincial councils, the iTaukei Land Trust Board, the iTaukei Affairs Board, tikina and village groups, iTaukei co-operatives, individual iTaukei and family companies.

Its investments give the iTaukei significant shareholding in major companies thus helping to achieve the objective of bringing the iTaukei fully into the mainstream of Fiji's economy.

FHL has also broadened the scope of its training programme wherein young Fijians are prepared and groomed for business utilising the resources of its subsidiary companies.

FHL GROUP LEADERS

Group Chief Executive Officer/ Head of the Group

1987 – 2008	Sitiveni Weileilakeba
2008 – 2011	Sereana Qoro
2011 – to date	Nouzab Fareed

Group Chairman

1984 – 2006	Lyle Cupit
2006 - 2008	Josaia Mar
2008 – 2008	Robin Storck
2008 – 2011	Isoa Kaloumaira
2011 – 2011	Carl Cameron
2011 – 2016	Iowane Naiveli
2017 – to date	Adrian Sofield

E a tauyavu ena yabaki 1984 na kabani na Fijian Holdings Limited (FHL) ena vuku ni nodra gagadre na Turaga Bale kei Viti kei ira na lewenivanua iTaukei me vakatotolotaki na nodra vakaitavi ena bula raraba vakailavo ni vanua ko Viti.

Era taukei ni sea ena FHL na Matabose ni qele maroroi, na vei yasana, na Matabose ni veika Vakaitaukei, na i Soqosoqo ni vei tikina kei na koro, na soqosoqo cokovata ni veivoli ka nodra na iTaukei, o ira na iTaukei yadua kei ira na kabani taukeni vakavuvale.

Na nona vacurumi lavo ena voli sea na FHL ena veikabani lelevu eso, e mai rawa kina nai naki raraba ni kena vakayararataki na nodra vakaitavi na iTaukei ena bula vakabisinisi kei na bula vakailavo i viti.

E sa vakarabailevutaka tale ga na nona yavu ni veiqaravi me baleta na nodra vakavulici ka vakarautaki na gone iTaukei ena cicivaki ni bisinisi ka sa vakayagataki kina na i yau ni kabani e taukena ka cicivaka tiko na FHL.

The report provided our shareholders with highlights of the 2019 financial year. The year in review not only highlights our financial performance but also the market announcement made regarding significant activities that contributed to our positive results.

July 2018

- FHL takes advantage of the Government Initiative on Building Maintenance. FHL through its subsidiary company, FHL Properties Limited owns 3 buildings in the Suva City CBD, out of which Ratu Sukuna House will soon start its maintenance work which is estimated to cost little over \$1.2 million.
- FHL announced the recent portfolio restructuring within the FHL Group and acquiring 15.44% of New World Ltd (NWL) to become an associate company of Fijian Holdings Ltd.
- FHL announced the acquiring of Government Printer assets in partnership with Aitken Spence, the largest printing business in Sri Lanka who are the technical partners on this project.
- Fiji TV announced the signing of an exclusive agreement with Duco Events to air the fight between Dillian Whyte Vs Joseph Parker Live and Exclusive on Fiji One.

August 2018

- RB Patel Group Limited Chairman Mr. Iowane Naiveli announced the resignation of Mr. Kaliopate Tavola, as an independent director of the board.
- RB Patel Group Limited declared a Final Interim Dividend of 12 cents per share to be paid on 14th September 2018. This will bring the total dividend paid for the year to 17 cents per share. An increase of 6.3% over the last year.
- RB Patel Group Limited released its audited Financial Statements for year 2018.
- Fiji TV released its audited Financial Statements for year 2018, with a consolidated group net profit after tax recorded of \$819,248 in comparison to the net profit of \$575,134 for the previous year.
- FHL released its audited Financial Statements for the year 2018, with a 15% growth in its pretax profit for 12 months ending 30th June 2018.
- FHL Group announced the early adoption of New International Financial Reporting Standards (IFRS) No. 9, 15 and 16.
- Fiji TV declared first Interim Dividend for the financial year 2019, with a total outlay of \$422,300 to be paid out to its shareholders.

September 2018

- Fiji TV announced that it has signed an exclusive agreement with World Wrestling Entertainment, Inc. (WWE) to broadcast weekly Raw and Smackdown on its Free to air channel (Fiji One).
- FHL advised its stakeholders that preliminary work on the site of the 17 story FHL Tower is expected to commence on the 10th of September 2018 with the ground breaking ceremony marked later during the month of September 2018.
- FHL advised its shareholders that the Annual General Meeting has been postponed to 27th November 2018.
- FHL declared an Interim Dividend for the year to 12.2 cents per share. More than 1,200 shareholders of FHL received \$3.717 million in dividend on 23rd October 2018.
- Fiji TV announced its 24th Annual General Meeting of the shareholders held on Thursday, 18th October 2018 at Room 2&3, Tanoa Plaza Hotel at 3.30pm.

October 2018

- RBG launched its Annual Report 2018
- RBG announced the Annual General Meeting for shareholders which was held on Wednesday the 24th of October 2018 commencing at 4.30pm.
- Fiji TV launched its Annual Report 2018
- Fiji TV announced the unanimously approval of the AGM resolution which included the re-appointment of Ajai Punja and Nouzab Fareed as Directors of the Company on Thursday, 18th October 2018.
- RBG announced the unanimous approval of the AGM resolution which included the re-appointment of Nouzab Fareed and Malakai Naiyaga as Directors of the Company on Wednesday, 24th October 2018.
- FHL launched its Annual Report 2018

November 2018

- FHL announced the Thirty Third Annual General Meeting of the Shareholders held on Tuesday, 27th November 2018 at the Lali Room, Holiday Inn

commencing at 12.00pm.

- FHL recorded a growth in profit after tax of 7% for the three months ending 30th September, 2018. The Group's post-tax profit for three months stood at \$6.8m compared to \$6.4m achieved in the same period last year.
- Fiji TV informed the general public of the fake Facebook account appropriating their image and content. The matter has been immediately reported to Facebook as well as the relevant authorities.
- Fiji TV announced that it has secured the rights to broadcast the LIVE coverage of the 2018/19 HSBC Sevens World Series on its Free to Air Channel: Fiji One.
- FHL confirmed the 2018 AGM Resolution in accordance to the SPX Listing Rules Section 6.21, which was passed without objection at the AGM held on the 27th of November at 12pm at the Lali Room, Holiday Inn.
- Fiji TV announced the signing of an agreement with Cricket Australia to be the exclusive free-to-air broadcast for the KFC Big Bash Cricket League.
- FHL announced the AGM Presentation to Shareholders on the 27th November, 2018

December 2018

- Fiji TV announced the appointment of Ms. Takena Alexander as the new Company Secretary to be effected immediately.
- Fiji TV announced that it has signed an exclusive agreement with International Management Group, (IMG) to broadcast World Sevens on its Free to air channel (Fiji One).
- Fiji TV announced that it has signed an exclusive agreement with Duco Events to air the fight between Joseph Parker and Flores, Live and Exclusive on Fiji One.
- Fiji TV congratulated Vocal Battle Season 1 Winner, Ms. Jedidiah Tuinasavusavu from Nadi
- FHL Group was pleased to announce the approval of share split of 30,464,650 shares to a ratio of 1:10, which is 10 shares for each existing share.
- FHL advised the shareholders that FHL Stockbrokers (FHLs) had been relocated to a new office space at Shop 1A & 1B, Level 1, Vanua House, 77 Victoria Parade, Suva effective 24th December 2018.
- FHL announced the approval of additional 20,000,000 B Class shares to be listed on the South Pacific Stock Exchange (SPX).
- Blue Lagoon Cruises (BLC) announced the Sale of Mystique Princess to local company. The vessel was for sale since 2012.

January 2019

- Fiji TV announced the signing of the Exclusive Agreement with Coral Organizing Committee to broadcast 2019 Coral Coast Sevens on its Free to air channel (Fiji One).
- Fiji TV announced that the signing of an exclusive agreement with Vanuaso Organizing was to broadcast 2019 Vanuaso Sevens on its Free to air channel (Fiji One).
- FHL had acquired the business assets of government printer and stationary department.
- RBG declared an interim dividend of 6 cents per share to its shareholders. An increase of 20% over the last year.
- RBG also released its 6 months unaudited accounts ending 31 December 2018 with post tax profit of \$4.06 million compared to last year's result of \$3.49 million.

February 2019

- FHL recorded a 22% growth for 6 months ending 31 December 2018. The Group recorded a pre-tax profit of \$25.59 million for the 6 months compared to \$20.91 million in the same period last year.
- Fiji TV announced that it has declared the second interim dividend of \$0.04 per share with a total outlay of \$412,000 to its shareholders for the financial year 2019.
- Fiji TV announced financial results for the 6 months ending 31 December 2018, with a net profit after tax of \$692k compared to a net profit of \$756k recorded for the same period last year.
- Fiji TV announced the signing of an exclusive agreement with Fiji Fashion Week Ltd to broadcast Fiji Fashion Week 2019 on its Free to air

channel (Fiji One).

March 2019

- Fiji TV announced the signing of an exclusive agreement with Sabeto Racing Event to broadcast the 2019 Sabeto Horse Racing event on its Free to air channel (Fiji One).
- FHL appointed Mr. Yogesh Karan as Deputy Chairman to its Board. Mr. Karan is currently the Permanent Secretary to the office of Prime Minister and was appointed as a FHL Director representing "A" shareholder on 21st March 2017.
- FHL appointed Col. Sakiusa Raivoce as the Chairman for South Sea Cruises PTE Ltd (SSCL). As per FHL Group policy, most directors are rotated within the subsidiaries every three to four years. Prior to this, Col Raivoce was the Chairman for Basic Industries Pte Ltd and FHL Properties Pte Ltd.
- RBG announced the appointments of Ratu Aisea Vosailagi as the new Chairman of the company and Mr Michael Nacola, Mr Kavin Rathod and Ms Sereana Matakibau as directors. The Board also accepted resignations of Ms. Litiana Loabuka, Mr Malakai Naiyaga and Mr Naiveli.
- FHL declared an interim dividend of \$3,747 million based on the group performance for the six months ending 31 December 2018. Accordingly, more than 1,200 shareholders received their dividend on 29th April, 2019.

April 2019

- Fans of Fiji will enjoy comprehensive free-to-air coverage of Rugby World Cup 2019 TM after World Rugby announced Fiji TV as a rights- holding broadcaster.
- FHL appointed Ms. Litiana Loabuka as the Chairperson for FHL Properties Pte Ltd (FHLPP). Ms. Loabuka was an independent Board member for RB Patel Group Ltd and was elected to the FHL Board at the Annual General meeting of 2018.
- Fiji TV announced that it has signed an exclusive agreement with Augusta National Golf Club to be Fiji's Official Television Broadcaster of 2019 US Masters Golf.
- Fiji TV announced the agreement with Fiji Secondary Schools Athletics Association to broadcast the 2019 Coca Cola Games on its Free to air channel (Fiji One) and Fiji TV Streaming Channel.
- Fiji TV apologized for an incorrect news that ran in its Midday Bulletin on Monday the 22nd of April concerning the Fiji Government and Fiji Bus Operators Association and the bus fare structure.
- Fiji TV announced that it has signed an exclusive agreement with International Management Group (IMG) to be Fiji's Official Broadcaster of 2019 Championship Golf.
- FHL recorded a 12% growth in post-tax profit for nine months ended 31 March 2019. The pre-tax profit for nine months stood at \$27.5m compared to \$21.7m achieved in the same period last year.

May 2019

- Fiji TV announced that it has signed an exclusive agreement with Fiji National Schools Swimming Association to broadcast Fiji National Schools Championship 2019 on its Free to air channel (Fiji One).
- Fiji TV announced the appointment of Ms. Gurmindar Kaur Singh as an Independent Director.
- Fiji TV announced the resignation of Mr. Robert Lyon as the Chairman of the Board effective from 7th May 2019.
- Fiji TV announced that it has signed an Exclusive Memorandum of Agreement with Fiji Commerce & Employers Federation as Media Partner for the 2019 TOP Executive Conference.
- FHL announced the resignation of Mr. Robert Lyon as a Director of its board. Mr. Lyon was elected to the FHL Board in 2016 as a Director representing the B Class Shareholders.

June 2019

- Fiji TV announced that it has signed an agreement with Digece (PNG) Limited to broadcast the 3 State of Origin matches and 2 Pacific International Rugby League Test Matches on its Free to Air Channel Fiji One.

FINANCIAL HIGHLIGHTS

USUTU NI RAWA KA

Tourism	55,500,000	15.3%
Finance	58,087,000	16.0%
Retailing	114,126,000	31.4%
Media	45,004,000	12.4%
Building & Construction	40,600,000	11.2%
Manufacturing	14,965,000	4.1%
Properties	30,395,000	8.4%
Printery	4,500,000	1.2%
	363,177,000	100.0%

Tourism
Tabana
ni Sara
Vanua



Finance
Tabana ni
Soli Lavo
Dinau
Cakacaka



YEAR END 30 JUNE	HOLDING COMPANY			GROUP		
	2019	2018	Change %	2019	2018	Change %
Operating Results						
Total Revenue (\$, '000)	30,869	28,142	10%	330,758	311,486	6%
EBITDA (\$, '000)	27,191	24,800	10%	65,864	62,762	5%
EBIT (\$, '000)	26,968	24,603	10%	50,197	48,022	5%
NPBT (\$, '000)	25,464	23,385	9%	45,441	42,994	6%
NPAT (\$, '000)	25,384	23,298	9%	36,686	35,709	3%
Operating Ratios						
EBIT / Total Revenue [%]	87%	87%	0%	15%	15%	-0.2%
EBITDA / Total Revenue [%]	88%	88%	0%	20%	20%	-0.2%
NPAT / Total Revenue [%]	82%	83%	-1%	11%	11%	-0.4%
Financial Position						
Total Assets (\$, '000)	396,258	334,565	18%	640,960	572,245	12%
Total Liabilities (\$, '000)	38,085	39,066	-3%	330,977	294,269	12%
Financial Position Ratios						
Gearing [%]	10%	12%	-2%	52%	51%	0%
Net Debt to Equity [%]	11%	13%	-3%	107%	106%	1%
EBIT interest cover [times]	17.0	18.9	-10%	3.7	3.9	-5%
Cash Flows						
Net cash from operating (\$, '000)	11,147	10,059	11%	24,011	40,322	-40%
Purchases of Investments (\$, '000)	4,511	-	-	-	-	-
Shares						
Earnings per share (EPS) [CENTS]	9	8	14%	12	12	3%
Dividends per share [CENTS]	2.45	2.44	0%	-	-	-
Net Tangible Asset per share	1.18	0.97	21%	0.82	0.71	15%
Key Measures						
Return on Net Assets [%]	7.1%	7.9%	-0.8%	11.8%	12.8%	-1%

FINANCIAL HIGHLIGHTS

USUTU NI RAWA KA

Retailing
Tabana
Ni Veivoli



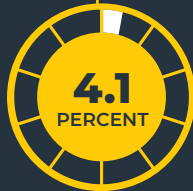
Media
Tabana
ni Vakau i
Tukutuku



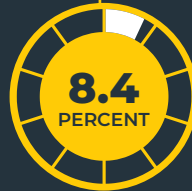
Building &
Construction
Tabana Ni
Tara Vale



Manufacturing
Tabana Ni Buli
Yaya



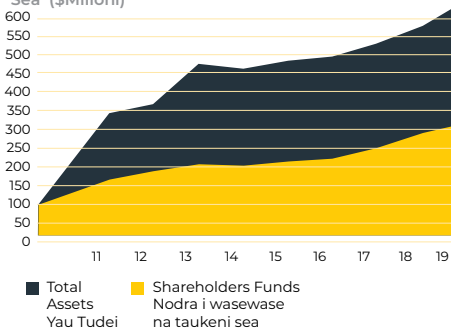
Properties
Tabana ni Voli
Vale ni Cakacaka



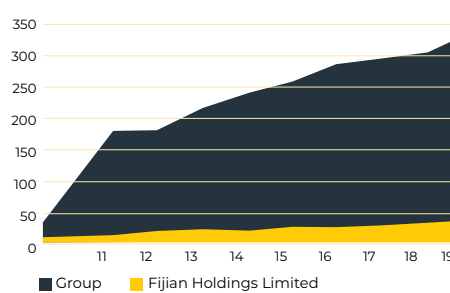
Printery
Tabana
Ni Taba i
Vola



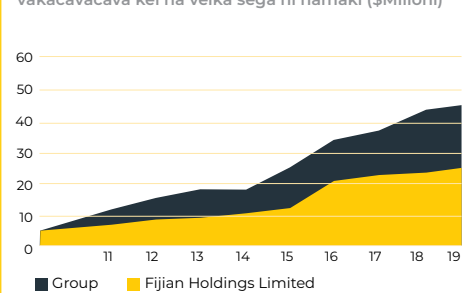
Total Group Assets and Shareholders Funds (\$M)
Yau Tudei kei na Nodra i Wasewase na Taukeni
Sea (\$Milioni)



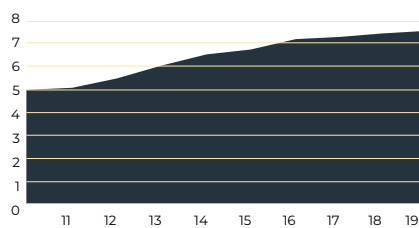
Operating Revenue (\$M)
Lavo e rawa ena volivolitaki (\$Milioni)



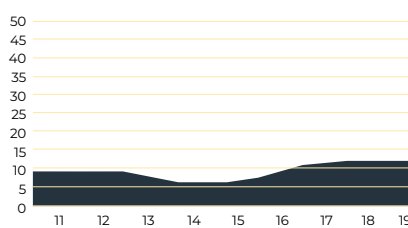
Profit Before Tax (\$M)
Tubu ni kabani ni se bera ni musuki nai
vakacavacava kei na veika sega ni namaki (\$Milioni)



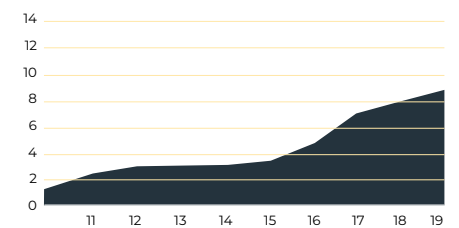
Dividend Payments (\$M)
Tubu ni lavo e wasei (\$Milioni)



FHL Return on Investment (% - at cost)
Tubu ni lavo e rawa



FHL Earnings per Share (cents)



FIJIAN HOLDINGS LIMITED TOP 30 SHAREHOLDERS

NAI MATAI NI 30 NI TAUKEI NI SEA LEVU TAUDUA

Shareholder Name	No. Of Shares	Total % Holdings
I TAUKEI AFFAIRS BOARD	107,800,400	35.39
I TAUKEI TRUST FUND BOARD	100,000,000	32.82
ITAUKEI LAND TRUST BOARD	8,596,660	2.82
CAKAUDROVE PROVINCIAL HOLDINGS COMPANY LIMITED	3,001,521	0.99
RATU SIR K MARA EDUCATION TRUST FUND	3,000,000	0.98
CICIA PLANTATION COOPERATIVE SOCIETY LTD	3,000,000	0.98
TAILEVU DAIRY FARMERS COOPERATIVE ASSOCIATION LTD	2,200,000	0.72
MACUATA PROVINCIAL COUNCIL	2,109,940	0.69
VANUA KO LOVONI INVESTMENT LTD	1,798,050	0.59
BUA PROVINCIAL COUNCIL	1,623,570	0.53
DUAVATA HOLDINGS LTD	1,410,000	0.46
SAKIUSA & ANASEINI RAIVOCE	1,322,107	0.43
SERUA PROVINCIAL COUNCIL	1,166,860	0.38
ITAUKEI LAND TRUST BOARD ATF MATAQALI SERAU, NABITI, DREKETI, MACUATA	1,147,361	0.38
MUALEVU KORO INVESTMENT LTD	1,087,540	0.36
LOMATI VILLAGE INVESTMENT LTD	1,023,019	0.34
KADAVU PROVINCIAL COUNCIL	1,016,878	0.33
MOALA TIKINA COUNCIL	1,010,050	0.33
DOGOTUKI TIKINA COUNCIL	1,000,000	0.33
MAVANA INVESTMENT LTD	1,000,000	0.33
MUNIA HOLDINGS LTD	1,000,000	0.33
NABUKEBUKE HOLDINGS LTD	1,000,000	0.33
NAQARANI HOLDINGS LTD	1,000,000	0.33
NASOQO FARMING ENTERPRISES LTD	1,000,000	0.33
KIRI VEREWALE RICHMOND	1,000,000	0.33
VATULELE ISLAND HOLDINGS LTD	979,900	0.32
REWA PROVINCIAL COUNCIL	936,010	0.31
VUKICEA INVESTMENTS LTD	900,000	0.30
MATAQALI NATABUTALE	847,430	0.28
ISIRELI & SALOTE DUGU	820,040	0.27
NADROGA/NAVOSA PROVINCIAL COUNCIL	817,020	0.27
NAITASIRI PROVINCIAL INVESTMENTS	796,870	0.26
INOKE & TIKO FATAFEHI LUVENI	722,630	0.24
TUKULA HOLDINGS LTD	700,000	0.23
MATAQALI NACOKOCOKOBALAVU	685,815	0.23
LAU PROVINCIAL COUNCIL	685,340	0.22
BARAVI & ASSOCIATES LTD	652,052	0.21
TOTALS:	258,857,063	84.97



CORPORATE GOVERNANCE STATEMENT

**TUKUTUKU NI KENA
CICIVAKI NA KABANI**

“

FIJIAN HOLDINGS LIMITED SUPPORTS THE RESERVE BANK OF FIJI'S CORPORATE GOVERNANCE CODE FOR CAPITAL MARKETS. WE ARE COMMITTED TO DELIVERING BEST PRACTICE IN CORPORATE GOVERNANCE AND TRANSPARENCY IN REPORTING. DURING THE REPORTING PERIOD, FIJIAN HOLDINGS LIMITED HAS BEEN COMPLIANT WITH ALL RBF GUIDELINES.

”



Adrian Sofield	Appointed Chairman 2017
Sakiusa Raiwoce	Appointed 2013
Ratu Aisea Waka Vosailagi	Appointed 2015
Sanjit Patel	Appointed 2016
Anthony Whitton	Appointed 2016
Yogesh Karan	Appointed 2017
Kalpana Lal	Appointed 2018
Litiana Loabuka	Appointed 2018

Director's Independence

As required under the Board Charter, the Board comprises of a majority of independent non-executive Directors. As per the Company's Article 78, six of the nine board directors are appointed by the Minister of Indigenous Affairs in consultation with the Prime Minister.

According to the Charter, a non-executive Director is independent as he or she is not a member of management and is free of any business or other relationship that could materially interfere with the independent exercise of their judgment. All Directors are independent Directors with no substantial interest in the shares or Group business.

Board Sub-Committees

The Board carries out a number of the following duties and responsibilities through specific Board Sub-Committees:

- Audit and Risk Committee inclusive of Compliance
- People and Leadership Committee
- Investment and Strategy Committee
- Board Nomination and Remuneration Committee.

The Charter of each Board Sub Committee sets out the respective duties and responsibilities of that particular Committee. Each sub Committee is entitled to the resources and information it requires, including direct access to employees and advisers. All FHL Directors are informed of the Board Sub Committee meetings and deliberation through the Sub Committee reports at FHL board meetings.

Independent Advice

The Board, an individual Director or a Sub Committee, may engage an independent external adviser in relation to any Board matter, at the expense of the Company. Before the external

Principle 1

Establish clear Responsibilities for Board Oversight

Board of Directors

The FHL Board is responsible for the overall corporate governance of the Company. The Board Charter sets out the following objectives of the Board:

- To provide strategic guidance for the Company and effective oversight of management.
- To optimise Company performance and shareholder value within a framework of appropriate risk assessment and management.
- To recognise the Company's legal and other obligations to all legitimate stakeholders.

The Board Charter specifies the Board's responsibilities towards the achievement of these objectives as being:

- Oversight of the Company, including its control and accountability systems.
- Appointment and removal of the Group Chief Executive Officer in line with Company Articles of Association.
- Ratifying the appointment of members of FHL's Senior Management Team, approving of their terms of engagement.

- Providing input into the final approval of the corporate strategy plan, performance objectives and monitoring performance against those plans.
- Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliances.
- Protecting the Company's financial position and its ability to meet debts and other obligations as they fall due.
- Ensuring that the Company's financial comply with the relevant accounting standards and present a true and fair view.

The Board has delegated the responsibility of operating and administering to the Group Chief Executive Officer, who is accountable to the Board for the performance of these duties.

Principle 2

Constitute an Effective Board

FHL's Articles specifies that the number of Directors may be not less than the number required by the Companies Act (currently three), nor more than nine (or such number within the range as the Board may determine from time to time).

The Board currently comprises of nine Directors.

advice is sought, consent needs to be obtained from the Chairperson of the Board.

Directors' Training

Director Induction is a formal process whereby the Group CEO and the management team present a comprehensive corporate profile of the organization. It is necessary for all incoming directors to attend the induction programme. In addition, as and when required, workshops are organized with external consultants.

Principle 3

Appointment of a Group Chief Executive Officer

Directors are expected to exercise due diligence in appointing the Group Chief Executive Officer or the officer-in-charge. This role is vested in the office of the Board of Fijian Holdings Ltd. The qualification and criteria of the Group CEO shall be at the discretion of the HR Committee in consultation with the Board. Total remuneration package for the Group CEO should be the final decision of the Board. The remuneration has been structured to reward corporate and individual performances.

Principle 4

Board and Company Secretary

FHL, as a public listed company, has appointed a suitably qualified and competent board secretary. The Company Secretary is the administrative link between the Board and the Management and is responsible for ensuring compliance to Company activities. In this capacity, he/she ensures that the statutory requirements, board policy and procedures are followed and co-ordinates the timely completion and dispatch of board agenda and briefing material. The secretary is responsible for ensuring the board has proper and detailed minutes where records on major decisions of the Board are made. All directors have direct access to the company secretary. The company secretary is accountable to the board, through the chair, on all governance issues. The appointment and removal of the company secretary should be a matter for decision by the Board as a whole. At present, the Company Secretary for FHL is Sitiveni Koya.

Principle 5

Timely and Balanced Disclosure

Fijian Holdings complies with its disclosure obligations under the SPX

Listing Rules and the Companies Act, and has in place well-developed procedures for dealing with compliance. Fijian Holdings has a Disclosure Policy that sets out the procedures and requirements expected of all employees of the Company, including Directors, executive officers and senior executives.

Principle 6

Promote Ethical and Responsible Decision Making

Fijian Holdings Ltd recognises that its reputation is one of its valuable assets, and is founded largely on the ethical behaviour of the people who represent the Group. The Board has approved a Code of Conduct that sets out the principles for ethical behaviour by all Group personnel. This ethical framework provides the foundation for maintaining and enhancing FHL's reputation. FHL's Code of Conduct therefore commits its Directors, employees, contractors and consultants to not only comply with the law, but to conduct business in accordance with the highest ethical conduct, so we:

- Conduct business with integrity, honesty, and fairness;
- Value and respect diversity in a workplace in which no one is discriminated against on the basis of gender, age, race, religion, sexual orientation or marital status; and
- Exercise high ethical conduct in observing the spirit and letter of our legal obligations.

Any breach of the Code of Conduct is a serious matter that may give rise to disciplinary action, including dismissal and legal action.

In accordance with FHL's Whistle-blower Policy, employees who are aware of any matter or behaviour that may contravene the Code of conduct, FHL's policies or the law are encouraged to:

- Take the matter up with their immediate supervisor or manager;
- Report the matter to their Human Resources Manager, a more senior manager or the Company Secretary

The Whistle-blower Policy provides that all reports will be thoroughly investigated, and that, where applicable, feedback on the outcome of the investigation will be provided to the person making the report. Any person making the report will not be discriminated against or

disadvantaged in their employment with the Group simply for making the report.

Business Dealings with the Company and conflicts of interest

The Company has procedures in place for the reporting of any matter which may give rise to a conflict between the interest of a Director and those of the Company. Employees are required annually to disclose arrangements where a potential conflict may arise. A register of interest so declared is maintained by the Company Secretary. When a potential conflict of interest arises, employees must advise the Company Secretary and their immediate supervisor. A decision is then made as to whether the reported activities may continue. When the Board is considering a matter in which a Director has a material personal interest – the said Director may not be present during the Board or Board Committee discussions nor vote on the matter unless permitted under specific circumstances in accordance with the Corporations Act.

Political Donations

Fijian Holdings also has in place a policy prohibiting donations, whether in cash or kind, to any political party or organization, politician or candidate for public office in any country in which it operates.

External Directorships

Key executives are permitted to hold limited non-executive directorship of an external public company, depending on the particular circumstances, but only on the recommendation of the Group Chief Executive Officer, for approval by the Board. The Group CEO is permitted to hold a limited non-executive directorship of an external public Company with the approval of the Board. Such a public Company must not be a competitor, supplier or customer of the Group, nor can the directorship create an actual or potential conflict of interest with the Group's business activities.

Corporate Sustainability

Fijian Holdings adopts an integrated approach to corporate sustainability. The Group is committed to continuously improving its business practices to maximise positive and minimise negative social, environmental and economic impacts. This enhances employee engagement and retention, supports corporate reputation, manages risk and protects the social license to operate.

Principle 7

Register of Interest

The Board has ensured that all conflicts of interest are disclosed and formally recorded. Conflicts of interest arise in a related party transaction, which is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to exercise significant influence over the other party in making financial or operating decisions.

In declaring a conflict of interest, the Director should abstain from voting or participating in the decision-making on that matter. In addition to Directors, members of the senior management team are required to declare all conflicts of interest.

Principle 8

Respect the Rights of the Shareholder

The Shareholder Communication Policy of the Company encourages and promotes effective communication with shareholders and effective participation at General Meetings. Fijian Holdings frequently examines how best to take advantage of technology to enhance shareholders communications and how to use General Meetings to enhance a two-way communication. Fijian Holdings maintains an up-to-date website to compliment the official release of information to the market.

The external auditor attends the Annual General Meeting and is available to answer shareholders questions about:

- The conduct of Audit;
- The preparation and content of the auditor's report;
- The accounting policies adopted by the Company in relation to the preparation of the financial statements and
- The independence of the auditor in relation to the conduct of the audit.

FHL also conducts a half-day training session for all shareholders on the day of the Annual General Meeting. This training programme is conducted by internal and external experts on various business topics; including the performance of all FHL subsidiaries and related investments.

Principle 9

Accountability and Audit

The Audit and Risk Sub Committee consists entirely of independent non executive Directors. The Committee meets as required, normally at least four times per year. The Chairman of FHL is not a member of the Audit Committee. The Committee's role is to assist the Board to independently verify and safeguard the integrity of the Company's financial reporting and internal control processes. The Committee's primary responsibilities are to assess whether the Company's external reporting is legally compliant, consistent with Committee members information and knowledge, and suitable for shareholder needs.

Principle 10

Recognise and Manage Risk

The Board has approved a Risk and Assurance Framework and supporting processes to oversee and manage risk. Fijian Holdings Risk and Assurance Framework is founded on a clear risk management philosophy and accountabilities driven by governance and operation. The Framework describes FHL's risk and assurance systems and the supporting management disciplines in place to bring this system to life. It explains the philosophy and structure required to recognise business improvement opportunities through the management of risk.

The Framework is action-oriented and requires people to focus on the right things, prepare active action plans and to be held accountable for their actions. The Framework acknowledges that all employees have a role in managing risk and in particular, they are encouraged to report incidents, hazards and risk without fear. At FHL, the management of risk is not treated as an integrated ingredient in the way employees work.

Internal audit monitors the internal control framework Group wide. The Audit Committee approves the annual internal audit plan with respect to operational aspects, reviews reports and agreed actions, and ensures planned audit activities are aligned to business risks.

Principle 11

Evaluation of Board Performance

Evaluation of Board Performance ensures that individual directors and the Board as a whole work efficiently and effectively in achieving their functions. Each year, the Board undertakes the following reviews:

- The Chairperson meets non-executive directors separately to discuss individual performance and ideas for improvement.
- The performance of the Chairperson is reviewed and assessed each year by the other Directors.
- The Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement in achieving a better balance between monitoring past performance and debating the future directions of the business.

Principle 12

Securities Trading Policy

The Company has established a policy that imposes certain restrictions on directors, senior management and other employee trading in the Company's securities. The policy has been adopted to prevent trading in breach of the insider trading rules in particular, when Company personnel are in possession of price-sensitive information.

Directors and Senior Officers are not permitted to take advantage of any information that is not available to shareholders and the market. There is no constraining time limit for the purchase of shares. All share dealings by these officers are to be advised to the Company Secretary.

Principle 13

Insolvency- Directors Duties

Generally, Director's primary duty is to the shareholders. However, if the Company is insolvent, or there is a real risk of insolvency, Directors duties expand to include creditors (including employees with outstanding entitlements) such as:

- The duty to exercise powers and duties with the care and diligence that a reasonable person would have which includes taking steps to ensure the financial position of the Company is properly informed and ensuring the Company doesn't trade if it is insolvent;
- The duty to exercise powers and duties in good faith in the best interests of the Company and for a proper purpose;
- The duty not to improperly use position to gain a personal advantage or to cause detriment to the Company.



**CORPORATE SOCIAL
RESPONSIBILITY**
TUKUTUKU NI QARAVI
NI BULA RARABA

“

*“TOWARDS HIGHER ACHIEVEMENTS”
IS A TRUE REFLECTION OF OUR
COMMUNITY RESILIENCE OF ENGAGEMENT
AND SHARING WITH THOSE COMMUNITIES
THE SUCCESS OF FHL.*

”



We integrate corporate social responsibility (CSR) into all our business activities with the belief that success is measured by more than just financial results. The key approach of our CSR includes considering how our products can build a more robust society, reducing the impact on environment and supporting our shareholders and the community that the Company serves.

Throughout the year, FHL participated in a number of events that add to the enhancement of the community within the FHL Group.

Communication with Stakeholders

We believe that the success of FHL is dependent on our ability to build on trusted relationships with our stakeholders which include customers, government, communities and employees. We continuously strive to ensure that through fair, transparent and appropriate methods, we release information which will help them make sound investment decisions.

Community Involvement

FHL is focused on strengthening the communities in which we live and also help to make the economy a better place to be in. With assistance from the staff, the Group engage with the community to provide assistance in whichever way possible.

Blood Drive

This year we took part once again in the life saving initiative of donating blood. This was held in partnership with the National Blood Services which saw staff from the Group with its directors donating for a good cause.

Donations

FHL and its subsidiary companies continue to assist requests for donation from recognized organizations mainly focusing on education and health services.

FHL in partnership with APCO was able to provide approximately 450 ltrs of paint to Baulevu Secondary School for the painting of the interior of their classrooms. This will help create a more exciting environment of learning for the students.

FHL also with its subsidiary company, Standard Concrete was able to assist Twomey Hospital, Tamavua with their request for cement blocks to complete their walkway as well as their drying area. This assisted the nurses with moving the patients that were on wheel chairs within the hospital compound.

Employee Involvement

The FHL Group employs more than 3,000 staff. These employees are the most valuable asset and we support and reward their efforts in the workplace as well in the community. They are the most critical factor to FHL's success. We value the ideas and skills provided by individual staff as it is essential to the continuous success of the Group.

Professional Training

We continue to push our employees to further their professional training in the different field they work in. Management staff are given the opportunity to attend FIA Congress, FHRI, AICD, CPA and TOPEX conferences as well as completing the CPA and MBA certifications.

Social Activities

Every year we host an annual sports day with the objective of promoting team work as well as creating a fun filled environment for the staff and their families. This event sees staff and families from the West and North combine to enjoy a fun filled day of sports. FHL directors are also present on this day to meet with employees and also create a more comfortable working environment.

FHL theme for the current year "Towards higher achievements" is a true reflection of our community resilience of engagement and sharing with those communities the success of FHL.



INVESTMENT AND STRATEGY SUB COMMITTEE

TUKUTUKU NI KOMITI KA QARAVA NA VAKATUBUILAVO



The Investment and Strategy Sub-Committee is responsible for assisting the Board in fulfilling its oversight responsibility for the investment and strategic goals of the Company.

It is also responsible for formulating the overall investment policies, and establishing investment guidelines in furtherance of those policies. The Committee monitors the management of the portfolio for compliance with the investment policies and guidelines and for meeting performance objectives over time.

The members of the Investment and Strategy Sub-Committee are appointed by the Board of Directors from amongst the Directors of the Company and consist of four board members of which all are existing committee members and are Directors. In addition to these members, Group CEO and members of Senior Management Team attends the committee meetings.

Meeting of the Investment and Strategy Sub-Committee are held at least once a year. In the year under review, the Sub-Committee met three times.

COMMITTEE MEMBERS

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Yogesh Karan	Chairman	Appointed 12/2/19	3	-
Ratu Aisea Vosailagi	Director	Appointed 12/2/19	3	-
Sakiusa Raivoce	Director	Appointed 12/2/19	3	1
Kalpana Lal	Director	Appointed 12/2/19	3	1
Robert Lyon	Chairman	Resigned 12/2/19	3	1
Adrian Sofield	Member	Resigned 12/2/19	3	2
Sanjit Patel	Member	Resigned 12/2/19	3	2
Iowane Naiveli	Member	Resigned 12/2/19	3	-

During the year, the Investment & Strategy Sub-Committee received reports and held discussions with Management on the proposed and current investments. The Committee has also reviewed proposals parallel to its investment policy guidelines and strategic framework. These included:

- Current investment projects
- Long term investment projects
- Declined projects
- Proposed acquisitions
- Discussion on the strategic way forward for the Group in terms of acquisitions, divestment and mergers.



AUDIT & RISK SUB-COMMITTEE KOMITI KA QARAVA NA RIRIKO

The Audit & Risk Sub-Committee is responsible for ensuring that the company's internal controls are properly functioning as well as managing the external audit process of the company. The Sub-Committee bases most of its work on the internal audit reports issued by the Internal Audit Department Team of FHL and management letters (client service report) issued by the External Auditors.

The members of the Audit & Risk Sub-Committee are appointed by the FHL Board of Directors from amongst the Directors of the Company and consist of two board members of which all are existing committee members and are directors. The Group CEO and members of the Senior Management Team also attend the committee meetings to ensure that proper control and appropriate risk management are maintained by the Group subsidiaries.

Meeting of the Audit & Risk Sub-Committee are held once every quarter, however, frequent meetings may be called if necessary. In the year under review the committee met four times.

COMMITTEE MEMBERS

Name	Capacity	Status	No of Meetings Held	No of Meetings Attended
Litiana Loabuka	Chairman Person	Appointed- 12/2/19	4	2
Sangeeta Bikha	Member	Appointed- 12/2/19	4	2
Kavin Rathod	Member	Appointed- 12/2/19	4	1
Roy Singh	Member	Appointed- 12/2/19	4	2
Gyaneshwar Prasad	Member	Existing	4	1
Ratu Aisea Waka Vosailagi	Director	Resigned- 12/2/19	4	0
Isikeli Tikoduadua	Director	Resigned- 12/2/19	4	2
Sunil Sharma	Director	Resigned- 12/2/19	4	2

During the year, the Audit Sub-Committee received reports from Internal and External Auditors and held discussions with management and the Auditors involved. The Sub-Committee has also reviewed:

- The reliability and integrity of financial and operating information
- The system established to ensure compliance with those policies, plans, procedure, laws and regulations which could have a significant impact on operations and reports, and should determine whether the organization is in compliance
- The means of safeguarding assets and as appropriate, verifying the existence of such assets
- Reviewing projects or programs to ascertain whether results are consistent with established objective and goals, and whether the projects or programs are being carried out as planned reporting of any material misuse of funds, misappropriation or acts of fraud.

BOARD NOMINATION & REMUNERATION SUB-COMMITTEE

KOMITI KA QARAVA NA VEIDIGITAKI KEI NAI SAU NI DAIREKITA



The Board Nomination & Remuneration Sub-Committee is a committee of the Fijian Holdings Ltd Board ('FHL Board'). The role of the committee is to assist the board in fulfilling its duties by providing independent and objective review, advice and assistance to the Board and the CEO (as appropriate), on matters concerning Board Nomination and Remuneration related issues within the FHL Group.

The primary function of the Nomination and Remuneration Sub-Committee is to advise the Board on matters regarding:

- The composition and nomination of the FHL Board and FHL Group Subsidiary Board;
- The remuneration of the FHL Board and FHL Group Subsidiary Board;
- Assessment of the necessary and desirable competency of Board members.
- Recommendations for the appointment and evaluation of Directors.

Meetings of the Board Nomination & Remuneration Sub-Committee are held at least once a year. In the year under review, the Sub-Committee met once.

COMMITTEE MEMBERS

Name	Capacity	Status	Meetings Held	No of Meetings Attended
Sereana Matakibau	Chair	Appointed-12/2/19	1	-
Adrian Sofield	Member	Existing	1	1
Yogesh Karan	Member	Existing	1	1
Naipote Katonitabua	Member	Resigned 12/2/19	1	-

During the year, the committee is delegated to review all nomination matters of the FHL Board and Board appointments within the FHL Group including:

- Process for the nomination and selection of non-executive directors to the FHL Subsidiary Board;
- Succession plans for FHL Group non-executive and independent directors;
- Induction programs for FHL Group non-executive and independent directors;
- Assess the requirement for non-executive and independent directors and set a transparent process to review whether they are meeting those requirements;
- Establish and monitor strategies on gender diversity for the FHL Board;
- Achievement against gender diversity objectives including representation of women at the FHL Board and Group subsidiary companies;
- Assess and approve the Directors Remuneration including directors fee, sitting allowance and other related benefits/ allowance to the FHL Group non-executive and independent directors;
- Other relevant matters identified from time to time, or requested by the FHL Board.



PEOPLE & LEADERSHIP SUB-COMMITTEE

KOMITI KA QARAVA NA TAMATA CAKACAKA

The role of Sub-Committee is to advise remuneration and issues relevant to remuneration policies and practices to assist the Board to independently ensure that the Company/Group establishes appropriate Human Resources strategies and policies consistency with best practices and business requirements and adopts and complies with remuneration policies that:

- Establishes and implements a human resources strategy to ensure appropriately talented and trained people are available to achieve our business strategies;
- Ensures that proper policies are in place to protect the health and safety of the employees;
- Attract, retain and motivate high caliber Executives, Management and staff, so as to encourage enhanced performance of the Company;
- Are consistent with the Company's Human Resources needs;
- Motivate management to pursue a long term growth and success of the Company within an appropriate control framework;
- Demonstrate a clear relationship between executive performance and remuneration; and
- Ensure that the Company undertake the appropriate performance of the management, succession planning and development activities and program.

The committee consists of a minimum of two Directors and the Group CEO with the Chairman of the Committee selected by the FHL Sub-Committee for Board Nomination & Remuneration. Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the Committee.

Meetings of the People & Leadership Sub-Committee are held at least twice per annum, however, more meetings may be called if necessary. In the year under review the committee met four times.

COMMITTEE MEMBERS

Name	Capacity	Status	Meetings Held	No of Meetings Attended
Sakiusa Raivoce	Chairman	Existing	4	4
Adrian Sofield	Director	Existing	4	3
Kalpana Lal	Director	Existing	4	4
Ashika Devi	Director	Appointed	4	4

During the year, the Committee deliberated on the following issues which were further recommended to the main Board for approval:

- Performance Assessment Framework
- Review of FHL Human Resources Charter
- GCEO Contract and
- Other related Human Resources issues;

BOARD OF DIRECTORS

LEWE NI MATABOSE



- 1 COLONEL SAKIUSA RAIVOCE MSD (RETD) DIRECTOR** - Is a Security Consultant and a former Senior Military Officer having served at the Republic of Fiji Military Force Headquarters as a Staff Officer and Government House as Military Assistance/ ADC to the President of the Republic of Fiji. Colonel Raivoce served on UN Peace Keeping Duties in the Middle East, (Lebanon, Sinai Desert, Syria, Kuwait and Iraq). He also served as Field Security Adviser in East Timor from September 1999 to Dec 2000. He served as Director for the British Security Firm Global Risks International as its Representative in Fiji from 2003 to 2012. Col. Raivoce was a former Chairman of Pacific Cement Limited, Fijian Holdings Property Limited and Basic Industries from 2014 to 2017. He is currently the Chairman of South Sea Cruises Limited (SSC) and People & Leadership Sub-Committee and Board member of Fijian Holdings Limited.
- 2 KALPANA KUSHLA LAL BOARD MEMBER** - Ms. Lal, a chartered accountant with the Fiji Institute of Accountants, is the Head of Finance & Administration at the German International Cooperation (GIZ) Pacific Operations and is part of the Executive Management Team of GIZ Pacific. She has over a decade of professional experience in accounting and financial management. Ms. Lal is a Board Director at Fijian Holdings Limited (FHL), Fiji National Provident Fund and is the Chair of FHL Fund Management Limited. She has served as an Independent Board Director on FHL subsidiary, Basic Industries Limited since November 2016 where she also served as Chair of the Audit and Risk Committee. Ms. Lal is a CPA and a member of CPA Australia. She is also a member of the Australian Institute of Company Directors and Member of Association of Certified Fraud Examiners. Ms Lal holds a Bachelor of Arts Degree from the University of the South Pacific in Accounting and Financial Management and Information Systems. She is the first female to have been awarded the Chartered Accountant of the Year by Fiji Institute of Accountants at their Annual Congress in April 2017.
- 3 RATU AISEA WAKA VOSAILAGI DIRECTOR** - Is a former Naval Officer and holds a Bachelor of Engineering (Maritime & Naval Architecture). He is the Company Secretary and Chief Executive Officer of Na Hina Pte Limited. He holds directorship positions for Fiji Resorts Limited (owners of Yanuca Island Limited, T/A Shangri-La's Fijian Resort & Spa), National Fire Authority, Fiji Rugby Union and Vision Investments Limited. He is the current Chairman of the Nadroga/Navosa Provincial Council, R B Patel Group and Board member of Fijian Holdings Limited.
- 4 ADRIAN SOFIELD CHAIRMAN** - Is an Architect by profession. He holds an Associateship in Architecture from the Curtin University of Technology, Western Australia. Mr. Sofield is a retired Fellow of the Australian Institute of Architects, a Registered Architect in Fiji and a current member of the Australian Institute of Company Directors (AICD). He sits as Chairman on numerous Corporate Boards including Fijian Holdings Limited, Basic Industries Limited, Fiji Hardwood Corporation Limited, Project Bula Mai - a registered charity trust based in Nadi - is a board member of Naisoso Island Body Corporate Limited and a Trustee of the Anglican Archdiocese of Polynesia. Mr. Sofield was the former Chairman of Airports Fiji Limited, Executive Chairman of Investment Fiji Limited and Executive Chairman of Rewa Dairy Limited. He was also a Board member of the Housing Authority and Public Rental Board. He is currently the Managing Director of three family owned companies - Adrian Sofield & Associates Limited (Architects), Mangrove Jacks Limited, (Property Development) and For Earth (South Pacific) Limited (Waste Water Treatment).
- 5 LITIANA LOABUKA DIRECTOR** - Is currently the Chief Executive Officer of the Fiji Sports Council, an appointment she has held since January 2011. Mrs. Loabuka holds a Degree in Economics and Management in Public Administration and a Post Graduate Certificate in Human Resource Management along with a Post Graduate Diploma in Business in Public Administration from the University of the South Pacific. She has more than 10 years' experience as executive management and holds professional qualification as a Member of the Australia Institute of Company Directors (AICD). Mrs. Loabuka formerly sat on the RB Group Board as an Independent Director and also as Chair of the HR Sub Committee for the RB Group. Litiana is currently a Board Director of the Fiji National Sports Commission since 2013. She is presently the Chairman of FHL Properties Limited and the Fijian Holdings Limited Audit & Risk Sub-Committee and Board member of Fijian Holdings Limited.



5

6

7

8

6

SANJIT PATEL DIRECTOR - Sanjit Patel is a businessman from Nadi. He is director of Fijian Holdings Limited and the chairman of Merchant Finance Limited. He is also a board member of Fiji Hardwood Corporation Limited and Chairman of Nadi City declaration Committee. Sanjit is a former Government Member of Parliament where he served as the Head of Fiji delegation to ACP-EU JPA, Member of Public Accounts Committee, Member of Economics Affairs Committee, Chairman of Emolument Committee, and Government Deputy Whip. He has served as a Counselor and Mayor of Nadi. Sanjit is the owner of Soham Investment Pte. Ltd, Soham Holding Pte. Ltd, Soham Property Pte Ltd and shareholder of our Sun Pacific Pte Ltd, a new solar energy business in Fiji. He has 30 years in business experience. He has a Bachelor of Commerce Degree from University of Canberra and he is also a member of Australian Institute of Companies Directors (AICD) He is a member and past president of Nadi Rotary Club and a Trustee of Nadi Senior Citizen Charitable Trust. Former chairman of Fiji Education Society and former board member of Shri Vivekananda College. He has also served as the president of Fiji Gujarati sports association and President of Nadi Gujarati Sport Association.

7

YOGESH KARAN DIRECTOR - Is currently the Permanent Secretary to the Office of Prime Minister, Sugar Industry, and Immigration. He holds a Masters Degree in Management, Graduate Certificate in HRM, Advanced Diploma in Quality Management, Diploma in Civil Engineering, Cert IV in Business Excellence Evaluation from respective Universities in Australia and other professional qualifications from International Institutions. Mr Karan was the former High Commissioner to India, Non-Accredited Ambassador to SAARC Countries and Fiji's Rep. on Colombo Plan Secretariat. He has also served as Fiji's Alternate Dir. with the Asian Productivity Organisation-Japan. A Fellow at the Aust. Institute of Management, Snr. Mem. of the American Society for Quality, Mem - Aust. Institute of Company Directors, Mem - American Society for Public Administration and Former Mem. of Aust. Inst. of Training Development. He is also Member of the Employment Relations Advisory Board (ERAB), Member of the Financial Literacy Committee of RBF, was the former Vice President of the Fiji Human Resources Institute, Member-Panel of Review of the Fiji Business Excellence Award and Member of Judges on the Panel for Investment Fiji's Prime Ministers Award. He is currently Chairman of FHL Stockbrokers Limited and sits as a committee member of FHL Board Nomination & Remuneration Sub-Committee.

8

ANTHONY WHITTON DIRECTOR - Is a Corporate Executive by profession. He holds a Bachelor Degree from the University of New South Wales, Sydney, Australia. He is the Managing Director of the family-owned Rosie Group of companies: Rosie Holidays and Ahura Resorts (Likuliku Lagoon and Malolo Island Resort). Mr. Whitton has worked in the Tourism industry for over 25 years, developing expertise from his experience working in Australia and the Pacific. He is a member of the Australia Institute of Company Directors (AICD). Mr. Whitton has served on many corporate boards, including Tourism Fiji, and is currently on the board of The Reserve Bank of Fiji, Chairman and Trustee of the International School Nadi and Cure Kids Fiji, and Trustee of the Koroipita Model Towns Charitable Trust. In 2019 Mr. Whitton was awarded the Officer of the Order of Fiji (OF) by his Excellency the President of Fiji for distinguished service of a high degree to Fiji and humanity. He was appointed to the Fijian Holdings Limited Board in October, 2016.

Nouzab Fareed is the Group Chief Executive Officer for Fijian Holdings Group, the largest conglomerate in Fiji. He is also the Chairman of Life Cinema Ltd, FHL Media Ltd, FHL Stockbrokers Ltd and FHL Retailing Ltd. He is the Deputy Chairman of Merchant Finance Ltd and Fiji Television Ltd.

Fareed is the Chair for Pacific Corporate Governance Institute (PCGI) and the President for CPA Fiji, Fiji Chess Federation and Rotary Club of Suva. He is also the Vice President for Oceania Chess Federation and Fiji Chamber of Commerce. Fareed has been a Board Director for over 50 companies during last 20 years and currently sits on 15 companies as a Director.

Fareed has more than 28 years of Executive Experience covering diverse sectors from Education, IT, Travel & Tourism, Media, Insurance, Commodity Broking, Corporate Finance, Mergers & Acquisitions, Investment Research, Management Services, Fund Management, Stock Broking, Leasing, Courier & Manufacturing. He has worked for global brands like FedEx and Western Union.

Fareed is a Chartered Management Accountant (UK), a Chartered Certified Accountant (UK), a Chartered Accountant and a Fellow of CPA (Australia). He is also Chartered Marketer (UK), a Licensed Investment Advisor (Fiji), a Certified Fraud Examiner (CFE) of USA and a Graduate of AICD. He is a Fellow of British Computer Society and Financial Services Institute of Australasia.

Fareed has an MBA in Banking & Marketing and a Master of Arts in International Economics. He has received Executive Training from Harvard, Oxford, INSEAD Australian Graduate School of Management (AGSM), and AOTS (Japan).

Nouzab Fareed is the only Distinguished Toastmaster (DTM) in South Pacific as well as the only Travel Centurion. During the year, Fareed spoke at International Cement Conference in Thailand and Asia Broadcasting Union General Assembly at Turkmenistan.

NOUZAB FAREED
GROUP CHIEF EXECUTIVE OFFICER



FHL GROUP CHIEF EXECUTIVE OFFICER

LIULIU NI KABANI COKOVATA E FHL

FHL GROUP MANAGEMENT TEAM

MANIDIA LIU NI KABANI COKOVATA E FHL



MOSESE VOLAVOLA
Basic Industries Pte Limited



ROWENA FONG
Merchant Finance Pte Limited



BRAD RUTHERFORD
South Sea Cruises Pte Limited



SOWANI TUIDROLA
Pacific Cement Pte Limited



CATHERINE GRAY
FHL Properties Pte Limited



DEEPAK RATHOD
RB Patel Group Limited



DANIEL VIKASH
Life Cinema Pte Limited



KAREN LOBENDAHN
Fiji Television Limited



PRADEEP MENDIS
Serendib Investment Pte Limited



MEREONI MATAVOU
FHL Fund Management Pte Limited



ABILASH RAM
Finance & Investment



SALESHNI WARRAN
Audit Risk & Compliance

FHL MANAGEMENT TEAM

MANIDIA VEILIUTAKI LIU E FHL



NOUZAB FAREED
Group Chief Executive Officer



ABILASH RAM
Finance & Investment



SALESHNI WARRAN
Audit Risk & Compliance



SITIVENI KOYA
Company Secretary



MERETI COKANASIGA
Human Resources



ILAITIA TUIAWAKI
CEO'S OFFICE



LUI LANYON
Accountant



ASHNEEL CHAND
FINANCE & INVESTMENT

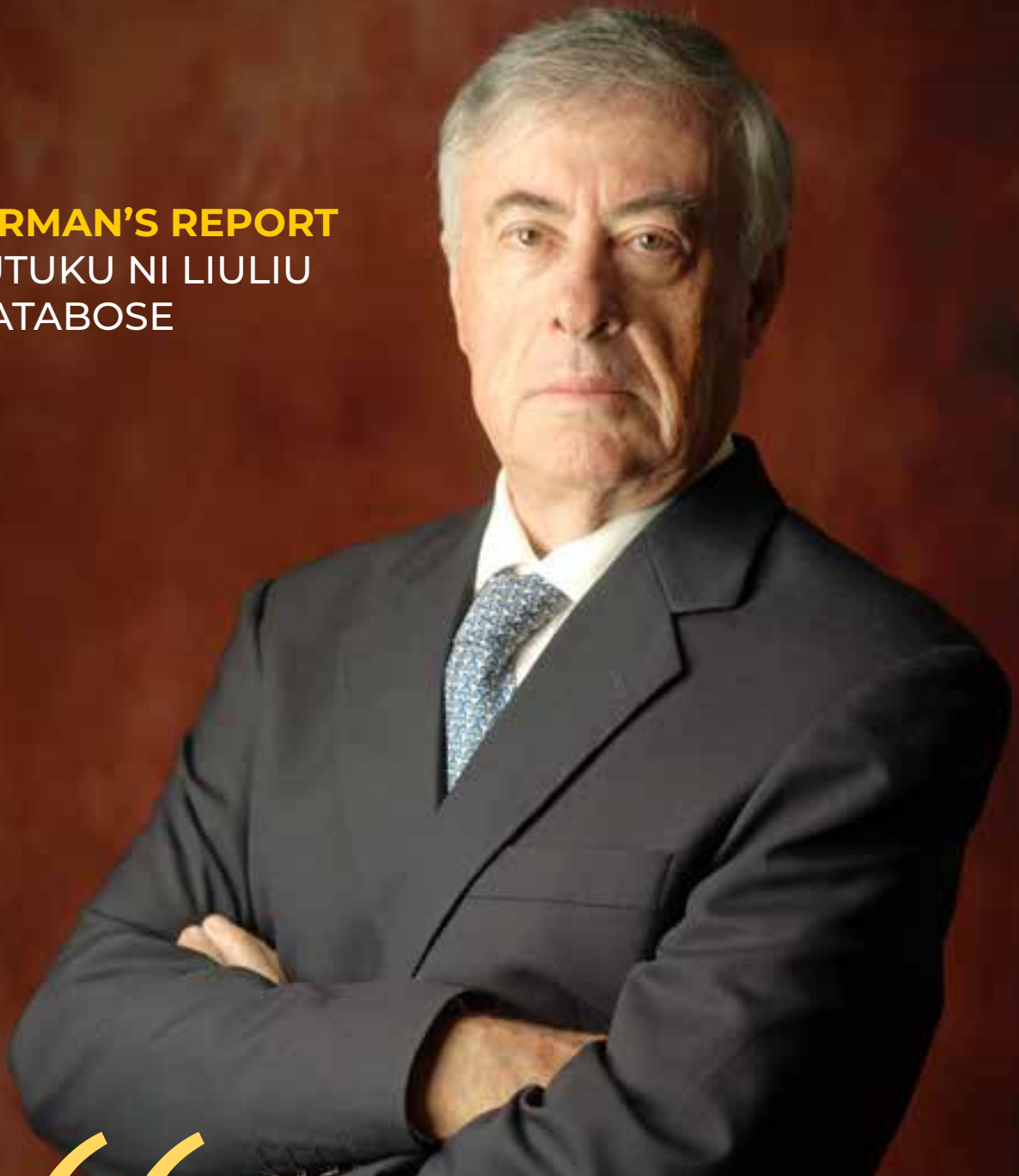


ESTHER RAIKOTI
Accountant



ASISH KUMAR
IT MANAGER

CHAIRMAN'S REPORT
TUKUTUKU NI LIULIU
NI MATABOSE



“

REVIEW AND REFINEMENT ARE KEY ELEMENTS OF GROWTH, AND DURING THE PAST YEAR, OUR COMPANY HAS DONE BOTH, REVIEWED THE AREAS IN WHICH WE OPERATE AND REFINED OUR FOCUS TO THOSE IN WHICH WE CAN BE THE MOST EFFECTIVE, AND DO THE BEST.

”



CHAIRMAN'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

DEAR SHAREHOLDERS

I am pleased to present the 2019 Integrated annual report, and gratified to be able to report to shareholders another year of growth at FHL.

The Board and Management continue to work together to provide the best returns to the shareholders both in terms of dividends and capital appreciation.

A few changes occurred to the Board during the year, with the resignation of Mr Bob Lyon, and expiration of the term of Mr Iowane Naiveli. I would like to thank them both for their valuable contributions, particularly Mr Iowane Naiveli who served as Chairman for the last 8 years. The Board also welcomed the appointment of Ms Litiana Loabuka and Ms Kalpana Lal.

The diversity of the FHL Portfolio of Investment has once again proven its capacity to cushion the adverse effects in any one sector. FHL's largest contribution to the profits came from the retail sector.

I will provide a brief insight into the operations of the FHL group and

several projects that the board and management will be working on to grow FHL. The strategy has always been to expand for greater achievements and deriving sustainable returns for our shareholders.

The Board together with the Management has stayed focussed on the operation of the organisation maintaining the values of the vision and the mission statement of the company in enhancing i-Taukei involvement in business ventures.

All our Group companies have their own challenges and this year was no different being the year for the general elections and contraction of the global economy, mainly coming from the USA and China trade war putting pressure on price of Imported raw materials.

FHL works closely with Government agencies in terms of tapping into the opportunities that come along upon detailed understanding of the business cases. FHL has successfully acquired the Government Printer and Stationery Department and 2019 was its first six months of operation.

We closely monitor the economic trends and continuously explore new business ventures. FHL is currently working on a 142 room hotel in Lautoka and is also acquiring a 30% shareholding in a Resort in the Mamanuca's.

Our FHL Tower project has been delayed with local authorities critically reviewing all regulatory papers for final sign-off before the actual construction can commence. The tower will be the flagship project for FHL.

FINANCIAL REVIEW

FHL continued to grow in 2019 however; there was some turbulence in the construction and manufacturing sector affecting the performance of Basic Industries and Pacific Cement Limited.

Total Revenue for the Group was up by 6% compared to last year finishing at \$330m. Net Profit After tax also increased as a result of increased sales finishing the year at \$36m compared to \$35m in 2018.



CHAIRMAN'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

Associate companies contributed heavily to the overall group performance which saw Net profit before tax finishing at \$45m compared to \$42 million for the same period last year. This is an increase of 6%.

The major contributors to the revenue and margin came from RB Patel, SSC, MFL and FHL Properties.

FHL Group holds a very strong financial position recording total assets of \$640m compared to \$572m in 2018.

Equity Investments of the holding company also saw a strong growth with valuation of Investments in subsidiary, associate companies and other Investments. Total Value of Equity Securities closed at \$363m compared to \$307m in 2018.

DIVIDEND

FHL has successfully completed the share split as approved in the last AGM. The share split saw a number of new shareholders joining FHL. The reduction in price from \$8.40 to \$0.84 saw approximately 250 new shareholders joining FHL. This is reflective of the companies' existence and its core purposes to accelerate the participation of I-Taukei in the commercial sector.

FHL paid a total dividend of \$7.464 million in the 2019 financial year compared to \$7.434 for in 2018 financial year.

FHL Stock has grown overtime and the share split provided the much needed spur to realises the true value of FHL on the stock market. The price of FHL shares at the time of this report was recorded at \$1.80.

CORPORATE GOVERNANCE

The Board sets the tone and shared values for the way in which the Group operates. This culture is underpinned by a robust risk management framework consisting of policies, procedures and tasks, including a Code of Conduct which defines business conduct standards for anyone working for, or on behalf of, the Group. Given the importance of culture to the success of the Business

Model, the Board will continue to assess and monitor the Group's culture to ensure that it is aligned with the Group's strategy and values and is adequately embedded across the Group.

Diversity at Board level has been a focus for a number of years and continues to be a key factor when considering Board refreshment. Improving and monitoring diversity beyond gender and below Board level will be a key area of focus for the Board and the executive team going forward.

In order to operate effectively companies must understand the resources and relationships that matter most to their success. The Group's stakeholders include shareholders, employees, customers, suppliers and the community in which it operates. In line with the requirements of the new companies' act, the Board will ensure effective engagement with all stakeholders.

The board continues to work on capacity building and enhancing its directors with training and networking activities to bring to the table new ideas and leadership skills. Directors joining FHL go through the directors course organised by the Australian Institute of Company Directors (AICD) to ensure that they equipped with skills required for board directorship equivalent to that of International corporate organisations.

The company has obtained formal clearance and confirmation from SPX that FHL as a listed company has fully complied with the listing rules of the institution.

MOVING FORWARD

2020 is expected to be a challenging year with the World Bank forecasting a lower growth than expected. Emerging and developing economy growth is constrained by sluggish investment, and risks are tilted to the downside. These risks include rising trade barriers, renewed financial stress, and sharper-than-expected slowdowns in several major economies, the World Bank says in its *June 2019 Global Economic Prospects: Heightened Tensions, Subdued Investment*.

FHL has started to prepare well for the new financial year with the Board and management working closely to ensure resources are well placed to cater for the challenging economic conditions.

FHL believes the Government is aware of the global economic situation and will closely work with government agencies to ensure that we are well placed to sustain any adverse global economy effects.

Whilst the macro environment is beyond our means to manage, we can however keep our house in order, rid ourselves of inefficiencies and consolidate our strengths to move forward.

The diversity of FHL's investment portfolio gives us the strength to switch with options of contraction and growth. Whilst we see the construction and manufacturing sector demands dropping; the demand for consumer goods remains on the high with the supermarket chain closing well above budget for 2019 and forecast for further growth in 2020. The board strategy will be focussing on growing sectors and minimising the downside impact on contracting sectors to get sustainable and better returns for our shareholders.

ACKNOWLEDGEMENTS

2019 Financial year was one of team work and good coordination by the board and staff of the group. Despite the challenges we have performed above expectations and I take this opportunity to thank the staff of the group for their individual efforts and dedication towards the company.

I wish to thank my fellow directors for sharing ideas and providing the guidance for the operation of the subsidiary companies who have contributed to the overall performance of the group.

To all our stakeholders and shareholders, we appreciate your continued confidence in FHL and hope to further strengthen the returns and value we add to your business.

Vinaka Vakalevu



Adrian Sofield
Chairman

CHAIRMAN'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

KIVEI KEMUNI NAI TAUKEI NI SEA:

E rui ka dokai vei au me'u vakaraitaka veikemuni nai tukutuku vakayabaki ni 2019, na yabaki ni tubu vakabisinisi ena nomuni kabani na FHL.

Na nomuni matabose kei ira na dau ni veiqaravi, era cakacaka vagumatua me ra vakalevutaka na rawaka vakaiyau, me rawa ni vakalesui vakavinaka veikemuni na itaukei ni sea na tubu vinaka kei na matua ni nomuni tina ni yau.

Eso na veiveisau e mai vakayacori ena matabose e cake ni kabani ena loma ni yabaki. Era a mai solia kina na nodra ivola ni vakacegu ko Mr. Bob Lyon, ka mai cava vakatalega kina na gauna ni veiqaravi nei Mr. Lowane Naiveli. Au via vakavinavinakataki rau vakalevu ena nodrau a vakaitavitaki rau voli mai, vakabibi vei Mr. Naiveli ka mai taura tu nai tutu vakailiuli ni matabose me 8 na yabaki. Na matabose talega e kidavaki rau na digitaki vou me rau veisosomitaki ko Ms. Litiana Loabuka kei Ms. Kalpana Lal.

Na vakarabailevutaki ni nomuni kato ni yau ena FHL e vakadinadinataki ni rawa ni sabaya na veigauna dredre ka tatara mai ena makete. E rawa tubu vakalevu duadua ena FHL na makete ni volitaki yaya umauma.

Au na vakaraitaka eso nai tuvatuva ni veiqaravi ena loma ni kabani cokovata ka cakacakavata tiko kina na matabose kei ira na dau ni veiqaravi me vakadeitaki kina na tubu ni rawaka vakabisinisi. Nai tuvatuva oqo e vakadeitaka ka vakalevutaka na rawaka vakaiyau kei na kena rawa ni tomani tikoga ena veigauna mai muri.

Na nomuni matabose kei ira na dauniveiqaravi era yadrava matua na veiqaravi ni veikabani duidui me ra dei tiko ena yavu ni FHL me vakatorocaketaki keda na itaukei ena buturara ni bisinisi.

Ena vei kabani taucoko ka wili tu ena loma ni kabani cokovata era a sotava na bolebole ena loma ni yabaki me vaka na veidigidigi, na drakidrakita ni bula vakailavo ena noda vuravura ka vakavuna na kena toso cake nai sau ni yaya eda volia mai vanua tani.

Na nomuni kabani e cakacaka vakaveivolekati sara kei na matanitu ena kena laurai eso na katuba vou ni vaka duri bisinisi. Ena sasaga oqo e a mai voli kina na vale ni taba i vola ni matanitu ka sa mai cicivaki tiko qo ena loma ni ono na vula.

E wanonova matua tiko na nomuni kabani na veivakatakilakila ni draki vakabisinisi eda sotava tiko kei na kena taqomaki tiko na veikabani ena loma ni kabani cokovata. Ia e sega ni cegu na vakasaqarai ni madigi vovou ni vakatubu bisinisi. Na FHL sa vakadeuca tiko na nona tara e dua na otela. Ka me 142 na kena rumu ni moce mai Lautoka. E na vakarau volia talega me taukena e 30% ena dua tale vanua ni saravanua ena yatu mamanuca.

Na FHL tower na vale levu ka taba 17 ka na tara tiko e Suva ka veibasai tiko kei na vale volavola liu ni FHL. Na vale oqo e na nona i sakisaki tu na FHL ena gauna sa na tara oti kina.

RAILESUVI NI TUVATUVA VAKAILAVO

Na Fijian Holdings Limited e tubu cake tikoga ena yabaki 2019; yaco eso na yavavala ena tabana ni tara vale kei na kena buli iyaya e vakilai ena nodrau cicivaki na kabani erua, na Basic Industries kei na Pacific Cement.

Na rawaka ni kabani e rauta ni ono na pasede (6%) vakatauvatani ki na yabaki sa oti ka mai cava tu ena \$330 na milioni (\$330m). Ni oti na kena musu nai vakacavacava, e laurai ni tubu cake na i wiliwili ni tubudina ka vu mai na kena tubu na veivoli ka mai vacavari na yabaki ena wiliwili ni ilavo, e \$36 na milioni (\$36m) vakatauvatani ena kena ka rawati ena yabaki sa oti, e \$35 na milioni (\$35m).

Na tubudina ni bera na ivakacavacava, e rauta ni \$45 na milioni (\$45m) vakatauvatani kei na kena ka rawati ena yabaki sa oti e \$42 na milioni (\$42m). Na tubu oqo e okati kina na nodra cau lelevu na veikabani ka semati tu ena neitou taba ni veiqaravi. Na tubu ka mai rawati e rauta ni ono pasede (6%).

Na cau levu ka vuna na kena tubu na rawa ka vakailavo kei na tinani tubu e gole mai vei ratou na kabani na RB Patel, SSC, MFL kei na FHL Properties.

Na rawaka vakailavo ena iyau taukeni ni kabani, e laurai talega kina nia tubu levu kei na kena cakacakataki na rawa ka vakailavo ki na veitabana, ilawalawa veiwekani kei na vei sasaga vakailavo tale eso. Na iwiliwili taucoko ni rawaka ni iyautaukeni e mai sogo ena \$363 na milioni vakatauvatani ena kena ka rawa na yabaki 2018, e \$307 na milioni.

NA TUBU

Na FHL sa mai vakacavara vinaka the kena wasei na sea ka vakadonui ena matabose vakayabaki sa oti. Na kena vidavidai na sea e laurai kina ni levu na i taukei ni sea vovou era mai lewena na FHL. Na kena lutu na i sau ni sea mai na \$8.40 kina \$0.84 e laurai ni rauta ni 250 nai wiliwili ni taukei ni sea ka ra curu vou e na FHL. Oqo e vakadeitaka na kena cicivaki vinaka kei na kena tomani tikoga na usutu ni veiqaravi me vakalevutaka na rawa ka vakailavo vei ira na itaukei.

Na FHL e sauma e rauta ni \$7.464 na milioni (\$7.464M) na tubu ena yabaki vakailavo, 2019 vakatauvatani kei na yabaki vakailavo sa oti 2018, e rawa kina e \$7.434 na milioni (\$7.434M).

Na ivotavota ni fhl e tubu cake tikoga ena kena wasei na sea ka vakaraitaka kena gadrevi vakalevu me vakatakilai na kena yaga na fhl e na makete ni ivotavota (stock market).

CHAIRMAN'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

NA VEIQARAVI RARABA

Na matabose era dau vakarautaka ka wasea nai moimoi ni kena cicivaki raraba na kabani ni FHL. E umani vata na kena dau ilovi na veika e rawa ni vaka yaco leqa ka biu vata eso nai tuvatuva me dau vaka muri kei na so nai dusidusi vei ira kece na dau veiqaravi mera vaka muria ena veitabani cakacaka kece. Na bibi ni kena dau vaka muri vakavinaka nai dusidusi me rawa ni tomani tikoga kina na rawaka vinaka ka me salavata tiko ga na lalawa ka kei na i tuvatuva raraba ni FHL.

Na nodra dau cakacaka vata na lewe ni matabose ena veiyabaki e vakuri tiko ga ni dua na i takele ni vei rogorogoci kei na cakacaka vata. Na rai ni matabose oya na kena vakavinakataki ni veivekani vei ira kece na dau ni veiqaravi.

Na cici vinaka ni dua na kabani e dau umani mai na nodra dau cakacaka vata na dau ni veiqaravi. Na cakacaka vata e tekivu sara ga mai vei iratou na lewe ni matabose, dauniveiqaravi, dauvolivoli ke ira na lewe ni vanua era tiko ena vanua ni veiqaravi. Ka veidonui tikoga vata kei nai dusidusi ni yavu ni cicivaki ni kabani ka ratou vinakata na matabose me na tomani tikoga na cakacaka vata ni vei tabana kece.

Na matabose e tomana tiko ga na nodra vuli na darekita kei na nodra veiwasei taka na nodra kila me rawa ni vakavurea e so na veika vovou kei nai walewale ni veiliutaki. O ira kece na darekita vovou era vakacurumi kina FHL, era dau qarava e dua na vuli ka ratou cicivaka na Australian Institute of Company Directors (AICD) me rawa ni vakuri na kilaka me veiraurau kei na vei kabani lelevu mai valalagi.

E solia talega na nona veivakadeitaki na SPX, ni FHL esa rawata kece sara na veika edau vinakati ena lawa ni dau volitaki sea.

NA TOSO KI LIU

Na baqe ni vuravura e vakatakila na yabaki 2020 ni namaki me dua na yabaki ni bolebole ka na sega ni yacovi sara na veika e nakiti taumada ena vuravura ni bisinisi. Na veivakatoroicaketaki ni tubu ni bula vakailavo, e vakauqeta na toso malua ni so na sasaga vakailavo ka biliga vakatikitiki na ririko eso. Na ririko oqo e okati kina na tubu ni ilati ni veivoli, na vakavoutaki ni lomaleqa vakailavo, kei na kena namaki sara vakalevu na toso malua ni so na matanitu, e vakaraitaka na baqe ni vuravura ena tuvatuva ni veika vakailavo e vuravura (global economic prospect) ena vula ko Jiune ni yabaki 2019: tubu ni veileqaleqati, malumalumu ni sasaga vakailavo.

Na FHL sa tekivu me vakavakarau vinaka ena kena tekivutaki tale e dua na yabaki vou ni sasaga vakailavo ka sa cakacaka vata tiko kina na matabose kei ratou na veiliutaki e cake, me qarauni na kena votai vakamatau na ivurevure me rawa ni sotava eso na draki bolebole ni bula vakailavo.

Na FHL e vakabauta ni sa kila tiko na matanitu na i tuvaki ni bula vakailavo raraba ka sa sasaga tiko na veitabana vakamatanitu me vakadeitaka ni da sa vakatikori ka maroroi mai na ravuravu ni so na ituvaki ni bula vakailavo e vuravura raraba.

E dina ni sega ni yacova rawa na noda kaukauwa na kena qaravi na i tuvaki ni vanua wavoliti keda, ia eda na rawa ga ni vakasavasavataka na noda veivale, vakuwai keda mai na bula ni vakasabusabu ka meda tuvata me rawa na toso ki liu.

Na vakarailevutaki ni tubuniyau ni FHL e solia vua na kaukauwa me tubu ka vakalevutaka nona rawaka. E dina ni da raica na kena lutu na gadrevi ni veivakatoroicaketaki kei na veivanua ni buli yaya, ia e tubu cake tikoga na nodra gadreva na lewenivanua na iyaya ka vakarautaki ena vanua ka

vatokai na supermarket, ka vakadavora e dua na i takitaki vinaka ka sivia mai na i lavo-maroroi ni yabaki 2019, ka vakaraitaka talega ni kena namaki na toso vinaka ki na yabaki 2020. Na sasaga ni matabose me tarai cake tiko ga na veitabana e kauta mai e levu na tubu ka vakalailaitaka na veika e na vakaleqa na kena toso me rawa ni maroroi ka lesu vinaka mai na ilavo vei ira nai taukei ni sea.

NA VAKAVINAVINAKA

Na yabaki vakailavo 2019, e dua na yabaki ni cakacaka vata kei na veitokoni ni matabose kei ira nai vakalesilesi ni kabani cokovata. E dina ni sotavi eso na dredre, ia na neitou veiqaravi e sivita na kena ka namaki, ka'u taura na gauna oqo meu vakavinavinakataki ira na tamata cakacaka na nodra veitokoni yadua kei na nodra solia nodra gauna ena kena cicivaki na kabani.

Au gadreva meu vakavinavinakataki ira na noqu i tokani vakaveiliutaki ena nodra wasea na nodra vakasama kei na kena vakarautaki nai tuvatuva ni kena cicivaki na veikabani, ka ra cau tiko ki na qaravi tavi raraba ni noda kabani cokovata.

Ki vei kemuni na noda i tokani vakacacacaka, kei kemuni na itaukei ni sea, keitou vakavinavinakataka na nomuni yalodei tiko ga ena Fijian Holdings Limited kau vakanuinui ni na vaqacacotaki na kena lesu mai na ilavo bula kei na ivakayaga ena bisinisi.

Vinaka vakalevu.



Adrian Sofield
Chairman



GROUP CEO REPORT
TUKUTUKU NI LIU NI KABANI COKOVATA

DEAR STAKEHOLDERS

Excellence and dominance are the simple equation that has inspired us for the last 35 years, illuminating our strategies, motivating our people and driving the development of the fastest ever growing, ambitious group that you can proudly acclaim to be partner of today. We are proud and privileged to have you as shareholders of FHL.

FHL's relentless focus on driving excellence across all aspects of its operation has made us the second largest listed company in the country with a market capitalization of over FJD 600 million.

We are steadily pursuing our aspiration to rank ourselves amongst the top local business groups, growing and streamlining our portfolio, developing simpler, faster and more innovative products as well as processes and flawlessly executing every group company in alignment with the robust strategy we have designed to optimise growth.

Despite the challenges we have managed to continue our journey throughout the year with minor ups and downs. Overall, it was our people who were in the forefront of the battle to gain market share and create value for FHL shareholders while assisting families and communities to shape their future worth living for. That's the untold story of the Fijian Holdings Group.

GROUP PERFORMANCE

It was a challenging year for our group, where economic growth was slow moving amidst pressures emanating from the external environment. The Group has been investing in building more capacity in many of our businesses and it was pleasing that the benefits from these investments were materializing.

During the financial year 2018/19, the group consolidated revenue and for the first time reached FJD 330 million, a marginal increase of 6.2% from the previous financial year, reflecting the Group's enhanced revenue generating capacity despite a difficult year. The major contributors to the increase in group revenue were RB Patel Group, South Sea Cruises, Merchant Finance and Serendib Investments Ltd, the latest acquisition to the group. The consolidated revenue could have improved much further if Basic Industries would had achieved its budgeted revenue.

Pre-tax group profits reached FJD 45.44 million reflecting a growth of 5.7% compared to the previous year. This was made possible mainly due to the 91% increase in the contributions by the Group associate companies. During the year, the New World Group was consolidated for the first time since acquiring associate status in late June 2018. Among the major contributors to the group's pre-tax profits were FHL Properties, Merchant Finance and Fiji Television Ltd. There were no surprises for the period under review except for Basic Industries Ltd, where pre-tax profits declined by 24%, whilst it was projected that Pacific Cement Ltd, Life Cinema Ltd and Serendib Investment Ltd would make losses for the year under review.

Total group assets reached FJD 640 million, a growth of 12% while during the same period, total group liabilities increased by 12.5%. Assets of the holding Company accounted for 60% of the total group assets while Merchant Finance accounted for 32% of that total. Assets growth also included an addition of FJD 20 million worth of property,

plant and equipment. Investment property portfolio of the group has now reached FJD 53 million, an increase of FJD 8 million from last year. The loan portfolio of Merchant Finance is one of the core components of the group and improving by FJD 33 million during the year.

Group liabilities have expanded from FJD 294 million in the previous year to FJD 330 million by 30 June 2019, reflecting a growth of 12.5%. This is mainly due to a 21% increase in public deposits in Merchant Finance. The Group takes a cautious approach when it comes to borrowing, however it takes this measure where financially necessitated to do so. The basic equation is that movement in liabilities should always lead to incremental revenue.

Overall direct operating expenses throughout the group have increased by 10.5% during the year. During the year, FHL Group paid more than FJD 32 million to the Government in various taxes compared to FJD 26 million paid in the previous year.

PERFORMANCE OF GROUP COMPANIES

RB Patel Group (RBG), the largest revenue earner to the group recorded a 8% growth in revenue to reach FJD136 million for the 12 months ending 30 June 2019. During the same period, direct expenses increased by 6% leading to a marginal growth of 4% in pre-tax profit. Maintaining current profit margin continues to be a challenge with the fierce competition among retail stores and supermarkets. A significant part of the pre-tax profit is derived from the rental properties. Apart from the completion of the Carpark Project at the JetPoint Complex in Nadi. RBG has almost completed its first ever 8-unit apartment complex at Clark Street, Suva. RBG continues to look for opportunities in Suva and other urban areas to develop new stores. Most of the 10 stores at this stage generate maximum possible revenue. During the year, total assets of RBG grew by 13% to FJD 88 million. The company also holds the largest property portfolio in the group after FHL Properties Ltd.

Merchant Finance Limited (MFL) has recorded a net interest income growth of 12% in 2019 to reach FJD 17.5 million. Net profit before tax grew by 14% to FJD 9.7 million.

Competitive market conditions from January through to June lead to challenges on deposit rates. Decline in Interest spread by 0.40 basis points is an indication of the status of the market. MFL loan book reached FJD 219 million, reflecting a growth of 26%. We continue to actively market our products and adopt to customer needs making our finance solutions work for customers. With a branch network of 9, we have improved availability of finance to remote locations in Fiji. In the coming year, we will be further expanding our reach to rural areas as we experience change in demographics of our customer base.

With a total staff strength of 86, including 53% female, we continue to maintain market leadership. Our largest market concentration continues to be the transport industry having an exposure of 37.46% of the total portfolio followed by Buildings and construction with 20.53%. We continue to diversify our product portfolio as we venture into corporate lending and providing customised finance solutions. MFL is working towards rebranding and launching new products in the new financial year with aim of growing its current performance and strengthening its market presence.

GROUP CEO'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

Basic Industries Ltd (BIL) is the second biggest contributor to Group revenue. BIL is comprised of Standard Concrete Industries, Humes Industries, Basic Homes, Basic Customs, and Basic Construction. BIL has more than 36 operational sites, manufacturing plants and sales outlets strategically located all over the country. The company employs over 690 people to manage and operate all of its business activities and operations.

Total assets at BIL stand at FJD 56 million as at 30th June 2019 compared from FJD 48m in 2018. During the year the company's revenue stagnated at FJD 75 million, without any significant growth. The absence of growth is attributed to a relatively challenging market environment compared to the previous year. There was an unexpected downturn in the building and construction activity during the second half of the period under review resulting in a drop in sales volume on a number of our main products including ready-mix concrete, concrete blocks and precast concrete products. The fall in revenue in most divisions was offset by a significant increase in revenue from Basic Homes division, a new strategic business unit established in 2017, specializing in precast modular housing for turnkey projects. During the last 12 months, Basic Homes has received total contracts exceeding FJD 10 million.

During the year BIL produced and sold 3.74 million blocks, 83,795 cubic meters of concrete, 20,400 tonnes of concrete products and 531,043 tonnes of aggregates. In addition, the company also exported FJD 10.14 million worth of materials to the Pacific region.

The Tourism sector within FHL Group, comprises of South Sea Cruises Ltd (SSC), Blue Lagoon Cruises Ltd (BLC) along with Blue Lagoon Cruise Holdings Ltd (BLC) and Yasawa Trust Foundation (YTF). BLC owns land on Nanuya Lailai Island as well as the flagship vessel, MV Fiji Princess, which has been leased to SSC. During the period under review, revenue across the wider SSC Group grew by 6% to FJD 54.6 million while pre-tax profit achieved a growth of 15% to FJD 8.6 million. SSC Group makes the biggest tax contribution within the FHL Group to FRCS due to its exposure to ECAL and STT.

During the year ending June 2019, a total of 340,000 passengers travelled with SSC, a growth of 6.2% recorded from the previous year. Malamala Beach Club, the most attractive tourism product in the industry attracted more than 35,000 guests during the year compared to 22,000 recorded the previous year. Together with South Sea Island, and other Mamanuca & Yasawa Day Cruises these products grew to 110,000 customers for the 12 months ending June 2019. Additionally, SSC also provided Mamanuca and Yasawa Resort Connections, which totaled more than 270,000 passengers for the period under review. Traditional backpacker products such as Awesome Adventures are experiencing a declining trend due to the fall in this segment of travelers. Fiji Princess, the boutique cruise experience operated under the Blue Lagoon Cruises brand continues to maintain its market leadership with revenue exceeding the

previous year. SSC group also introduced new products including three new Bure's at the South Sea Island and SSC operated the Six Senses vessel transfers on an exclusive basis.

This year has been a significant year for the Fiji Television Limited with the board and management setting and implementing a transformational strategy for the business. During the financial year FTV Group earned a post-tax profit of FJD 1.2 million based on a revenue of FJD 11.91 million compared to a profit of FJD 0.81 million derived from a revenue of FJD 11.78 million in the previous year. Staff numbers have reached to 68 compared to 65 in the previous year. With a diverse base of products and services including Fiji One, Channel 2, FTV Streaming, In-house Production, Pactok and Pacific Services, FTV continued to be the cash-rich company in the group.

Total assets at FTV stand at FJD 18 million. The biggest challenges faced by the company are programming and satellite costs, which account for 49% of the total revenue. The same was less than 40% of the revenue 3 years ago. The upcoming full implementation of Digital broadcast through Walesi, could improve the quality of the island wide broadcast with potential increase in cost in the incoming financial year.

FHL Properties Ltd (FHLP), the property company within the group has made positive growth during the year. With 100% occupancy in all its buildings, FHLP achieved a revenue growth of 6% while pre-tax profit grew by 82%. Overall value of their property portfolio increased by FJD 2.3 million while a new investment of 72 acres in Momi bay area was added to the portfolio. As at 30th June, FHLP owns more than 13,000 square meters of tenable space with 40 tenants. In addition, FHLP also manages 7,000 square meters of space. Total liabilities of FHLP stands at FJD 17 million, excluding the potential loan of FJD 65 million arising from the Tower project.

Whilst the Group is confident that it can leverage on its investments to drive the next phase of growth in its Property portfolio, there are market opportunities that could lead to at least two other developments within the next 24 months. We continue to look for opportunities to acquire more properties in the CBD area as well as in the tourism sector.

FHL Fund Management Ltd (FHLFML) is the managing company for Fijian Holdings Unit Trust and made a pre-tax profit of FJD 1.2 million for the financial year compared to FJD 1.1 million made in the previous year. Overall unitholders reached 16,214 as at 30 June 2019, a growth of 15% in unit holders for 12 months. The value of the fund grew from FJD 110 million in 2018 to FJD 126 million on 30th June 2019. While the fund achieved a total return of 7.16%, the managers distributed FJD 4.59 million as dividend to its unit holders. One of the key challenges to the Fund was lack of investment opportunities with the right return. We continue to explore new frontiers for investments. With fluctuations in deposit rates during the second half of the financial year, the fund was able to generate an attractive return.

GROUP CEO'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

Pacific Cement Ltd (PCL), the premier cement manufacturer in the country experienced a challenging year. During the 12 months ending 30 June 2019, PCL produced 117,645 tons of cement and generated a revenue of FJD 28 million, reflecting a marginal decline of 4% from the previous year. During the same period, overall direct expenses have increased by 2%. As a result of increases in other operational expenses, PCL recorded a net loss of FJD 1.76 million for the financial year compared a pre-tax profit of FJD 0.17 million recorded in the previous year. PCL also exported over 9,000 tons of cement to pacific islands.

With a total assets base of FJD 23 million and a staff strength of 90, PCL is struggling to make ends meet on a daily basis. Old equipment as well as operational inefficiencies do exist, but it may not be the sole reason for the financial performance. The company invested more than FJD 0.7 million as capital expenditure during the year compared to FJD 3 million spent in the previous year. It is important to note that during the period "between" 2013 to 2019, overall direct costs have increased by more than 18% while the price remained unchanged due to Cement being a price controlled commodity. PCL has made several submissions for price determination and awaits a final outcome. Coupled with price control, problems faced through movement on the Tamavua-i-Wai bridge and weight restrictions by the Fiji Roads Authority were the prime reasons for poor performance of the company.

We are making drastic strategy transformations in all facets of operations to ensure we achieve our targets in the coming year. The current focus is on improving overall efficiencies in factory performance, production, bagging & dispatch and technical parameters. Expectations are that PCL will cross the breakeven mark for 2019/20.

During the year, Serendib Investment Limited (SIL) was incorporated to acquire the business assets of the former Government Printing and Stationary Department. SIL is a joint venture between FHL (75%) and Sri Lanka based Aitken Spence Group (25%). The acquisition cost FJD 6 million with an agreement to invest a further FJD 5 million within the first 3 years. Aitken Spence operates the largest printing business in Sri Lanka and has agreed to become the technical partner for the venture with the vision to make SIL the most modern state-of-the art printery in the South Pacific. For the first six months of its operation, the company made a net loss of FJD 297k. However SIL provides another layer of diversification with a well-balanced investment portfolio in entering a new sector of the printing industry.

Fijian Holdings Ltd as a holding company experienced a 9% growth in revenue as well as in pre-tax profits, with our investment portfolio reached FJD 330 million on 30th June 2019, up by 18% from the previous year. The Holding Company is becoming a breeding ground for new talent and a place to build core values. We continue to keep close eye on the group wide cost controls and compliance, as a result of which monthly compliance reports are made available for all subsidiaries.

CHALLENGES

The diversity of the Fijian Holdings Group attracts challenges of different magnitude, while we thrive courtesy of diversity.

Two group companies in the building and construction sector suffered significantly due to challenges arising from weight restrictions imposed on the Fiji road. If such regulations were implemented with adequate prior notice, these companies would have been able to plan for a much better outcome for the year.

Construction of the FHL Tower was largely delayed due to the lack of responses from the relevant stakeholders. In some instances, it has taken more than 6 months to get clearances for the project. We have received all clearances at the time of writing this report and have commenced full-scale construction of 17-Floors FJD 65 million FHL Tower.

While liquidity was not a serious issue for the group, the market sentiment made two significant impacts. More than 20% of public deposits at Merchant Finance were renewed at higher interest rates. It is not common to expect interest rate fluctuations but as a finance company we continue to focus on maturity mismatch.

INVESTMENTS

During the year, in addition to the Tower Project, FHL made two investment commitments, both of which are in relation to the tourism sector. One involves a 30% stake in a resort hotel, which will become an associate of the Group from the financial year 2019/20, and the other is joint venture that is building a 140-room hotel in Lautoka.

Over the last few years, we have been working on two complex projects, which may see the light of the day in the coming 12 to 24 months period. While these projects would enhance shareholder value, they will also provide a new horizon for the group to cross-sell and create a competitive advantage.

PEOPLE CAPITAL

The value creation process of the Group has been built around our loyal and committed employees, and we wish to pay tribute to them for the contribution in what has been a challenging year. Over the years, we have attracted the best and brightest talent towards building a strong team that reflects the diversity of the customers we serve. We continue to engage and encourage our employees to perform to the best of their ability through a performance – oriented culture founded on ethical and transparent behavior which, in turn, promotes sustainable and profitable growth. FHL Group has become "More Than Just a Work Place" for our employees.

The Group considers its Human Capital as an asset and the foundation of its success. As a result, 'people' are identified as a strategic focus area in the business. One of the Group's most vital attributes is creating value through right employees by attracting, developing and retaining competitive people necessary to maintain a competitive advantage and achieve the Group's growth targets. We are proud of our legacy of grooming achievers as a result of which we do have more than 5 heads of companies/division in strategic organizations in Fiji.

The Fijian Holdings Group has over 3,600 staff including casual workers. Wherever possible, it is compulsory for all staff to attend at least 3 days of full day training within a calendar year as part of employee professional development measure and up skilling. Apart from this, at present more

than 11 employees are enrolled in company funded Masters' programs while the other 9 are doing CPA programs. During the year, seventeen Group staff have attended international training programs. Additionally, 17 directors have attended various training programs.

From the employees' perspective, 12 incidents of lost time injuries were recorded this year, whilst Group employees received 24 hours of training per person, on average. It should be noted that the training hours for employees are determined on a needs assessment basis, where business specific training gaps are identified in respect of both operating and core competencies in keeping up with the Groups learning and development policy guidelines.

GOVERNANCE AND DIVERSITY

The Fijian Holdings Ltd is committed to maintain its' diverse and inclusive workplace, to demonstrating value-based leadership, as well as to fostering attitudes and behaviors that contribute to a safe, creative and vibrant working environment for all its employees.

At FHL, gender balancing our organization is a business imperative. Over 33% of our group employees are females. Ensuring the equal representation of women and men in our leadership teams is more than just an issue of gender equality- it's about accessing the talent, markets and economic opportunities that gender equality brings. With 4 female CEO's in the group together with 14 women directors and 16 female members in the board committees, we have proven as market leaders that there is abundance of capacity, if you are willing to attract and groom.

The company's aim is to set an example on issues involving customer relations, business ethics and responsibility for important social concerns such as gender equality and diversity. The Company wants to create a climate where gender equality and diversity are self-evident parts of the organization and where differences are used actively to create business benefits. A positive attitude towards gender equality and diversity is integrated in and pervades the day-to-day operations across the Group.

Managing the vast business interests of the FHL Group requires sound corporate governance with appropriate structures and clear policies that serve to guide management in the conduct of operations. Our governance framework has evolved over two decades and is one of our key strengths. It is further strengthened by the number of public listed companies and holding companies which have adopted governance frameworks that are harmonized with the parent company.

Governance is an evolving subject and we continue to look to the best practices to guide us in our journey with a realization that embracing new developments strengthen our structures. Many Board members

engage with various forums to that ensure that they are up to date on matters related to governance ensuring that best practices are incorporated in to our governance structures.

We are pleased to state that there were no departures from any of the provisions of Code of Conduct as well as the group's Corporate Governance code. We at FHL practice the "best practices" at all stages of governance. The Group has in place a fair and transparent recruitment process, where equal opportunities are provided for all applicants. Diversity in the workplace is encouraged as the Group believes this results in nurturing innovative thinking, while creating a work environment that promotes a better decision-making process.

During the year under review, several initiatives were undertaken to strengthen the Group's governance framework and controls. These included strengthening and streamlining of the Group's boards and sub-committees. All holding company directors Chair at least one subsidiary and rest of the members are independent. All subsidiary boards have at least one female director

SUSTAINABILITY

At FHL, we recognize our responsibility towards the environment and society. We are committed to operating our business in an environmentally and socially responsible manner to protect natural resources and continually improve our environmental performance.

We understand that our operations have an impact on the environment and so we focus on ensuring that appropriate mechanisms are in place to assess and mitigate those impacts in a socially responsible way.

As a constituent of its sustainability strategy, and alongside its comprehensive risk management process, the Group continuously seeks to conserve energy and water, reduce carbon emissions, dispose of waste responsibly, provide training and development to employees, maintain a safe working environment and ensure the highest standards of product stewardship. The Group has further extended this to its value chain over time through ongoing engagements and awareness creation with key suppliers through regular fora, encouraging the sharing of supplier Best Practices, the supplier Code of Conduct and onsite assessments.

Our Group's commitment to continue investing in energy efficiency of our operations, minimizing waste water, focusing on employee development and welfare, facilitating local community engagement, reducing our carbon footprint and introducing sustainable energy will contribute to reducing greenhouse gas emissions and slowing climate change, resulting in a safer and healthier environment for the communities in which we operate.

GROUP CEO'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

The Group continues to strive to achieve the energy goals through its continued positive initiatives, whilst also focusing on the use of more renewable energy in the Retail and leisure industry groups.

FUTURE OUTLOOK

We are proud of our key strengths, a clear strategy, relentless focus on driving excellence and a robust governance structure. These three strengths will make us stronger as we push towards achieving excellence wherever it matters.

We continue to work hard to restore margins through constructive engagement with our regulator on pricing strategy, and improve efficiency through route to market optimization.

We are confident of the future, about where we are going and who we strive to become. This is the year we step up to a new level, as we continue to expand and fine-tune our business models while faithfully delivering on our promise of increasing value to the many stakeholders who have placed their trust in us.

While gearing up for a challenging business landscape in the year that has commenced, we are committed to seeking and seizing opportunities that are a right fit for the Group. We will also review our supply chain to minimize potential shocks and broad base sources of key inputs where possible while upholding commitments to the more vulnerable partners in our supply chains. Our focus on driving production efficiencies will continue with the roll out of initiatives such as productivity management, use of technology and a well embedded sustainability framework.

APPRECIATION

I would like to take this opportunity to extend my gratitude and best wishes to my hard working subsidiary CEOs and their management teams.

In conclusion, I thank all our stakeholders for the support extended to the Group during the year. I also wish to thank all staff of the Fijian Holdings Group for their unstinted commitment and cooperation throughout the year and in particular, during this challenging period. Finally, I thank my Group Chairman and the Group Board Directors for their guidance and support extended to me during the year.

We also acknowledge the unwavering support of our strategic partners in the local and regional market. My appreciation also goes to our valuable customers and all other stakeholders who have partnered us in this exciting journey of growth.

Vinaka Vakalevu



Sincerely

Nouzab Fareed

Group Chief Executive Officer

8 September 2019

NI BULA NA ITAUKEI NI KABANI,

Na 35 na yabaki ni neitou veiqaravi, e kena usutu voli na Taucoko kei na Lewa e Matau, ka vakilai oqo ena ituvatuva levu ni kabani, ka veivakauqeti vei ira na ivakalesilesi, ka vukea na tubu vakatotolo ni nomuni kabani ena gauna nikua. E ka dokai ka lagilagi na nomuni taukena tu na sea ni kabani.

Na nona gumatua tiko na FHL me vakataucokotaka na veiqaravi ni nona veitabana kece sara e sa mai vakavuna me ikarua ni kabani levu duadua ena noda vanua e volitaki na kena sea ena kena makete ka rauta tiko na FJD\$600 milioni na kena isau vakailavo.

E usutu ni sasaga ni kabani me okati vata kei ira na daunibisinisi lelevu ena noda vanua, me tubu ka lewai matau na kena veikabani ka vakarautaka e levu na ivoli se veiqaravi e rawarawa, totolo qai veivakurabuitaki. Qai yadrava na veigacagaca eso me muria na veikabani kece me rawa ni ra vakauqeta na tubu.

Se mani vakacava na kena dredre, e rawati me vakuria tikoga na veiqaravi ena loma ni yabaki taucoko, sotavi vata kei na so na toqotoqoa lalai. Ena loma ni veiqaravi kece oqori, era liutaka sara tu na neitou ivakalesilesi ena kena rawati na matua ni sea ena kena makete, ka vaqacacotaki ira na itaukei ni sea, ka tokona na veivuale kei na noda

veitikotiko ena bula ni veisiga. Oqori na italanoa sega ni tukuni, me baleta na nomuni kabani cokovata na Fijian Holdings.

RAWAKA NI KABANI COKOVATA

E dua na yabaki drakidrakita saraga kina kabani cokovata na yabaki oqo, ni mai vaka me galu tu na tubu ni bula vakailavo ena vuku ni bolebole era vu mai na taudaku ni kabani. Na kabani cokovata e vakanamata vakalevu ena nodra vakatoroicaketaki ka vakarabailevutaki na kena dui tabana vakabisinisi eso, qai veivakauqeti dina ni sa tekivu me vakavotukana mai.

Ena yabaki vakailavo ni 2018/19, e sa qai bau vakadua me yacova kina na kabani cokovata na nona rawaka me FJD\$330 milioni, e tubu vakarauta kina e 6.2% ni vakatauvatani ena yabaki vakailavo yani e muri, sa dusia tu ni rawa ena kabani cokovata me uasivi na nona rawaka ena loma ni veiyabaki dredre. Na kabani e cau vakalevu ena rawaka ni kabani cokovata, oya na RB Patel Group, South Sea Cruises, Merchant Finance Limited kei na Serendib Investments Ltd, na kabani ka qai voli walega oqo. Na rawaka cokovata oqo ea rawa ni uasivi sara kevaka walega me yacova na Basic Industries Limited na nona rawaka lavaki ni yabaki.

Na tubu ni bera na musumusu e yacova na FJD\$45.44 milioni, qo e tubu ena 5.7% ni vakatauvatani ena yabaki

GROUP CEO'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

yani e muri. Qo e rawati rawa baleta ni 91% na tubu e vakaitavi mai kina na veikabani e okati me associate companies. Ena loma ni yabaki na New World Group esa qai okati tale ena associate companies ena mua ni vula o Jiune 2018. Ena kabani cokovata e cau vakalevu kina tubu ni bera na musumusu oya na FHL Properties Limited, Merchant Finance Limited keina Fiji Television Limited. E sega soti ni veivakurabuitaki oqo vakavo ga na Basic Industries Ltd, ni lutu na tubu ni bera na musumusu ena 24%, dina ga ni a sa namaki tiko ni na sega ni rawa tubu na Pacific Cement Limited, Life Cinema Limited kei na Serendib Investment Limited ena yabaki vakailavo oqo.

Na isau kece ni iyau e taukena na kabani cokovata e tiko ena FJD\$640 milioni, qo e tubu ena 12% e na yabaki vata oqo na dinau e tubu ena 12.5%. Na iyau ni tinani kabani e rauta ni 60% ni laurai na iyau ni kabani cokovata ka oka tiko kina na iyau nei Merchant Finance ka taukena e 32% ni iyau ni kabani cokovata. E tubu na iyau ni kabani ena kena voli e rauta ni FJD\$16 milioni na qele kei na vale, misinisi kei iyaya ni veiqaravi. Na cau ki na qele kei na vale ni kabani cokovata e sa yacova na FJD\$53 milioni, qo e tubu ena FJD\$8 milion mai na yabaki sa oti. Na soli loni mai na Merchant Finance e dua toka na gacagaca ni bisinisi bibi ni kabani cokovata ka yacova na FJD\$33 milioni ena loma ni yabaki oqo.

Na dinau ni kabani cokovata e tubu mai na FJD\$294 milioni ena yabaki sa oti ki na FJD\$330 milioni ena i ka 30 ni Jiune 2019 ka tubu ena 12.5%. Qo e vakavu vakalevu mai na kena tubu na vakatubuilavo (term deposits) ena Merchant Finance kina 21%. Edau qarauna sara na kabani cokovata na nona dinau ia ke laurai ni na vukeya na rawaka sana vakayacori ga vakakina. Na yavu rawarawa sara vakabisinisi oya mena dau levu toka na dinau me rawa ni sotavi na tubu ena rawaka.

Na vakayagataki lavo ena veiqaravi ni kabani e tubu ena 10.5% ena yabaki vakailavo oqo. Ena loma ni yabaki e sauma ni rauta e FJD\$32 milioni ki na Matanitu ena ivakaicavacava kei na isau lavaki tale eso ni vakatauvatani kei na FJD\$26 milioni ea saumi ena yabaki yani muri.

Rawaka ni Veikabani

Na RB Patel Group (RBG), e levu duadua nona cau ni rawaka kina kabani cokovata ka tiko sara ena \$132 milioni qo e rauta ni 8% na tubu ena 12 vula ka mai cava ena 30 ni Jiune 2019. Na vakayagataki ilavo ni kabani e tubu ena 6% ka tiko ena 4% na tubu ni bera ni lavaki na vakacavacava. E sa dua toka na sasaga dredre me vakadeitaki na tubu e rawati ena veiyabaki ena levu ni veiqati vakabisini kei na bolebole vatakaya. E dua na wase levu ni tubu vinaka ni bera ni lavaki na vakacavacava e vu mai ena rede. Sa mai vakacavari vakavinaka na ikelekele ni motoka ena JetPoint Complex e Nadi. Esa voleka talega ni vakaotia na RBG na isevu ni nona tabavale ena Clark Street, Suva. Na RBG e kuria tikoga na nona vakasaqara na veivanua e Suva kei na na veikoro ilevu me vaduri sitoa vovou kina. E vuqa vei ira na 10 na neitou sitoa era yacova sara tiko ga na ivakatagedegede e cake duadua ni nodra rawa ka. Ena iyau e taukena na RBG, e tubu ena 13% na kena isau vakailavo ena FJD\$88 million, e taukena talega na kabani e levu na qele kei na vale eso, ia e se levu tikoga na FHL Properties Ltd.

Na Basic Industries Ltd (BIL) na ikarua ni kabani me levu duadua na nona cau ki na rawaka ni kabani cokovata. Na BIL e okati kina na Standard Concrete Industries Limited, Humes Industries Limited, Basic Homes, Basic Customs, keina Basic Construction. Na BIL e sivia ni 36 na nona vanua ni veiqaravi, volau ni bulibuli kei na vanua ni volivolitaki ka ra tu vakamatau toka ena veivanua e Viti. E rauta ni 690 na kena tamata cakacaka, era qarava tu na duidui vakatagede ni veiqaravi ena loma ni kabani.

Na isau ni iyau e taukena na BIL e koto ena FJD\$56m ena 30 ni Jiune 2019 mai na FJD\$48m ena 2018. E sega soti sara ni levu na rawaka ena loma ni yabaki ka toka vakadua ga ena FJD\$75 milioni. Na kena sega na tubu e vakavu vakalevu mai na bolebole e sotavi ena makete ni bisinisi oqo ni vakatauvatani ena yabaki yani e muri. E mai yaco na lutu sega ni namaki, ena tabana ni taratara kei na bulibuli ka mai vakavuna na lailai ni rawaka ena ikarua ni vula 6 ena yabaki vakailavo oqo. E lutu saraga na voli ni Simece waki-rawa (ready-mix concrete), buloko simece (concrete blocks) kei na iyaya buli ena simece (precast concrete products). Na kena mai lutu na rawaka ni veitabana ena BIL e qai mai vueta na cavuisausau e vakayacora na tabana ni Basic Homes, e dua na tabana vou ka tauyavu ena 2017, ka ratou kena dau ena vale tara ena iyaya ni vale, buli ena simece ka vinakati vakatotolo. Ena 12 na vula oti na Basic Homes e sa rawata rawa e sivia na FJD\$10 milioni na konitaraki ni taravale.

Ena loma ni yabaki na BIL e bulia rawa e rauta ni 3.74 milioni na buloko, 83,795m³ na simece waki, 72,255 na tani ivoli buli ena simece waki kei na 531,043 na tani na qereqere. Qai kena ikuri e talevaka talega kina veivanua ena Pasifika e rauta ni FJD\$10.14 milioni na nona ivoli.

Na tabana ni saravanua ena kabani cokovata, e okati kina na South Sea Cruises Ltd (SSC), Blue Lagoon Cruises Ltd (BLC) vata na Blue Lagoon Cruise Holdings Ltd (BLC) kei na Yasawa Trust Foundation (YTF). BLC e taukena tiko eso na qele ena yanuanu o Nanuya Lailai e vaka kina na waqa na MV Fiji Princess, ka lisitaki tu ki na SSC ena gauna qo. Ena loma ni yabaki e tubu na rawaka ni kabani ena 6%, oya e FJD\$54.6 milioni ia na tubu ni bera ni lavaki na ivakacavacava e tubu ena 5% oya e FJD\$8.6 milioni. Na SSC Group e levu duadua nona cau kina ivakacavacava e sauma tiko na kabani cokovata na FHL baleta ni ratou sauma tale tikoga na ECAL keina STT.

Ena loma ni yabaki ni mai cava na Jiune ni 2019, e rauta ni 340,000 kece na levu ni pasidia era vakayagataka na nodratou veiqaravi na SSC, qo e tubu ena 6.2% mai na kena ena yabaki sa oti. Na Malamala Beach Club, na vanua ni saravanua maleleti vakalevu duadua, e tubu ni iwiliwili ni nona vulagi kina 35,000 mai na 22,000 ena yabaki sa oti. Ni ra wili vata kece na veiqaravi e South Sea Island, na yatu Mamanuca kei na Yasawa Day Cruises, e rauta ni 110,000 na vulagi era qaravi rawa kina ena 12 na vula ka mai cava ena Jiune ni 2019. Qai kena ikuri ni SSC e veiqaravi talega ena veivakaleleci ki na veivanuanu ni saravanua ena yatu Mamanuca kei Yasawa ka yacova na 270,000 na pasidia ena loma ni yabaki. Vei ira na backpackers me vakataka na Awesome Adventures e sa vakilai tiko kina na lutu ni iwiliwili baleta ni ra sa lewe lailai ga na mataqali saravanua vaka oqo era siko mai.

GROUP CEO'S REPORT

TUKUTUKU NI LIULIU NI MATABOSE

Na Fiji Princess, e mai toso vakavinaka sara nona veiqaravi ni vakarurugi tiko ena Blue Lagoon Cruises ni mai vinaka sara nona rawaka mai na kena e yacovi ena yabaki sa oti. Na SSC e tauyavutaka tale eso na ivoli vovou okati kina e tolu na vale vakaviti ena South Sea Island kei na kena mai soli vakatabakidua ga kina SSC me qarava na veivakaleleci ena Six Senses.

Na yabaki oqo edua toka na yabaki bibi kina Fiji Television Limited, na kena Matabose e Cake kei na veiliutaki ni kabani ena vakarautaki ni dua na ituvatuva me veisautaka na kena yavu vakabisini. Ena loma ni yabaki e mai rawata na FTV Group na tubudina e FJD\$1.2 milioni mai na rawa ka ni kabani ena FJD\$11.91 milioni ni vakatauvatani kei na tubu e FJD\$ 0.81 milioni mai na rawa ka e FJD\$ 11.78 milioni ena yabaki sa oti. Na iwiliwili ni tamata cakacaka e sa tiko ena 68 mai na 65 ena yabaki sa oti. Na FTV e dua vei ira na rawa ka vinaka ena veikabani ni FHL ka yavutaki mai oqori ena nona veiqaravi ena duidui tabana me vaka na Fiji One, Channel 2, FTV Streaming, In-house Production, Pactok kei Pacific Services.

Levu kece ni yau e taukena na FTV e tiko ena FJD\$ 18 milioni. Na bolebole ni kabani oya na isau ni porokaramu me saravi kei na ivana (satellite) ka rauta ni 49% na levu ni rawaka e vakayagataki kina. Na isau vata ga oqo ea tiko ena 40% ena 3 na yabaki sa oti. Na kena sa na varau dewa vakadua na kabukaburaki kina Digital Broadcast ena Walesi, sa na vukea vakalevu na saravi vinaka ni yaloyalalo kina veiyanyanu, ia sa na namaki vata talega me tubu na kena isau.

Na FHL Properties Ltd (FHLP), na kabani e manidiataka se qarava na qele kei na tabavale ena loma ni kabani cokovata, e baci tubu vinaka tale ena yabaki oqo. E 100% na tawani ni nodratou veitabavale, nona rawaka e tubu ena 24% kei na tubu ni bera ni lavaki na ivakacavacava e tubu ki na 39%. Na isau vakailavo ni qele kei na tabavale e tubu kina FJD\$ 2.3 milioni, okati kina na 72 na eka ena yasayasa vaka-Ra ena toba e Momi. E na i ka 30 ni Jiune, na FHLP e taukena e sivia ni 12,000 sq.m na vanua, e rauta ni 48 na kedra ivakatawa. E kena ikuri na FHLP e manidiataka e rauta ni 4,000 sq.m ni vanua. Levu ni dinau ni FHLP e koto ena FJD\$ 17 milioni, ka sega ni wili kina na lomi e FJD\$ 65 milioni ka namaki me vakayacori ena tara ni FHL Tower.

E nuidei tiko na kabani cokovata ni na basika na vua ni veivakatoroicaketaki ena gauna qo ena tubu me rawati mai na qele kei na tabavale. E namaki me na rua tale na veivakatoroicaketaki ena loma ni 24 na vula mai oqo baleta ni se bau vakatara na kena makete me na vakayacori vakakina. E vakuri tikoga na kena vakasaqarai na qele kei na tabavale ena CBD ka vakakina ena vanua ni saravanua.

Na FHL Fund Management Ltd (FHLFML) na manidia ni katoniyau ni vakatubuilavo na Fijian Holding Unit Trust, e rawata na tubu ni bera ni lavaki na ivakacavacava ena FJD\$1.206 milioni ena yabaki vakailavo oqo ni vakatauvatani kei na FJD\$1.150 milioni ea rawati ena yabaki vakailavo sa oti. Na levu kece ni dauvakatubuilavo me yacova mai na 30 ni Jiune 2019 e sa 16,214, qo e tubu ena 15% ena loma ni 12 na vula. Na levu kece ni iyau ena katoniyau e tubu kina FJD\$ 126 milioni ni cava na Jiune ni 2019, ni vakatauvatani kei na FJD\$ 110 milioni ena 2018. Na levu ni nodra tubu na dauvatatubuilavo e tiko ena 7.16%, ka wasei kina e rauta ni FJD\$ 4.59 milioni me tubu ni veivula 4. E dua na bolebole levu kina FHUT ni lailai na vanua ni vakatubuilavo e rawati kina na tubu vinaka. E kuri tikoga na kena vasaqarai na veivanua vivinaka ni vakatubuilavo. E dina mada ni mai yaco

eso na veisau ni tubu ena vakatubuilavo ena ilavo qaqa ena iotioti ni vula 6 ni yabaki vakailavo sa oti, e rawata ga na FHUT me wasea na tubu vinaka vei ira na dauvakatubuilavo.

Na Pacific Cement Ltd (PCL), e liutaka na bisinisi ni simede pauta ena noda vanua ka sotava vakalevu sara na dredre ena yabaki oqo. Ena 12 na vula ka mai cava ena 30 Jiune 2019, e mai rawata kina na PCL e rauta ni 117,645 na tani na simede pauta. Na rawaka e FJD\$ 28 milioni ka lutu ena 4% mai na yabaki sa oti. E tubu talega na vakayagataki ilavo vei ira na Dairekita ena 2%. Ena vuku ni tubu oqori e lai tubu kina na vakayagataki ilavo raraba (overheads). Na yabaki vakailavo oqo, e lutu na rawaka ni PCL ki na FJD\$ 1.76 milioni ni vakatauvatani kei na FJD\$ 0.17 milioni na tubu ni bera ni lavaki na vakacavacava. Na PCL e talevaka rawa talega e 9,000 na tani na simede pauta ki na veiyanyanu ena Pasifika.

Na iyau e taukena na PCL e tiko ena FJD\$ 23 milioni na kena isau, e 90 na kena tamata cakacaka, ia e sa sagasaga dredre tiko na PCL me sotava na nona takete ena veisiga. Na makawa ni misini era vakayagataki kei na kena sega ni taladrodoro na veiqaravi e vakilai vakalevu tiko, ia e tiko tale eso na yavu na vakavuna na drakidrakita ni veika vakailavo e rawati ena yabaki oqo. Na kabani e vakayagataka e rauta ni FJD\$ 0.7 milioni me nona cakacakalevu ni vakatauvatani kei na FJD\$ 3 milioni ena yabaki sa oti. E dodonu talega me'u vakaraitaki eke ni vakatekivu mai na 2013 kina 2019, e sa tubu na isau ni vakarautaki ni voli kina 18%, ia na isau ni ivoli e sega ni bau tubu baleta ni okati tu na simede pauta ena isau me lewai mai veiratou na Fiji Competition and Commerce Commission (FCCC). Na PCL esa vakayacora oti e vica vata na kerekere me ivakadinadina ni kena gadrevi me tubu na isau ni ivoli, se waraki tikoga na kena macala. Okati vata kece oqori kei na yadravi ni ivakarau ni bibi ena ikawakawa e Tamavua mai veiratou na Fiji Roads Authority (FRA). Qori e vica na yavu lelevu e malumalumu kina na rawa ka ni kabani.

E sa vakayacori tiko eso na veiveisau lelevu ena duidui vakatagedegede ni veiqaravi me rawa ni vakadaumakataka na rawa ka ni veisiga ni mataka. Ena gauna oqo, e vakanamata na veiqaravi ena kena sagai me taladrodoro tiko na volau ni bulibuli, tawaitaga, veivotayaki kei na sotavi ni vakarau. E namaki tiko ni o PCL ena rawa ni veimusuki na nona rawa ka ena 2019/20.

Ena loma ni yabaki ea okati mai kina na Serendib Investment Limited (SIL) ni oti na kena voli mai na tabana ni Tabaivola ni Matanitu. Na SIL e rau veiqaravi vata kina na FHL (75%) keina kabani mai Sri Lanka na Aitken Spence Group (25%). Na isau ni veivoli oqo e tiko ena FJD\$ 6 milioni kei na veidinadinati me soli tale FJD\$ 5 milioni ena loma ni 3 na yabaki me vakatoroicaketaki kina na veiqaravi ni kabani. Na Aitken Spence e qarava na bisinisi ni dau tabaivola levu duadua ena vanua o Sri Lanka ka sa vakadonuya me vakarautaka na veivuke mai vei ira na kenadau me rawa ni kabani ni tabaivola nuitaki ena wasa Pasifika na SIL. E na imatai ni vula 6 ni nona veiqaravi e lutu na rawaka ki na FJD\$ 297k, ia e sa mai vakarabailevutaka na vurevure ni yau ni kabani cokovata ena kena sa curumi oqo na buturara ni tabaivola.

Na Fijian Holdings Ltd na tinani kabani e rawata e 9% na tubu ena rawa ka kei na tubu ni bera ni lavaki na ivakacavacava, na levu ni iyau e vakatuburi tu e tiko ena FJD\$ 330 milioni ena 30 Jiune 2019, qo e tubu ena 18% mai na kena ena yabaki sa oti. Na nomuni kabani esa vanua ni veivakarautaki vinaka ena kena kunei na veitaleli vivinaka

ni vei qaravi eso kei na vakaliuci ni ivakarau. Keitou vakuria tikoga na kena yadravi na vakayagataki ilavo ni veikabani kece kei na muri ni lawa se yavu ni vei qaravi. Ena veivula me ra dau vakasavuiya mai na ripote ni veika vakalawa ni kabani.

BOLEBOLE

Na vakarabailevutaki ni bisinisi ni Fijian Holdings Group, e maleleta talega na veimataqali bolebole, ia e sa qai daumaka tikoga na rawaka ni kabani.

E rua na kabani e rau qarava na bisinisi ni taratara kei na bulibuli e rau vakila vakalevu na dredre ni sa mai yalani na ivakarau ni bibi e gaunisala. Kevaka e ra se vakasalataki taumada na veikabani ena veilawa vovou vakaoqo, ke a rawa ni bau vinaka vakalailai nodra rawaka mai na kena e yacovi ena gauna oqo.

Ena kena tara tiko na FHL Tower, ea vaberai vakalevu mai vei ira na vakaitavi mai ena kena tara. Me vaka na ivola ni veivagalalataki me qaravi kina cakacaka, ka taura e 6 na vula me qai vakayacori kina. Ena gauna ena qai tabaki kina na tukutuku vakayabaki oqo, sa ciqomi taucoko na veivagalalataki me sa tekivu na kena tara na taba 17 na FHL Tower ka tiko na kena isau vakailavo ena FJD\$65 milioni.

Na leqa ni lavo qaqa (liquidity) e sega so ni vakavu leqa kina veikabani, ia e vakavurea e rua na veisau lelevu ena bisinisi e qaravi. Ni sivia e 20% na vakatubuilavo ena ilavo qaqa (term deposits) vei Merchant Finance e tosoicake tale nodra tubu. E sega soti ni dau namaki na veiveisau ni tubu ena katoniyau oqo, ia sa na vakanamata na vei qaravi ena kena raici na vanua e sega ni veimanati kina na matua ni yau.

VAKATUBUIYAU

Na ikuri ni vakatubuiyau ena Tower Project, e vakayacora tale FHL e rua na veiyalayalati ka rau okati ruarua kina bisinisi ni saravanua. E dua ena 30% na cau kina na otela ni saravanua, sa na okati talega mai kina na kabani oqo me Kabani Taukeni Vakatikina (Associate Company) ena yabaki vakailavo 2019/20, kei na duatale eda cakacakavata kina na kena tara edua na otela e Lautoka rauta ni 140 na rumu.

Ena loma ni vica na yabaki sa oti qo e tarai tiko kina e rua na tabavale ka namaki me curumi ena loma ni 12 ki na 24 na vula mai oqo. E dina ni na vaikuritaka na levu ni nodra iyau na itaukei ni kabani, sa na rawa talega ni vei qati vinaka na kabani cokovata kei na veibisinisi tale eso.

TAMATA CAKACAKA

Na rawaka vinaka ni kabani cokovata e baleta na nodra yalodina kei na cakacaka vinaka na i vakaillesilesi, ka sa dodonu me ra vakavinavinakataki ena veika e rawati ni donumaki edua na yabaki dredre sara ni vei qaravi. Ena vei yabaki keitou dau vakacakacakataki ira era kenadau ka ukucavu ena veitaledi duidui ka tukuna tu na rabailevu ni neitou vei qaravi vei ira na lewenivanua. Keitou dau vauqeti ira na neitou ivakalesilesi mera qarava na nodra cakacaka ena kena vinaka taucoko, ivakarau vakacakacaka e koto kina na dina kei na murilewa sa na dau vakasucuma na tubu vinaka ki na kabani. Na kabani cokovata ni FHL e sega ni qai vanua ni cakacaka walega, e uasivi cake na kena vakanananu mai vei ira na ivakaillesilesi.

Na kabani e okati ira na nona tamata cakacaka me iyau ni kabani ka yavu ni nona sautu. Na vuna oqo era dau okati kina na ivakaillesilesi ena tuvatuva levu ni kabani. E dua na tikina e maqosa toka kina na vei qaravi ni kabani, oya na nodra dau digitaki na vakaillesilesi donu me ra vakatoroicaketaki ka tokoni ni sai ira oqo e namaka na kabani me ra na rawata mai na takete ena ituvatuva ni kabani levu. Keitou marautaka na ituvatuva oqo ni sa lai vakavotuna vei ira e le 5 era sa veliutaki tu ena vica na kabani lelevu ena noda vanua ena gauna nikua.

Na Fijian Holdings Group e sivia na 3,600 na kena ivakalesilesi wili kina o ira na cakacaka vagauna ka 33% vei ira oqo e ra marama. E vakatarai vei ira na ivakaillesilesi ni veikabani me ra lai tiko ena dua na vuli se bose me kua ni lailai mai na 3 na siga e vei yabaki. E kena ikuri ni rauta ni le 11 na ivakaillesilesi era curuma na vuli ni Masters ka sauma na kabani kei na le 9 era qarava nodra CPA. Ena loma ni yabaki vata oqo, e rauta ni 17 na ivakaillesilesi era goleva na vuli duidui eso mai vanuatani. Kena ikuri na nodra vakarautaki talega e le 17 na dairekita ni veikabani.

Ena loma ni yabaki era mavoa e le 12 na tamata cakacaka (LTI), vakacaca; e dua na tamata e rawa ni vakarautaki (vuli) me 24 na yaua. E dodonu me matata eke ni nodra vakarautaki na ivakaillesilesi edau vakadonui ga kevaka e gadreva vakakina, vakauasivi ni laurai na veisivi ni kila vakavuli kei na tara na cakacaka me vaka e tiko ena yavu ni vuli kei na vakatoroicaketaki ni kila ka ni kabani cokovata.

YAVU NI CICIVAKI BISINISI

Na Fijian Holdings Ltd e tokona na vanua ni cakacaka e rabailevu ka veivakaliuci, ena susuga na veiliutaki vinaka, itovo kei na ivakarau ka veiganiti kei na dua na vanua ni cakacaka era taqomaki na lewena, ka solia na galala me ra vakatakilai ira vinaka kina.

Ena FHL, na nodra vakacakacakataki vakatautauvata na marama kei na turaga e rui bibi. E sivia na 33% ni neitou vakaillesilesi era marama. Na kena gadrevi me tautauvata na nodra matataki ena veiliutaki, e baleta na taledi e kunei kei na veika vivinaka e vure mai ena makete kei na bula vakailavo. E le 4 na marama era CEO, e 14 na marama era Dairekita qai le 16 era lewena na komiti ni veimatabose lalai eso. Keitou ivakadinadina bula ni sautu na kabani ena taledi, vakauasivi kevaka era malele ka gadreva me ra vakarautaki.

Na nomuni kabani e vinakata me ivakaraitaki ena bolebole eso ka baleta na nodra qaravi na lewenivanua, yavu ni vei qaravi vinaka me baleta na noda vakatautauvatataki ena loma ni noda duidui. Na kabani e gadreva tiko me bulia e dua na draki ni cakacaka e kunei votu kina na veivakatautauvatataki vei ira na marama, turaga, vakamata-tamata ia na duidui me vakayagataki me vakavurea na veika vinaka ki na bisinisi e qaravi. E dokai na veivakatautauvatataki vei ira na turaga, marama keina veimata-tamata ka tikini ni cakacaka ena veisiga me bulataki na tikina oqo ena veikabani kece.

Na liutaki ni veikabani ena FHL, e gadrevi kina na yavu ni cicivaki bisinisi vinaka, tuvatuva matua kei na yavu eso me vukei na nodra vei qaravi na veiliutaki. Na yavu ni cicivaki bisinisi e sa tarai keda tiko mai ena

rua na tabagauna sa oti ka dua na suitu ni noda kabani. E qai vaqacotaka na nodra vakayagataka talega na veikabani e volitaki nodra sea ena kena makete kei na yavu ni cicivaki bisinisi e veirogoci kei na kena e vakayagata na tinani kabani na FHL.

Na yavu ni cicivaki bisinisi ena dau veiveisau ka vakuri tikoga na kena vakasaqarai na yavu vivinaka me vukea na veiqaravi ni kabani ni matata vakasigalevu tu noda ciqoma eso na ka vovou sa na rawa ni vukea na yavu ni noda veiqaravi. E vuqa vei ira na dairekita ni kabani era goleva na vuli kei na bouse ni yavu ni cicivaki bisinisi eso me rawa ni ra mai vaqacotaka na kena e da vayagataka tiko.

E ka marautaki me tukuni eke ni muri vakavinaka tu ga na Code of Conduct kei na yavu ni cicivaki bisinisi ni kabani. E FHL e vakamuri vakavinaka tu ena duidui tagede ni cakacaka na yavu ni cicivaki bisinisi vinaka. E vakarautaki talega na yavu savasava ka sega ni veivakaduiduitaki ena nodra digitaki vou se tosoicake ni itutu na tamata cakacaka. Na rabailevu ni duidui mata-tamata era veiqaravi ena nomuni kabani edua na tikina e tokona ka taleitaka vakalevu na FHL baleta ni vakatara me qaravi na cakacaka ena vanua era rawa ka vakavinaka ka vakatulewataki vakavinaka na cakacaka mai vei ira na kena ivakailiesilesi.

Ena loma ni yabaki ea vakayacori e vica na ituvatuva me vaqacotaka na yavu ni cicivaki bisinisi ena kabani cokovata. Qo e okati kina na nodra vaqacotaki ka raica vakamatau o ira na lewe ni matabose e cake ni kabani kei ira na kena veimata komiti lalai. Ena kena laurai mera iliuliu ni bouse ki na veikabani o ira na Dairekita ni FHL na kena vo ni lewe ni matabose e cake me ra tu vakai-ira ga (independent). Me laurai na nodra tiko e le dua na marama (kena ialayala ira) kina veimatabose e cake ni veikabani.

NA I VAKADEI

E FHL, keitou kila na neitou i tavi ena veika bula e tu wavokiti keda kei na veiqaravi ni bula raraba. Na neitou veiqaravi e na dau doka ka qarauna na maroro ni vei ka bula, okati kina na nodra bula na lewenivanua raraba.

Keitou kila ni e so na neitou bisinisi ena vakilai ena veika bula e tu wavokiti keda, ia sa vanamata na i tuvatuva ena kena qarauni na levu ni vakacaca e rawa ni yaco me vaka ni tiko i na tavi ni kabani ena tikina qo.

E tiki ni tuvatuva ni kabani me maninitaka na vakayagataka ni vurevure ni kaukauwa kei na wai, vakalailai taki na benuci ni maliwa lala, kei na maroro vaka vuku ni benu, ka vakarautaki ira na kena ivaka lesilesi me ra kila na nodra i tavi ena tikina oqo, na vakataudei taki me vanua ni cakacaka vinaka, me rawa ni uasivi kina na rawaka.

Na nona yadrava na kabani me vakamuri na i tuvatuva e koto qori e cake me vakalailai taki na vacacani ni maliwa lala kei na veiveisau ni draki, ka sa rawa ni daumaka ka bulabula na noda vanua eda veiqaravi kina.

Na kabani cokovata e saga tiko ga me rawata na i tuvatuva ni vavure kaukauwa ena duidui vanananu e so sala vata ena kena vaqacaco taki ni vurevure ni kaukauwa vakavoui me vakayagataka ena tabana ni veivoli kei na saravanua.

NA RAI KI LIU

E marautaki ni vu ni veiqaravi vinaka, o ya na kena muri na tuvatuva levu me yadrava na veiqaravi taucoko kei na yavu ni cicivaki bisinisi.

Keitou gumatua tiko ena kena vinakati na tubu vinaka ena loma ni kabani, oya na vuna keitou veisemati tiko kina vakavoleka kei na veitabana era vakalawataka na isau ni voli ena noda vanua me rawa ni taladrodro na veiqaravi ka rawati na tubu uasivi duadua.

Keitou dei tu ena neitou veisiga ni mataka vakauasivi ena vanua keitou sa mua tiko kina keina veika keitou na rawata. Na yabaki oqo keitou sa laveta tale kina na veiqaravi kei na rawaka kina dua tale na ivakatagedegede me rawa ni qai dina kina na veika keitou yalataka, oya na tubu uasivi duadua vei ira na itaukei ni sea, vakauasivi vei ira era veivakabauti vei keitou.

Keitou sa baci vakanamata tale yani kina dua na yabaki drakidrakita keitou yalataki keitou ena kena vakasaqarai ka taukeni na veika ka e veiganiti keina kabani. Keitou na raillesuva talega na vanua e talevaki mai kina na iyau ni kabani baleta ni sega ni vinakati me yaco vakasauri na leqa ena dua na gauna, sana vinaka gona kina me vakarabailevutaki na vanua era na talevaki mai kina, salavata na kena maroro ni veivekani keina veivanua e kunekune yaloka ni dilio na kena kune. Keitou vakanamata tikoga ena kena taladrodro na veiqaravi ena kena tokoni na sasaga eso me vaka na kena manidiatiki na veika e rawati, vakayagataka ni misini ni gauna oqo ka ologi koto ena yavu ni veivakadeitaki ena kabani.

NA VAKAVINAVINAKA

Au via taura na gauna oqo meu vakaraitaka kina na noqu vakavinavinaka levu ki vei iratou na noqu CEO gugumatua ena lomani kabani cokovata kei ira na nodra dui manidia.

Meu tinia, au via vakavinavinakataka ira kece na neimami tokani vaka bisinisi ena kena tokoni tu na cakacaka ni kabani cokovata ena loma ni yabaki oqo. Au via vakavinavinakataka ira talega na tamata cakacaka ni kabani cokovata ena nodra veitokoni kei na nodra yalodina vakauasivi ena veigauna dredre e sotava na kabani. Kena itinitini, au via vagolea talega na noqu vakavinavinaka vua na liuliu ni matabose e cake, iratou na Dairekita ena vuku ni nodratou veiliutaki vinaka kei na nodratou veitokoni vei au ena lomani yabaki oqo.

Au via varaitaka talega na noqu vakavinavinaka vei ira kece na neimami tokani vakabisinisi e Viti kei na wasa Pasifika ena nodra veitokoni vinaka. Au vakavinavinakataka ira talega na lewenivanua kei ira kece na itokani vakabisinisi ka keimami dua vata voli ena tubu vakabisinisi e sotava na kabani.

Vinaka vakalevu
Nomuni Dauniveiqaravi,

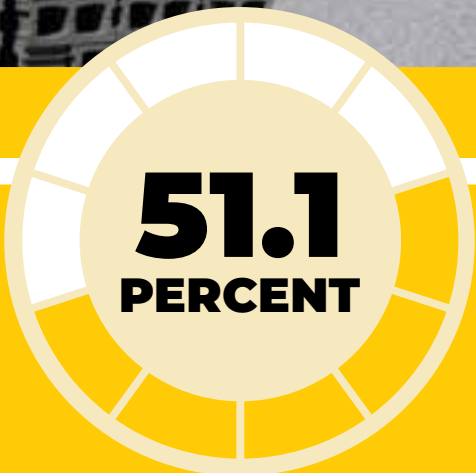


Nouzab Fareed
Group Chief Executive Officer
8 Seviteba 2019



OPERATIONAL REPORT OF
SUBSIDIARY COMPANIES

TUKUTUKU MAI VEI IRA NA
VEIKABANI COKOVATA



MOSESE
VOLVOLA
CEO



ADRIAN
SOFIELD
CHAIRMAN

CURRENT MEMBERS

- TONY WHITTON
- NOUZAB FAREED
- PRAVIN PATEL
- VEERAL PATEL
- NIKITA PATEL
- ANNABELLE ALI
- SAKIUSA RAIVOCE

BASIC INDUSTRIES LIMITED

Total Annual Revenue for BIL in FY19 was \$76.304million, 1.0% above the \$75.513million recorded in FY18. This lower than forecasted annual growth is attributed to a relatively challenging market environment compared to the previous year. There was an unexpected downturn in building and construction activity from January 2019, resulting in a drop in sales volume on a number of our main products i.e. ready-mix concrete, concrete blocks and precast concrete products. Fortunately, this drop was offset by a significant increase in revenue from Basic Homes division, our new business unit established in 2017, specializing in precast modular housing turnkey projects. Basic Homes' 'one stop shop' product is proving very popular in the local market with demand expected to grow further in the coming years. Basic Homes' current success confirms the effectiveness and timeliness of the company's strategic decision to venture into construction activities. FY19 was another good year for our exports recording an annual revenue of \$10.145million.

Overall NPBT for the year was \$8.982 million, equivalent to 11.7% NPBT margin on revenue. There was a drop in profitability this year compared to last year due to a couple of reasons, i.e. a new Management Fee cost introduced for the first time this year, and a substantial increase in

transportation costs, brought about by new truck loading restrictions introduced by the LTA. Under these new LTA rules, our 10 wheeler concrete mixer trucks that traditionally used to carry up to 5m³ of concrete per trip is now only allowed to carry a maximum of 3m³. This sudden 40% reduction in truck carrying capacity applies across the board on all our products and raw material. As a result, overall transportation costs in FY19 increased by \$2.3million, 3.1% of total revenue. Furthermore our product delivery capacity and efficiency has significantly reduced. This problem is not just isolated to the BIL business but has impacted many other companies and industries Fiji wide.

Some operational highlights for BIL in FY19 include the opening of a brand new semi-automated Concrete Batching Plant in Nadi, the commissioning of a second Block Plant at Nasinu, and the establishment of a new Precast Concrete Yard for Humes at Lomolomo in Nadi. During the year a lot of work was put in by all departments towards getting their respective operations certified as Quality Management Systems under ISO 9001 Standards. The first lot of ISO9001 certifications is expected by December 2019. Preparation work towards BIL becoming a publicly listed company on the South Pacific Stock Exchange was also in progress during the year.

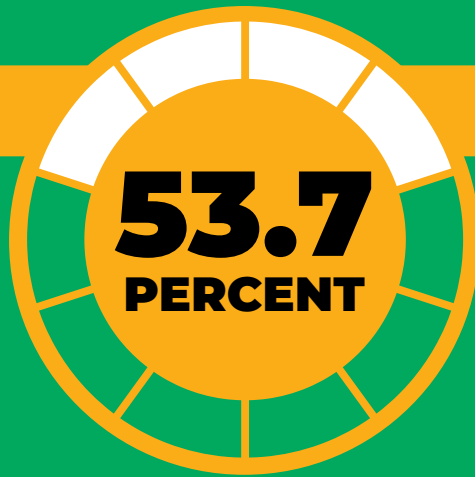
BASIC INDUSTRIES LIMITED

Na levu kece ni rawaka ni BIL ena YV19 e \$76.304 milioni, qo e tubu ena 1.0% mai na \$75.513 milioni ea rawati ena YV18. E lailai sara na rawaka oqo mai na kena ea navuci taumada ena itekivu ni yabaki ka vakavu vakalevu ena bolebole e sotavi ena makete oqo ni vakatauvatani mai na yabaki sa oti. E mai yaco na lutu sega ni namaki, ena cakacaka ni tara vale kei na bulibuli ena Janueri 2019, ka vakavuna na lailai ni kena voli na simeke waki-rawa (ready-mix concrete), buloko simeke (concrete blocks) keina iyaya buli ena simeke (precast concrete products). E kalougata vakalevu nia tubu sivia sara na veika e rawati mai ena Basic Homes, e dua na neitou ivoli vou ka tauyavutaki ena 2017, eratou kenadau ena veivakavaletaki, vale tara ena gacagaca ni vale buli ena sideme. Na Basic Homes' 'dua na vatu rua na manumau' (one stop shop) ena tubu me dua na ivoli uasivi sara ena veiyabaki ka tu mai. Na rawaka vinaka ni Basic Homes' e dusia ni vakayacori ena gauna donu na tuvatuva ni kabani me vakaitavi ena cakacaka ni tara vale. Na YV19 edua tale na yabaki vinaka ena neitou tabana ni volivolitaki e vanuatani ni yacovi na rawaka vakayabaki ena \$10.145 milioni.

Na tubu bera na musumus (NPBT) ni yabaki e \$8.982 milioni, e rauta ni 11.7% NPBT ena rawaka ni kabani. E lutu na tubudina ni vakatauvatani ena yabaki sa oti, e vakavu vakalevu ena isau lavaki vou oya na Management Fee e kena isevu ena yabaki oqo kei na sau levu ni veitosoyaki ka vakavu

mai ena lawa vou ni veiqaravi mai na LTA ena kena yalani na ivakarau bibi ni usana. Na lawa vou oqo mai na LTA e vakatabuya kina lori na 10 wheeler concrete mixer (lori ni waki simeke) me usana e 5m³ dua na gauna ni usausa ka vakatarai ga me usana e 3m³. Na vakasauri ni kena vakalutumi na bibi ni usana kina 40% e lavaki vakatautauvata kina neitou usana kece okati kina na uma. Oqo e vakavuna na kena mai tubu vakasivia na isau ni neitou veitosoyaki ena YV19 kina \$2.3 milioni, qo e tautauvata ni 3.1% ni rawaka ni kabani. Qai kena ikuri ni mai lutu na wiliwili ni voli era volitaki yani. Na lawa vou oqo e sega ni vakavu leqa walega kina bisinisi ni BIL e vakatalega kina na veitabana duidui vakabisinisi e Viti.

Eso na ituvatuva lelevu ni BIL ena YV19 e okati kina na kena sevutaki na misini vou ni waki simeke (Concrete Batching Plant) e Nadi, na ikarua ni misini ni buli buloko e Nasinu, keina na dua na vanua vou ni iyaya buli ena simeke nei Humes Lomolomo, Nadi. E vuqa sara na veitabana era gumatua ena loma ni yabaki mera rawata na sitivikiti ni Quality Management Systems ena ruku ni ISO 9001 Standards (ivakarau). Na imatai ni wasewase ni sitivikiti (ISO9001) e namaki ena Tiseba ni 2019. Sa vakanamata talega na veiqaravi ni BIL ena yabaki oqo ena kena vakarau me volitaki na sea ni kabani ena kena makete na South Pacific Stock Exchange.



DEEPAK
RATHOD
CEO



RATU AISEA
VOSAILAGI
CHAIRMAN

CURRENT MEMBERS
NOUZAB FAREED
SEREANA
MATAKIBAU
SUREN PATEL
MICHAEL NACOLA
KAVIN RATHOD
(Independent
Director)

RB PATEL GROUP LTD

RB Patel Group Ltd (RBG) is primarily a Supermarket chain operating 10 supermarkets located in Nausori, Nasinu, Suva, Lami, Sigatoka, Nadi, Lautoka and Labasa. The supermarkets sell grocery as well as general merchandise purchased from local distributors and manufacturers as well as merchandise that it imports from overseas. RBG also wholesales imported grocery items as well as general merchandise.

The 2018-19 financial year saw a number of challenges and opportunities which were met with great enthusiasm by management and are evident from the results for the year. The supermarket industry continues to be highly competitive.

RBG achieved sales of \$132 million which is 8% above last year's total of \$122 million.

The operating profit for the year was \$10 million, up 8% from last year's \$9 million.

Profit after Tax was \$10 million up 4.3% from last year's \$9.6 million. Earnings per share was 34 cents, up 6.25% from last year's 32 cents.

RBG shares were trading at \$8.05 as at 30 June 2019 which is an increase of 66% from the same time last year when they were trading at \$4.85.

Construction of the three level Car Park building at the JetPoint Complex in Martintar, Nadi was completed during the year with the apartments at Clarke Street, Suva expected to be completed in August 2019.

Construction of the new three level building at the JetPoint Complex has commenced and is expected to be completed in late 2020. This will add to the availability of retail shops at ground level and offices on the other two floors.

Plans for the Lami property have been lodged and tenders have been called. The project should commence in late 2019.

RB PATEL GROUP LTD

Na RB Patel Group Ltd (RBG) e vakabi nona veiqaravi ena Supermarket (vanua ni volivoli) ka qarava e 10 na tabana e Nausori, Nasinu, Suva, Lami, Sigatoka, Nadi, Lautoka kei Labasa. Na supermarkets e volitaka na ivoli duidui eso mai na kena e buli ga ena noda vanua ka vakakina mai vanua tani. Na RBG e kenadau talega ena volitaki umauma ni veivoli duidui oqori.

Na yabaki vakailavo (YV) 2018-19 e sotavi sara kina e levu na bolebole e vakakina eso na gauna vinaka ia era sotavi kece ena yalo gugumatua mai vei ira na veiliutaki ka vakavotukana ena rawaka ni cava na yabaki. Sa tubu tiko na veiqati vakabisinisi ena buturara ni supermarket (vanua ni volivoli).

Na rawaka ni RBG e tiko sara ena \$132 milioni qo e rauta ni 8% na tubu mai na yabaki sa oti ni rawati kina e \$122 milioni.

Na tubu ni bera na musumusu e tiko ena \$10 milioni, qo e tubu talega ena 8% mai na \$9 milioni e a rawati ena yabaki sa oti.

Na tubudina ni oti na kena musu nai vakacavacava e tiko ena \$10 million, oqo e rauta ni 4.3% na kena tubu mai na yabaki sa oti e rawa kina e \$9.6milioni.

Na sea ni RBG e volitaki ena kena makete ena \$8.05 me yacova mai na i ka 30 ni Jiune 2019 e tiko ena 66% na tubu oqo ni vakatauvatani kei na \$4.85 ena gauna vata oqo ena yabaki sa oti.

E sa mai vakacavari na kena tara na ikelekele ni motoka taba 3 ena JetPoint Complex e Martintar, Nadi salavata na kena tara tiko na tabavale ena Clarke Street, Suva ka namaki me vakacavari ena Okosita ni 2019.

Sa tekivu talega na tara ni taba 3 ena JetPoint Complex ka namaki me vakaoti ena mua ni 2020. Qo e sana kuria na kena redetaki na tabavale e ra vei ira na dauvolivolitaki ka vakayagataki na ikarua kei na katolu ni tabavale ena veivalenivolavola eso.

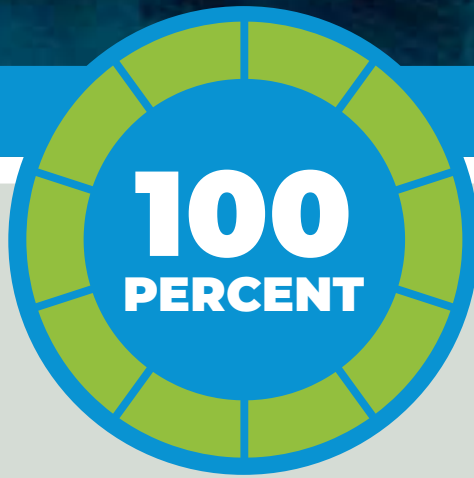
Na tuvatuva ni veivakatoroicaketaki e Lami sa tavocj oti era sa sureti talega na via vakaitavi kina mera vola kerekere mai. E namaki mena tekivu na cakacaka ena mua ni yabaki oqo.





OPERATIONAL REPORT OF
SUBSIDIARY COMPANIES

TUKUTUKU MAI VEI IRA NA
VEIKABANI COKOVATA



BRAD
RUTHERFORD
CEO



SAKIUSA
RAIVOCE
CHAIRMAN

CURRENT MEMBERS
NOUZAB FAREED
ARUN NARSEY
ROGER DOLD
PETER DUNCAN
GURMINDAR SINGH

SOUTH SEA CRUISES LTD

South Sea Cruises including Blue Lagoon Cruises achieved total revenue of \$51.149m (\$48.811m in FY18) to achieve a NPBT result of \$8.970m. This 6% increase in revenue along with a continual focus on operating expenses and overheads resulted in South Sea Cruises achieving a record NPBT of \$8.970m in FY19, up 19% on last year's \$7.498m.

Resort Connection services to the Mamanucas weathered a soft Q3 in terms of customer numbers to grow revenue by 4% overall, mainly through its array of popular day cruises, including South Sea Island which achieved another record year of day trippers. South Sea Island also benefitted from the additional private accommodation offering aimed particularly at the budget market. The investment in modern and efficient ferries during the prior three years benefitted operations with

reduced maintenance and operating costs, improved reliability and improved "on time" performance all contributing to the positive result. South Sea Cruises rounded out a successful year by winning the coveted 'Best Transport & Tour Operator' award in recognition of its outstanding service offerings.

During its first full trading year Malamala Beach Club finished ahead of expectations and continues to cement its position as the leading beach club in the South Pacific. Malamala Beach Club finished with revenue 7% ahead of budget and a contribution well ahead of its pre-opening projections. The Beach Club won South Sea Cruises' second Fiji Excellence in Tourism Award, this time for Destination Marketing on the back of its strong social media presence and various features on a wide range of TV productions.

SOUTH SEA CRUISES LTD

Na South Sea Cruises e okati kina na Blue Lagoon Cruises e toka sara nona rawaka cokovata ena \$51.149m (\$48.811m ena Yabaki Vakailavo18) me rawati kina na tubu bera ni lavaki na vakacavacava (TBLV) e koto ena \$8.970m. E tubu ni rawaka ena 6% salavata kei na qarauni ni vakayagataki lavo e cavu isausau kina na South Sea Cruises me rawata na TBLV (NPBT) ena \$8.970m ena YV19, e tubu ena 19% ni vakatauvatani kei \$7.498m ea rawati ena yabaki sa oti.

Na veiqaravi ni nodra semati na vei Otela ena yatu Mamanuca e tubu na kena rawaka ena 4% ena loma ni Q3 (Janueri - Maji), vakauasivi ena soko siga okati kina na siko ena South Sea Island ni baci cavu isausau tale ena vei ira na soko siga. Na South Sea Island e kalougata vakalevu ena kena mai vakuri na volitaki ni vanua ni vakacegu e vakatabakidua vei ira e yalani

nodra vakayagataki lavo. Na kena voli na waqa vovou ka veiganiti ena gaunavou ni veiqaravi oqo e veivuke vakalevu ena rawaka ni kabani, ni lailai na kena vakavinakataki qai taladrodro nodra veiqaravi. E mai vakacavara na South Sea Cruises na yabaki vakailavo ena kena mai rawati na cocovi na 'Best Transport & Tour Operator' me ivakadinadina ni veiqaravi uasivi e vakaitavi kina.

Ena imatai ni yabaki ni kena mai dola na Malamala Beach Club (MBC) e vakacava nona rawaka ni bera na gauna yalataki ka vakadeitaka na liu taumada ena kena makete ena Ceva ni Pasifika. Na MBCea toso cake na ka e rawata ena 7% mai na kena tuvutava taumada qo e dua na cau levu ena loma ni gauna e se sevutaki tikoga mada kina. Na Beach Club (Vanua ni Marau e Baravi) e mai rawata na ikarua ni cocovi ni South Sea Cruises' ena Fiji Excellence in Tourism

SOUTH SEA CRUISES LTD

Blue Lagoon Cruises finished on par in terms of revenue against last year having faced a lot more competition and tactical activity throughout a weaker than expected second half of FY19 for Fiji's tourism industry. The soft refurbishment of Fiji Princess undertaken in FY19 has put the product in a good position to continue to grow occupancy in the year ahead with forward bookings in quarter one of FY20 currently ahead of the same period last year.

Resort Connection services to Yasawa's resulted in an increased revenue of 14% year on year mainly due to the change in the way customers are booking their travel with more choosing to book standalone transfer services rather than the accommodation inclusive packages offered through the Awesome Adventures Fiji brand. These changing trends however don't have a material impact on the Yasawa services with the region contributing on par with

last year's result and nearly one third of South Sea Cruises' total net contribution.

With numerous challenging market factors to contend with, including low visitor arrivals during Q3, South Sea Cruises did extremely well to produce yet another record result in FY19.

The outlook for FY20 is encouraging with growth expected across most areas of the South Sea Cruises business. Forward bookings for travel during FY20 are ahead of the same time last year.

In May 2019 South Sea Cruises announced its new 'South Sea Sailing' product which includes a brand-new custom designed 24 metre sailing catamaran due to commence operations in June 2020. Whilst this won't impact FY20's results materially, it does further cement South Sea Cruises position as a market leader and innovator and will greatly contribute to future results.

SOUTH SEA CRUISES LTD

Award, ena kena iwasese na Destination Marketing ni oti na kena maketetaki ena veilawa kei na kena veimataqali ena retio yaloyalo.

Na Blue Lagoon Cruises e veiraurau na nona rawaka ni vakatauvatani ena yabaki sa oti ni vakilai vakalevu na veiqati ena yabaki oqo kei na kena sega soti ni toso vakavinaka na ikarua ni veimama ni YV19 ena makete ni saravanua e Viti. Na kena mai vakavou na waqa na Fiji Princess ena YV19 e tekivu kina ena dua na vanua vinaka na nona veiqaravi ena levu ni sausaumi kei na lalavaki me vakayagatki ena YV20 ka levu sara mai na kena ea ciqomi ena gauna vata oqo ena yabaki sa oti.

Na nodra semati na vei Otele ena yatu Yasawa e tubu kina na rawaka ena 14% ena loma ni yabaki ka vakavu mai na nodra via vakayagataka ga na veiqaravi ni veivakalelevi ka sega na kena e umani vata tiko na vanua ni gade me vaka e vakarautaki ena ivoli na Awesome Adventures Fiji. Na veiveisau oqo e sega oti sara ni vakilai ena rawaka e rawati mai na veiqaravi ena yatu

Yasawa me vaka ni veiraurau na veika e rawati ni vakatauvatani ena yabaki sa oti ni kumuni kina e rauta ni dua na ikatolu ni tubu dina ni South Sea Cruises.

E vuqa sara na bolebole salavata kei na laiali ni saravanua era yaco mai ena Q3 (katolu ni vula 4), ia e cavu isausau ga na South Sea Cruises ena YV19.

Na raiyawa ni YV20 e veivauqeti dina ni namaki na tubu ena vuqa saran a tabana vakabisinisi ni South Sea Cruises. E levu era sa lalavaki mai mera soko ena neitou waqa ni vakatauvatani ena gauna vata oqo ena yabaki sa oti.

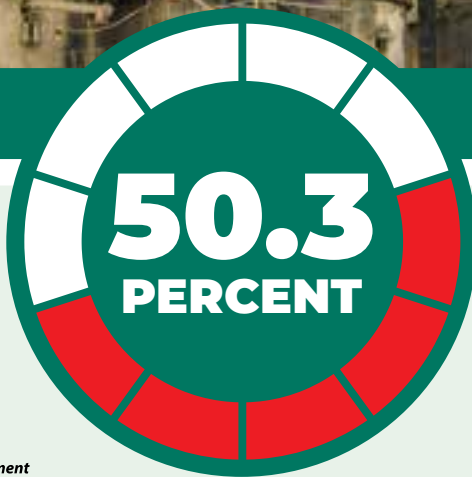
Ena vula Me ni 2019 e kacivaka kina na South Sea Cruises na nona ivoli vou na 'South Sea Sailing' edua na waqa vou vakalaca ni veivakalelevi, buli vakamatau ka rauta ni 24 na mita na kena balavu, me tekivu vakayagataki ena Jiune ni 2020. E dina beka nina sega ni vakilai vakalevu ena rawaka ni YV20 ia sana vakadeitaki koya kina na South Sea Cruises me liu taumada ena bisinisi oqo kana cau vakalevu ena rawaka ni veisiga ni mataka.





OPERATIONAL REPORT OF
SUBSIDIARY COMPANIES

TUKUTUKU MAI VEI IRA NA
VEIKABANI COKOVATA



Build Stronger with Pacific Cement



SOWANI
TUIDROLA
CEO



TONY
WHITTON
CHAIRMAN

CURRENT MEMBERS

- ADRIAN SOFIELD
- NOUZAB FAREED
- PRAVIN PATEL
- VEERAL PATEL
- NIKITA PATEL
- ANNABELLE ALI
- SAKIUSA RAIVOCE

PACIFIC CEMENT LIMITED

The 2019 financial year was a very challenging year for Pacific Cement PTE Limited (PCL) with the ever increasing raw material cost coupled with the strengthening of the US dollar and continued weight restrictions on inbound logistics.

Total revenue for PCL in FY19 of \$28.1million declined by 5% compared to FY18, out of which an operating loss of \$1.1million and loss before income tax of \$1.6m was recorded. The comparatively negative margins achieved in FY19 were attributed primarily to low volumes and high costs.

The PCL Management Team has learnt a lot of lessons during the year and will make drastic strategy transformation in all facets of operations to ensure we achieve our targets for FY20. Our underlying strategy for FY20 is to improve our overall efficiencies on factory performance, Production, Bagging & dispatch and Technical parameter. The sales strategies will be to improve local market share and also regional sales in the area

of environmental mitigation funded projects.

Market conditions in FY20 are however forecasted to be more favorable than last year. An expected increase in demand for our existing products with the planned introduction of new products. Our Sales team will work relentlessly to achieve the desired outcome to achieve our targets.

PCL had recently underwent and successfully completed the annual review of the Quality and Environment Management system standards through Telarc NZ on the latest standard which is ISO 9001: 2015 and ISO 14001: 2015.

On behalf of PCL Management Team, we acknowledged the advice and support of the board, PCL employees and their families for their tremendous contribution. We also acknowledged the unwavering support of our business customers and partner in the local and regional market.

PACIFIC CEMENT LIMITED

Na yabaki vakailavo (YV) 2019 e dua na yabaki ni bolebole kina Pacific Cement PTE Limited (PCL) ena kena sa veitubutuburi tikoga na isau ni uma salavata kei na kaukauwa vakailavo ni lavo ni Amerika qai kuria na yalani ni bibi vata kei na vakadredretaki ni iyaya curu mai ena noda vanua.

Na rawaka ni kabani ena YV19 e tiko ena \$28.1milioni e lutu ena 5.0% ni vakatauvatani ena YV18, ena kena sega ni rawati na tubu ni bera na musumususu ena \$1.1million kei na kena sega ni rawati na tubu ni bera na saumi vakacavacava ena \$1.6m. Na sega ni rawati vakavinaka ni rawaka ni YV19 e vakavu vakalevu ena lailai ni volivoli kei na tubu ni vakayagataki lavo.

Era vuli vakalevu na veilitaki ena PCL ena veika e sotavi ena yabaki oqo ka sana vakayaco veisau ena so nai tuvatuva maqosa me rawati kina na takete ni YV20. Na tuvatuva levu ni YV20 me vakadaumakataki na veiqaravi rabailevu ni misini eso, vanua ni bulibuli, tawaitaga, veivotayaki kei ira na kena dau ena veitabana kece sara. Ena yadrava na tabana ni volivolitaki (sales) na qaravi ni makete ena

noda vanua e vakakina ena wasa Pasifika vakauasivi vanua ni veivakatoroicaketaki era vukei vakailavo ena tuvaki ni draki era sotava.

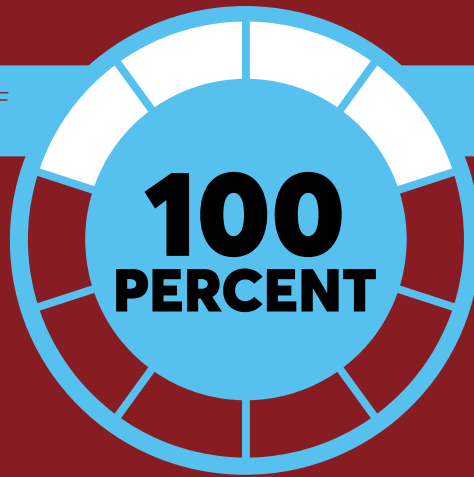
E namaki na makete oqo me vinaka vakalevu cake sara mai na yabaki sa oti. E namaki mena tubu na volivoli mai vei ira na dauvolivoli vei keitou kei na kena sevutaki eso na ivoli vovou. Eratou na cakacaka vagumatua na neitou tabana ni volivolitaki me rawati na veika e gadrevi me yacovi kina na takete e nanumi.

Na PCL e se qai vakacavara saraga na kena dau raiclesu na ivakarau e okati me "Quality and Environment Management system" e qarava na Telarc NZ ena kena ivakarau vou duadua na ISO 9001: 2015 kei na ISO 14001: 2015.

Ena vuku ni veliutaki ena PCL keitou vakavinavinakataka na veitokoni ni matabose e cake, vakailesilesi ni kabani kei na nodra matavuvale ena nodra cau ena loma ni yabaki. E sega ni guilecavi kina na veitokoni tawa yalani mai vei ira keitou caka bisinisi vata kaya ena noda vanua kei vanua tani.



PROPERTIES
LIMITED



CATHERINE
GRAY
CEO



LITIANA
LOABUKA
CHAIRPERSON

CURRENT MEMBERS

- SHAMMI LAL
- NOUZAB FAREED
- GYNESHWAR PRASAD
- NAVEEN LAKSHMAIYA

FHL PROPERTIES LIMITED

During the financial year, FHL Properties managed to maintain an exceptional level of occupancy throughout all its property portfolio comprising of Ratu Sukuna House, Vanua House, FHLP Building and Ra Marama House with the property market in the Central Business District continuing to remain competitive with a number of office vacancies available. The 2019 financial year was indeed very challenging for the team however the Company recorded a total revenue of \$4.43m (2018: \$4.16m) an increase of 6.44 %. FHLP operating profit before tax was \$2.00m (2018: \$2.01m) a decrease by 1.00%. During the financial year, the company:

Effected a name change from "FHL Properties Limited" to "FHL Properties PTE Limited".

Declared dividends amounting to \$6m (\$0.66 per share) which was reinvested into share capital during the year which led to increase in share capital to \$18m compared to (2018: \$12m).

Acquired the new land at Momi Bay with increase Loan of \$1.1m from the parent company Fijian Holdings Limited.

Fully completed the Vanua House Lift Replacement.

Completed 71% of Ratu Sukuna House Exterior Refurbishment Project

Signed the FHL Tower contract with its contractors China Railway First Group (CRFG) and had its Ground Breaking ceremony in September 2018 but continues with the challenges of getting approvals from Regulatory bodies.

The company also undertook some major renovation works which has resulted in key tenants rolling over leasing agreements and improved occupancy. The 2019 financial year continued with significant upgrading projects for the older buildings in terms of exterior refurbishment, air conditioning, internal common area renovations for Vanua and Sukuna House and continues to upgrade the Ra Marama Lift until its Lift Replacement in the new Financial Year.

FHLP continues to find the increasing maintenance costs a challenge in this line of business whilst providing the highest standard of services to our valued tenants without impacting the return to shareholders.

FHL PROPERTIES LIMITED

Ena yabaki vakailavo oqo na FHL Properties e vakadeitaka tiko na kena tawani na nodratou veitaba vale kece sara okati kina na Ratu Sukuna House, Vanua House, FHLP Building keina Ra Marama House. Dina mada ni vo tiko eso na valenivolavola mera tawani ena vanua osooso ni qaravi bisinisi (Central Business District) kara tu kina na veitaba vale tale eso. Na yabaki vakailavo 2019 e levu sara na bolebole e sotavi kina ia e yacova na kabani e rauta ni \$4.43m na nona rawaka (2018: \$4.16m) qo e rauta ni tubu ena 6.44 % mai na yabaki sa oti. Na tubu ni FHLP bera na musumusu ni vakacavacava e koto ena \$2m (2018: \$2.01m) e lutu ena 1.00%. Na veika eso e qarava na kabani ena yabaki vakailavo oqo:

Veisau na yaca mai na "FHL Properties Limited" kina "FHL Properties PTE Limited".

Vakatakilai ni tubu e rauta ni \$6m (\$0.66 dua na sea) ea sa vakalesui kina isau ni sea me tubu cake kina, kina \$18m ni vakatauvatani ena (2018: \$12m).

Voli e dua na qele vou e Momi Bay, toso cake kina na dinau mai na kabani na Fijian Holdings Limited kina \$1.1m.

Vakavinakataki taucoko na rumutoso (lift) ena Vanua House.

Vakacavari e rauta ni 71% na vakavou ni dagoni tabavale na Ratu Sukuna House.

Toqai na volaniveidinadinati ni kena tara na FHL Tower keina kabani na China Railway First Group (CRFG) salavata kei na soqo ni vakasobuduru ena Seviteba 2018, ia e se sotavi tiko eso na bolebole ni veivakadonui mai na veitabana vakalawa eso (Regulatory bodies).

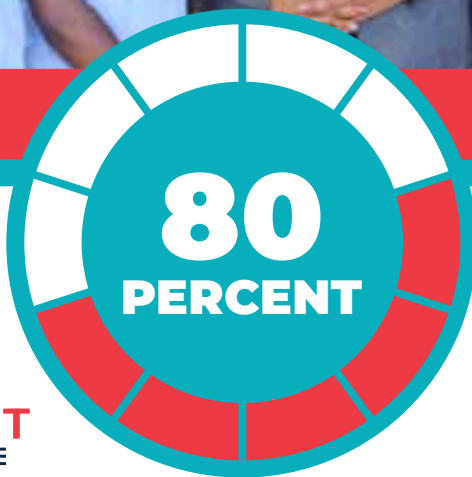
E vakaitavi sara talega na kabani ena kena vakavou ni neitou tabavale ka vakadeitaka nodra tiko vakadede na rede tiko kei na kena tawani kece tu na veitabavale. Na yabaki vakailavo 2019 e vakuria tikoga kina na cakacaka levu ni nodra vakavinakataki na veitabavale me vaka na dagona e tuba, air conditioning, loma ni vale me vaka ena Vanua kei na Sukuna House kei na vakavinakataki ni rumutoso ena Ra Marama.

Na FHLP e sotava tiko na bolebole levu ni kena tubu tikoga na isau ni vakavinakataki ni veitabavale oqo, ka segata me vakarautaka na veiqaravi uasivi duadua vei ira era rede tiko ia me kua ni vakaleqa na ivakayaga e saumi lesu vei ira na itaukei ni kabani.



OPERATIONAL REPORT OF
SUBSIDIARY COMPANIES

TUKUTUKU MAI VEI IRA NA
VEIKABANI COKOVATA



**MERCHANT
FINANCE**

MERCHANT FINANCE LIMITED

Despite a challenging year, Merchant Finance recorded an improved Pre-tax Profit of \$9.784m for the year ended 30 June 2019 which is an increase of 15% from 2018. This was primarily attributed to increase in both interest and non-interest income which was partially offset by the increase in interest costs and slightly higher operating expenses.

The year saw an increase in assets mainly driven by the growth of the loan portfolio, which amounted to \$164m at the end of 2019, a 24% growth from 2018 figures. This included loans in all MFL's 9 Branches, which is in line with the targets of the optimistic scenario of MFL's Development Strategy.

Total Dividend of \$5.675m was declared for the financial year versus a payout of \$5m, a positive increase of 14%. The past financial year brought about an

unprecedented set of challenges for MFL as it responded to the slowdown of lending due to the cautious approach customers were taking prior to the Elections in 2018 and in the New Year the tightening of liquidity in the market.

In the reporting year, the loan and TD portfolio was complemented with several large investment projects, and against the background of considerable growth of investment activity, the Group kept the level of non-performing loans significantly below the limits set by the Strategy.

The 2020 financial year continues to look challenging however MFL remains positive with its increasing market penetration and competitiveness of our businesses we should be driving strong growth in sales, profits and returns to our shareholders.



ROWENA FONG
CEO



SANJIT PATEL
CHAIRMAN

CURRENT MEMBERS
NOUZAB FAREED
(DEPUTY CHAIR)
SUNIL SHARMA
SEREANA MATAKIBAU
ARUN NARSEY

MERCHANT FINANCE LIMITED

E dina ni levu na bolebole ena loma ni yabaki, ia e cavu isausau na Merchant Finance ena tubu ni bera ni lavaki na vakaicavacava ena \$9.784m ena i ka 30 ni Jiune 2019 qo tubu ena 15% mai na 2018. Qo e vakavu vakalevu ena rawaka ka rawati mai na tubu kei na isau lavaki ni veiqaravi ka veimusuki vakalailai kei na tubu e lavaki ena lomi kei na tubu ena vakayagataki lavo ni kabani.

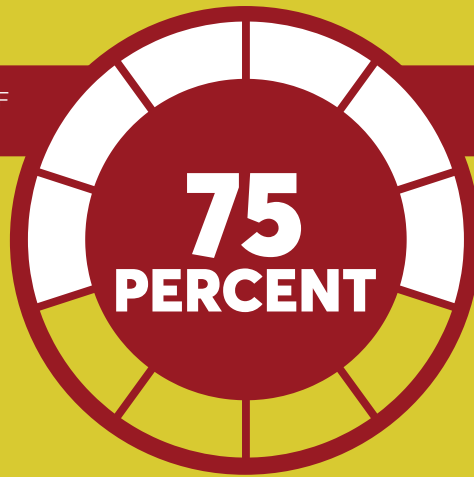
E mai tubu na iyau ni kabani ena loma ni yabaki ka vakavu mai na tubu ena levu ni lomi e soli ka rauta ni \$164m ni cava na 2019, e tubu ena 24% mai na matanifika e rawati ena 2018. Qo e okati kina na lomi e soli mai na 9 na neitou tabana ka salavata tu kei na nanamaki e navuci ena MFL's Development Strategy.

Na levu kece ni tubu (Total Dividend) e vakatakilai ena yabaki e \$5.675m qai \$5m ea qai wasei, qo e tubu ena 14%. Na yabaki vakailavo e vakanadakui e sotavi kina e vuqa sara na

bolebole ena MFL ka yavutaki ena lailai ni tauri dinou ena nodra ririko na lewenivanua ni bera ni mai qaravi na veidigidigi ena 2018, salavata ena itekivu ni yabaki na kena maninitaki na ilavo qaqa ena makete.

Ena yabaki vakailavo oqo na levu kece ni lomi kei na vakatubuilavo vagauna (TD) e mani vakacavari ena vica na vakatubuilavo lelevu sara salamuria na tubu ena duidui vanua ni vakatubuiyau kei na nona yadrava na kabani me yalani toka ga era na lomi sega soti ni rawaka vinaka me vaka na nona tuvatuva taumada.

Na yabaki vakailavo 2020 ena vakuria tikoga kina na bolebole ki na kabani, ia sa nuidei tu na kabani ena kena vakarabailevutaki tikoga na vanua ni veiqaravi kei na nona veiqati vinaka ena nona makete ni bisinisi na MFL, qo sa na rawa kina ni toso vakavinaka na rawaka kei na tubudina ni kabani kei na ivakayaga uasivi vei ira na itaukei ni kabani (shareholders).



PRADEEP
MENDIS
CEO



YOGESH
KARAN
CHAIRMAN

CURRENT MEMBERS

- NOUZAB FAREED
- ABILASH RAM
- PRASANNA KARUNATHILAKE
- NILANTHI SIVAPRAGASAM

SERENDIB INVESTMENT LTD

Serendib Investment Pte Ltd (SIL) started its operation on 18 January 2019, acquiring the assets from the Government for a consideration of \$6 million. FHL went into the venture with 75% shareholding and shared the balance of 25% with its technical partners "Aitken Spence Limited" a blue chip company out of Sri Lanka.

Since takeover to June 2019, SIL has invested over \$378k in capital expenditure. This include, repairs to various machines, building infrastructure & certification, IT infrastructure, vehicle and security system. SIL has plans to invest over \$2 million in offset and digital machinery and over \$1 million in building upgrade within next 6 months. The ongoing repairs to existing machine is expected to reach over \$500k for the next 6 months. These investments will boost SIL's production capacity as well as significantly improve quality of output.

SIL is also implementing cost reduction strategies such as direct importation for raw materials as SIL has been granted fiscal duty exemption on direct raw materials. Expat key on site personnel along with support from Aitken Spence PLC of Sri Lanka are also at disposal of SIL for greater range of printing services. SIL is also looking at exporting printing services to the Pacific Island countries and exploring opportunities in the Australia and New Zealand market in future upon the completion of its intensive CAPEX program.

The current 6 months' operations ended 30 June 2019 resulted in net loss after tax of \$297k. The setup and initial upgrades is expected to be completed by December 2019. With above improved capacity, cost reduction strategies and professional managers, SIL future looks optimistic and challenging at the same time.

SERENDIB INVESTMENT LTD

E tekivutaki na vei qaravi ni Serendib Investment Pte Ltd (SIL) ena i ka 18 ni Janueri 2019, ni volia na tabana ni tabaivola ni Matanitu ena \$6 milioni. Na FHL e taukena e 75% na sea, kei na vo ni 25% e taukena na "Aitken Spence Limited" edua na kabani e kenadau e na tabaivola ka rawati koya vaka vinaka e Sri Lanka.

Mai na kena tauyavu me yacova mai na Jiune 2019, na SIL e sa vakayagataka oti e sivia ni \$378k ena cakacakalevu. Qo e okati kina na vakavinakataki na veimisini eso, tabavale, monalivaliva, sitivikiti ni vei qaravi, motoka ni kabani kei na gacagaca ni taqomaki ni vanua ni cakacaka. Na SIL e tuvatuva ka tiko mena vakayagataka e sivia ni \$2 milioni ena misini vakamonalivaliva ka sivia e \$1 milioni ena vakavinakataki ni tabavale ena loma ni 6 na vula mai oqo. Na vuki vakavinakataki tiko ni misini e namaki mena sivia na \$500k e vakayagataki kina ena loma ni 6 na vula mai oqo. Na vakayagataki ilavo oqo e namaki mena vukea na vei qaravi ni SIL, ka vakauasivi na taucoke ni veika e vakarautaki. Na SIL e sa

vakayacora tale tikoga eso na ituvatuva me vakalailaitaka na vakayagataki ilavo me vaka na kena voli vakadodonu na uma mai vanuatani me vaka ni soli tiko na veivakadonui me kua ni lavaki na kena ivakacavacava. Era tu vakarau na kenadau kei na veitokoni mai na Aitken Spence PLC e Sri Lanka mera veivuke ena duidui vakatagedegede ni tabaivola. Na SIL e vakanamata tiko ena tabaivola me qaravi kina na veiyanuyanu ena Pasifika ka vakatallega kina na kena raici yani na makete vata oqo e Ositerelia kei Niuisiladi vakauasivi ena gauna sana qaravi oti kina na tuvatuva ni cakacakalevu.

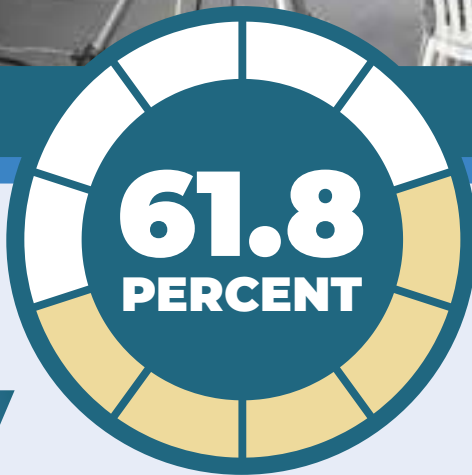
Na imatai ni 6 na vula ni vei qaravi ka mai cava ena i ka 30 ni Jiune 2019 e lusi na kabani ni lavaki oti na ivakacavacava ena \$297k. Na tuvatuva vou kei na vakatoroicaketaki ni kabani e namaki me vakacavari ena Tiseba ni 2019. Na ituvatuva oqori e salavata kei na vakalailaitaki ni vakayagataki lavo keina nodra vei qaravi na kenadau ka namaki na SIL me vakanamata kina dua na gauna vinaka dina ni tu vatakaya na kena bolebole.





OPERATIONAL REPORT OF
SUBSIDIARY COMPANIES

TUKUTUKU MAI VEI IRA NA
VEIKABANI COKOVATA



FijiTV



KAREN
LOBENDAHN
CEO



DEEPAK
RATHOD
ACTING
CHAIRMAN

CURRENT MEMBERS
NOUZAB FAREED
(DEPUTY CHAIR)
CURMINDAR SINGH
AJAY PUNJA

FIJI TELEVISION LIMITED

Established on the 15th of June, 1994, Fiji Television Limited is Fiji's first television company to provide "free to air" television service to its viewers and advertisers.

Over the years, we have always strived to bring our viewers and advertisers the best content ever. This year was again very successful as we brought the biggest of content to Fiji and the region namely: 2018 Rugby World Cup, Whyte vs Parker fight, WWE and Smack down, 2018 – 2019 HSBC Rugby League, Big Bash League, Parker vs Flores Fight, World School Sevens, IWF Junior Weightlifting, Open Championships Golf, State of Origin, Pacific Rugby League Test Matches.

Our local content has also grown over the financial year with most of the country's best local shows launching on our platform with Na iTakitaki

taking a different spin this third season and focusing more on traditions, cultures and legends specific to a certain area or village in Fiji. We also featured a cooking show "Eats and Treats" highlighting some of the easiest and affordable meals that could be cooked in your own homes. One of our major successes was the coverage of the Fiji Elections in November 2018. This was a rigorous task for Fiji Television and we had our reporters stationed in all areas of the country, ensuring that we gave our viewers the best coverage ever.

This year has been a significant year for Fiji Television Limited with the board and management setting and implementing a transformational strategy for the business.

Fiji TV also signed up with a number of local partners for the following LIVE local events:

FIJI TELEVISION LIMITED

E tauyavu ena ka 15 ni Jiune 1994 na Fiji Television Limited ka i sevu ni kabani retio yaloyalo "sega ni saumi" (free to air) ena noda Viti.

Ena veiyabaki kece keitou dau saga me vakarautaki na iyaloalo uasivi duadua vei kemuni na dausarasara kei kemuni na daukacivaki voli. Ena yabaki oqo e baci dua tale na yabaki vakasakiti ena kena kau yani veikemuni na: 2018 Rugby World Cup, nodrau veivacu o Whyte kei Parker, WWE kei Smack down (veibo), 2018 – 2019 HSBC Rugby League, Big Bash League, nodrau veivacu o Parker kei Flores, World School Sevens, IWF Junior Weightlifting, Open Championships Golf, State of Origin, Pacific Rugby League Test Matches.

Na iyaloalo vakarautaki ga ena noda vanua e tubu talega na kedra iwiliwili ena yabaki vakailavo qo kara sevutaki ena

kena vatavata me vaka na vakavou ni katolu ni wasewase Na iTakitaki ka sa vakanamata ena ivalavala vakavanua, tovo kei na tukutuku makawa eso ena veivanua duidui era sikovi e Viti. E vakakina edua na porokaramu ni vakasaqa na "Eats and Treats" e vauqeta na vabutari ni kakana saqari rawarawa qai sau vinaka, rawa me vakabutari ga e vale. Edua na cavu isausau ni kabani na kena qaravi na veidigidigi levu ni matanitu ena Noveba ni 2018. Esa bau dua toka na cakacaka levu, vakauasivi nira veilesiyaki na dauvola itukutuku kina veivanua ni veidigidigi e Viti me rawa kina ni vakasokomuni ka vakaraitaki yani vei ira na dausarasara.

Na yabaki oqo edua toka na yabaki lagilagi ena Fiji Television Limited, na kena matabose e cake kei ira na veiliutaki ena kena vakamuri edua na tuvatuva me vukei na bisinisi ni kabani.

FIJI TELEVISION LIMITED

The Vodafone Hibiscus Festival, Fiji Fashion Week, Vanuaso 7s, Fiji Fashion Week, Sabeto Horse Racing, Coca Cola Games, and National School Swimming.

Fiji Television has declared two dividends during this financial year: the first Interim dividend was declared and paid out to the shareholders on the 1st of October 2018 a total of \$422,300 and a Second Interim dividend was declared and paid out to the shareholders on the 8th of March 2018 a total of \$412,000. The Chairman of the FTV Board (Mr. Bob Lyon) resigned from his position on the 7th of May 2019. The board also saw the appointment of a

new independent director (Ms. Gurmindar Kaur) on the 3rd of May. Ms. Kaur replaces Mrs. Sereana Matakibau. The current board of directors include: Mr. Deepak Rathod (Acting Chairman), Mr. Nouzab Fareed (Deputy Chairman), Mr. Ajai Punja and Ms. Gurmindar Kaur.

Fiji TV continues to serve its viewers and advertisers daily with the best in TV content on all our broadcast platforms: Fiji One, Channel 2 and Fiji TV Stream. We also offer a diverse base of other products and services which we are very proud of such as In-house Production, Pactok and Pacific Services.

FIJI TELEVISION LIMITED

E vakuria talega na Fiji TV na nona cakacaka vata ena veitabana ena noda vanua ena kena kaburaki eso na qito kei na soqo lelevu ena noda vanua me vaka na: Vodafone Hibiscus Festival, Fiji Fashion Week, Vanuaso 7s, Fiji Fashion Week, Sabeto Horse Racing, Coca Cola Games, keina National School Swimming.

Na Fiji Television e wase tubu vakarua ena kena sea ena yabaki vakailavo oqo: kena imatai ea saumi vei ira na itaukei ni sea ena 1 ni Okotova, 2018 e rauta ni \$422,300 kei na kena ikarua ea saumi ena i ka 8 ni Maji, 2018 ka rauta ni \$412,000. Ea sa mai kerea talega na nona vakacegu na Chairman ni matabose e cake ni FTV o Mr. Bob Lyon ena ka 7 ni Me 2019. Ea digitaki

tale kina matabose e cake o Ms. Gurmindar Kaur ena ka 3 ni May. O Ms. Kaur e sosomitaki Mrs. Sereana Matakibau. Na lewe ni matabose e cake ena gauna oqo o okati kina o Mr. Deepak Rathod (Chairman tu vakawawa), Mr. Nouzab Fareed (vukevuke ni Chairman), Mr. Ajai Punja kei Ms. Gurmindar Kaur.

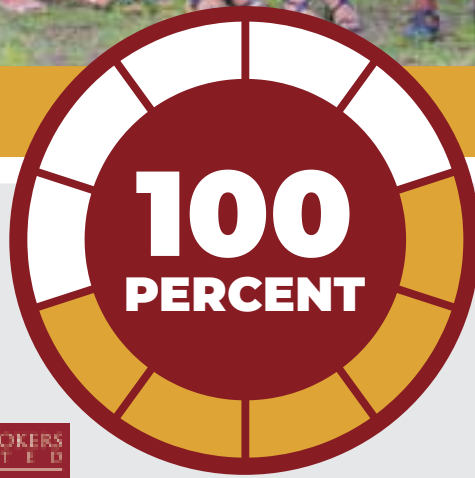
Na Fiji TV e vakuria tikoga na kena vakarautaki na iyaloyalo uasivi vei ira na dausarasara kei ira na daukacakai voli ena neitou vatavata ni kabukaburaki ena: Fiji One, Channel 2 keina Fiji TV Stream. E tu talega na veitabana duidui eso kara kenadau ena veitabana ni bisinisi ka cibitaka na Fiji TV me vaka na In-house Production, Pactok kei Pacific Services.





OPERATIONAL REPORT OF
SUBSIDIARY COMPANIES

TUKUTUKU MAI VEI IRA NA
VEIKABANI COKOVATA



MEREONI
MATAVOU
CEO



KALPANA LAL
CHAIRPERSON

CURRENT MEMBERS
NOUZAB FAREED
ANA TUIKETEI
ROVEEN PERUMAL
MURGUSSAN PILLAY

FHL FML

FHL Fund Management Limited, the Fund Manager for Fijian Holdings Unit Trust, recorded a NPAT of \$965k, as compared to \$907k for the same period last year, an increase of 6.4%. During the financial year, FHL FML relocated its office from Ra Marama to its new location at Shop 1A&1B, Ground Floor, Vanua Arcade, Victoria Parade, Suva. Furthermore, a staff is now stationed full time in the MFL Lautoka Branch serving our investors in the greater Western Division. The move was a strategic one for the Fund ensuring that our services are brought closer to our investors. The total investment portfolio for the Fund has grown to \$125m since inception in 2001. Against a challenging and competitive operating environment, FHL FML continues to explore new investment opportunities for the Fund and ensures that our investors get what they really deserve. We are dedicated to warranting that the FHUT product is accessible through continuous and aggressive marketing in various divisions throughout Fiji.

FHLS

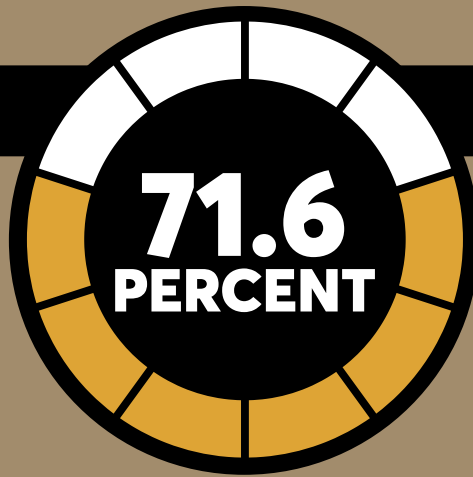
FHL Stockbrokers Limited recorded the highest NPAT of \$120k compared to the last 5 financial years. The positive performance is highly contributed through brokerage income earned through trading on the stock market, special crossing, and increased investor confidence during the year. In addition, trading of reinvestment for FHL Shares, broking FMF shares and trading active stocks such as RBG, FTV, FHL & TTS contributed positively towards the FHLS revenue of \$232k. Active market activities, dense competition had an impact on the performance, but a positive strategy was maintained at all times. The 2020 financial year is expected to be another promising year for the company, and FHLS will thrive to excellence with new opportunities to prepare the company for another positive financial year.

FHL FML

Na FHL Fund Management Limited, na Manidia ni Katoniyau na Fijian Holdings Unit Trust, e rawata na tubudina(NPAT) rauta ni \$965k, ni vakatauvataki keina \$907k ea rawati ena gauna vata ogo ena yabaki sa oti, qo e tubu ena 6.4%. Ena loma ni yabaki vakailavo ogo ea tokitaki kina na valenivolavola mai Ra Marama kina valenivolavola vou ena Shop 1A&1B, Ground Floor, Vanua Arcade, Victoria Parade, Suva. E kena ikuri ni mai dolavi talega edua na neitou tabana e Lautoka ka veiqaravi tudei kina edua na kena ivakalesilesi me qarava na muaira raraba. Na sasaga ogo e salavata kei na tuvatuva ni kabani me kau vakavoleka yani na veiqaravi vei kemuni na dauvakatubuilavo. Na levu kece ni yau ena katoniya esa yacova na \$125m me tekivu mai na kena tauyavu ena 2001. Ni sotavi tu na bolebole kei na veiqati vakabisinisi ena kena makete, e gumatua tikoga na FHL FML ena kena vakasaqarai na vanua ni vakatubuilavo eso me rawa ni votai kina na ivakayaga e veiganiti kei ira na dauvakatubuilavo. Keitou dinata na kena maketetaki na katoniya na FHUT me rawa kina vei ira na lewenivanua mera rawata vakarawarawa na vakatubuilavo ena yasai Viti cava era tiko kina.

FHLS

Na nona tubudina na FHL Stockbrokers Limited e tiko ena \$120k qo e sa bau tubu levu duadua ena loma ni 5 na yabaki veitaravi sa sivi. Na rawaka ogo e rawati mai ena isau lavaki vei ira na dauvoli sea vabibi ena special crossing, kei na nodra nuidei na dauvakatubuilavo mera volivoli kina vakalevu. E kena ikuri na vakalesui ni tubu mai na sea ni FHL, qaravi ni sea mai na FMF kei na solitaki ni sea veiganiti ena kena makete me vaka na RBG, FTV, FHL keina TTS era cau vakalevu ena \$232k na rawaka ni FHLS. Na bulabula ni veivoli ena kena makete kei na levu ni veiqati vakabisinisi e vakilai vakalevu ena rawaka ni kabani, ia e muria ga eso na ituvatuva veiganiti me daumaka kina na rawaka. E namaki na yabaki vakailavo 2020 me dua tale na yabaki vinaka kina na FHLS me veiqaravi vakavinaka ka vakarautaki koya yani, kina rawaka vinaka ni yabaki vou.



DANIEL VIKASH
CEO



NOUZAB FAREED
CHAIRMAN

CURRENT MEMBERS
ABILASH RAM
SUREN PATEL
SALESHNI WARRAN

LIFE CINEMA LIMITED

Life Cinema started the year with 10 cinemas and has had a successful year with some very big movies being released.

Management successfully concentrated their efforts on increasing revenues and reducing costs. This was achieved with some success.

Efforts to ensure the right content for each complex has been an ongoing challenge and we are starting to understand it better.

Marketing efforts continue to get an increase in viewers and greater use of facilities for hired functions.

Cross selling of concessionary products to movie goers has also been an important marketing strategy that continues to be refined.

Life Cinema has agreed to operate in Labasa under a management agreement for a two cinemas complex expected to start in August 2019.

During the year a submission was made to Government to provide some relief from the indirect taxes that the company remits to Fiji Revenue and Customs Services together with a request to review the copyright laws to provide greater protection from copyright piracy.

LIFE CINEMA LIMITED

Na Life Cinema e tekivutaka na yabaki ena 10 na rumu ni yaloyalo ka rawaka vakavinaka sara ena so na yaloyalo kilai levu era sevutaki kina.

Era gumatua sara na veiliutaki ena kena vatuburi na rawaka ka vakalailaitaki na vakayagataki lavo. E rawati kina eso na ka vinaka.

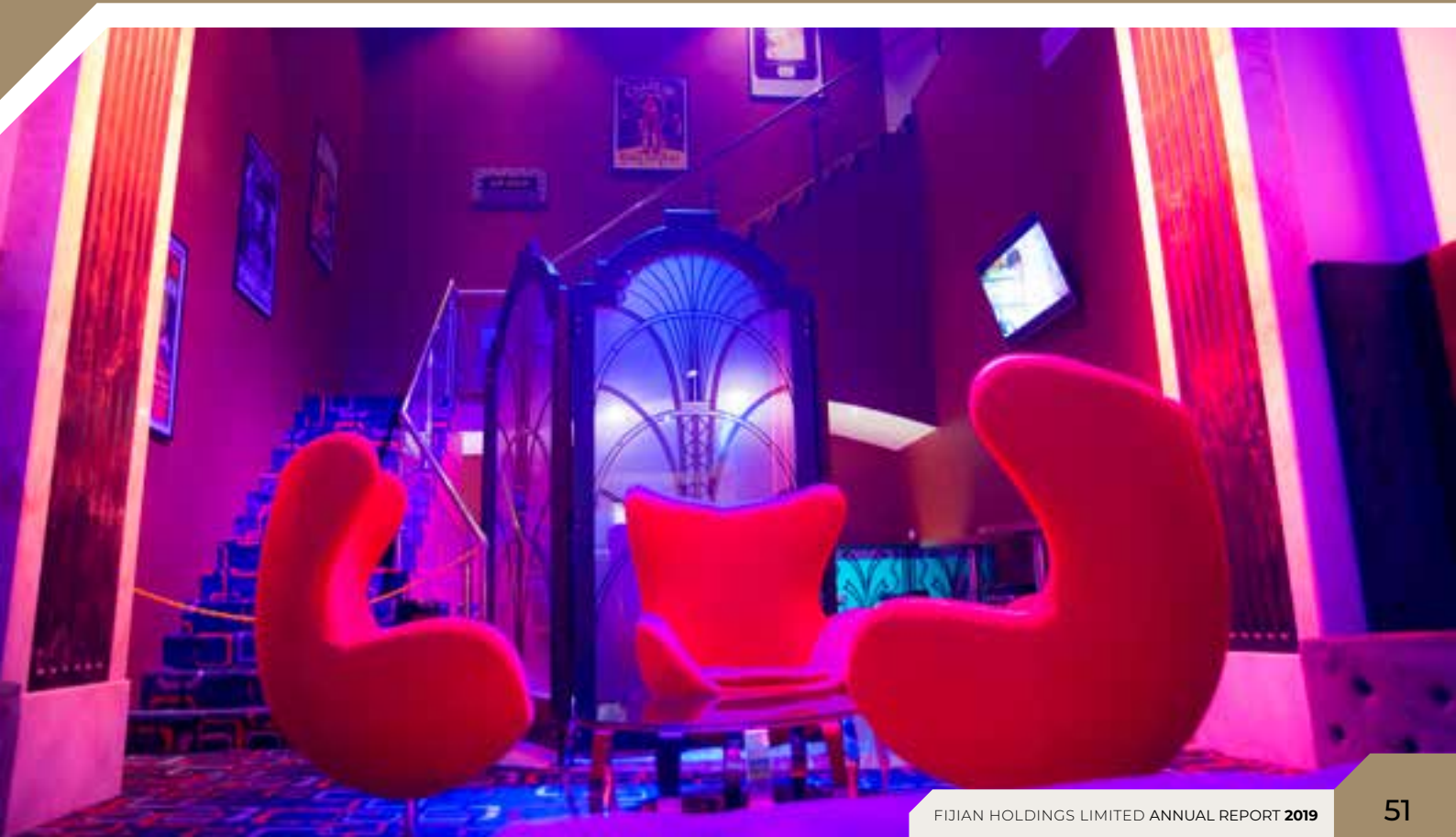
Na sasaga ni kena vinakati me vakaraitaki na iyaloyalo veiganiti ena kena tabana duidui eso edua toka na bolebole levu ia sa tekivu me keitou taura rawa na kena iwalewale.

E veivuke vakalevu na maketetaki ni yaloyalo ena tubu ni wilwilili ni dausarasara kei na kena redetaki na neitou tabavale me vakayagataki ena soqo eso.

Na kena volitaki eso na ivoli mera valutuki sobu salavata ena nodra mai sara yaloyalo e dua na iwalewale vou ni maketetaki ni voli ka vakuria tikoga na kena vakadaumakataki.

Na Life Cinema esa vakaio me veiqaravi e Labasa ena kena tara e rua na rumu ni yaloyalo, namaki me tekivutaki ena Okosita ni 2019.

Ena loma ni yabaki ea vakadewataki kina edua na vola kerekere ni kabani kina Matanitu me vakalailaitaka eso na vakacavacava e saumi tiko kina Matabose ni Kumuni Vakacava (Fiji Revenue and Customs Services) salavata ena gagadre me rallesuvi na lawa ni lavetaki tukutuku (copyright laws) me rawa ni maroro kina vakavinaka na vu ni tukutuku.





NEWWORLD

NEWWORLD PTE LIMITED

The supermarket retail industry is getting extremely competitive with new entrants and competition from the existing players. 2019 financial year was a challenging one and whilst sales increased, the Company recorded a reduction in net profit due to increase in costs and reduction in margins.

Creating a modern and convenient shopping environment coupled with increased range of products, competitive prices and easy parking facilities provides customers with a wide range of choices for shopping.

In order to provide a reasonable and sustainable return to its stakeholders, realigning and innovative strategies is the only way forward.

The Company is continuously focussing on introducing better, affordable and health conscious line of products to meet customer expectations and demands while ensuring that consumers are getting value for money.

The Company is focussing on customer service and satisfaction and is investing in training and development of its employees in these areas.

Our information technology is continually reviewed and upgraded to ensure we are in line with industry standards and at the same time meeting customer needs.

Whilst difficult and challenging the Company has positioned itself through appropriate strategies to strive to be the market leader in the industry, by providing quality products and service, to all Fijians.

NEWWORLD PTE LIMITED

Esā tubu tikoga na veiqati ena bisinisi ni supermarket ena nodra sa doladola talega eso na supermarket vovou mai kei ira na tauyavu rawa tu. Na yabaki vakailavo ni 2018 e levu sara na kena bolebole. E dina ni tubu na veika e volitaki ia e mai lutu na tubu dina ni kabani ka yavutaki qo ena sau levu ni yaya voli mai kei na veisivi lailai ni sau e volitaki kina.

E sagai me vakarautaki na vanua ni veivoli me veiganiti kei na gaunavou oqo salavata ena kena vakalevutaki na duidui ni veika e volitaki, sau vinaka ni yaya keina tu vakarawarawa ni kekeleke ni motoka.

E gadrevi me soli na ivakayaga e veimanati ka tudei sana yaga me vakasaqarai na ivalewale vovou ni qaravi bisinisi me tososi keda yani e liu.

Na kabani sa vakanamata tikoga ena kena volitaki na ivoli vivinaka,

sau rawarawa qai bulabula me salavata ena veika era gadreva dina tu na dauvolivoli qai vakauasivi ni veiraurau kei na isau era solia.

E vakanamata tale tikoga na kabani ena nodra vakarautaki vakamaqosa na kena ivakalesilesi mera dauniveqaravi uasivi qai veisotavi vei ira na dauvolivoli.

Na neitou tabana vakatekenolazi e dikevi qai vakavinataki ena veigauna kece me veiganiti kei na kena ivakarau sa vakayagataki nikau salavata ena kena sotavi na nodra gagadre na lewenivanua.

E dina ni levu na dredre kei na bolebole e sotavi esa vakadeitaki koya tale na kabani ena yavu ni veiqaravi e veiganiti me rawa kina me liutaka na buturara ni bisinisi oqo ena ivoli uasivi kei na dauniveqaravi e vasakiti vei keda na lewe i Viti.

10
PERCENT



GOODMAN FIELDER

Fijian Holdings is a shareholder in Goodman Fielder International (Fiji) Pte Limited.

Goodman Fielder is one of Fiji's leading manufacturing companies, serving customer needs with a portfolio of iconic, most trusted food brands that Fijians love and have grown up with and enjoy every day. Specializing in quality poultry, ice cream, snack foods, stock feed and consumer food products, the Company has for many years been proud of its commitments to quality and food safety.

Goodman Fielder is proud to have been producing "Fijian Made" and "Fijian Grown" products for over four decades now, with key household names including Crest Chicken, Tuckers Ice Cream, Twisties, Mana Sport Supplements, Lelei Premium Ice Cream, Meadow Lea, Meadow Fresh, Edmonds, and Sunshine.

Poultry remains the biggest revenue driver for the business followed by ice-cream and snacks. The Company continues

to enjoy number one market position in key categories with excellent growth in the last 12 months, despite some key setbacks in the Fijian market.

As part of our ongoing commitment towards growth and development, Goodman Fielder has invested heavily in sourcing and developing new product categories designed to expand beyond traditional food categories and offer complementary products to health conscious Fijians. New product ranges include Fortune Rice and Breakfast Cereal to name a few.

For generations, thousands of Fijians have turned to Goodman Fielder's well known Fijian Made and Fijian Grown products to deliver essential food items from the moment they wake up, until the moment they go to sleep. Today, Goodman Fielder Fiji continues this proud tradition and is committed to continue to consistently deliver high quality healthy products to every household, in every village, every single day.

GOODMAN FIELDER

Na Fijian Holdings Limited e vakasea talega ena Goodman Fielder International (Fiji) Pte Limited.

Na Goodman Fielder edua vei ira na kabani e liutaka na bulibuli e Viti qai kilai levu na nona ivoli ka vakabauti vakalevu mai vei ira na lewenivanua me vaka nira tubu cake vata kaya mai. E kena dau ena ivoli na toa, ice cream, snack foods (kakana curukoso), stock feed (kakana ni manumanu susu) e vakakina na kena veimataqali vei ira na lewenivanua. Na kabani e cibitaka tikoga ena veiyabaki na vakarautaki vakamatau ni voli, na kena veiganiti kei na kena veirauti.

E cibitaka talega na Goodman Fielder ni vakarautaka na ivoli e okati kina "Fijian Made" kei na "Fijian Grown" ena va(4) na i tabagauna wili kina na Crest Chicken, Tuckers Ice Cream, Twisties, Mana Sport Supplements, Lelei Premium Ice Cream, Meadow Lea, Meadow Fresh, Edmonds kei na Sunshine.

Na ivoli na toa e vakadeitaki koya tikoga ena wasewase ni rawaka levu duadua ena kabani qai rau veitaravi mai na ice-cream kei na snacks (kakana curukoso). Na kabani e marautaka vakalevu na nona liutaka tiko na kena makete kei na tubu vinaka sara ena loma ni 12 na vula, dina mada ni sotava eso dredre ena kena makete e Viti.

E tiki ni neitou yalayala na tubu kei na vakatoroicaketaki ni Goodman Fielder oya na kena vakarautaki na ivoli vovou ka bulabula me vakuria na ivoli e kilai tani kina na kabani. Na ivoli vovou oqo e okati kina na Fortune Rice kei na Breakfast Cereal, qori e vica madaga.

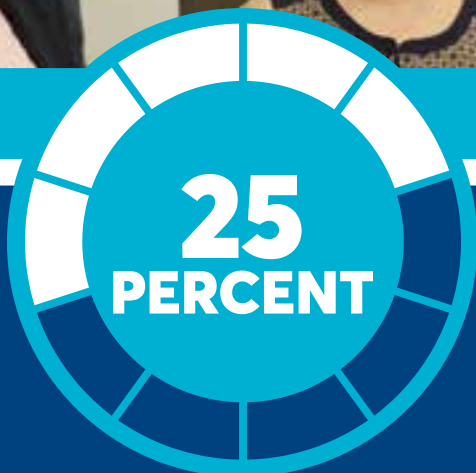
E udolu na veivuale i Viti era vakararavi kina Goodman Fielder ena ivoli kilai levu na Fijian Made kei na Fijian Grown me vakarautaka na kakana veiganiti me tekivu ga ena nodra yadra ena veimataka me yacova na nodra gauna ni moce ena bogi. Nikua na Goodman Fielder e Viti e cibitaka na vakatagedegede e cake sara ni nona ivoli kei na kena bulabula me vakarautaki ena veivuale, ena vei koro ena veisiga yadudua.





OPERATIONAL REPORT OF
ASSOCIATE COMPANIES

KEDRA I TUKUTUKU NA
KABANI VEIWEKANI



MARSH LIMITED

Marsh Pte Limited, Fiji is part of the global Marsh & McLennan Companies (MMC) which is listed on the New York Stock Exchange. It comprises of over 70,000 colleagues globally with presence in over 130 countries. 35% of our earnings are retained in Fiji with Fijian Holdings (25%) and Unit Trust of Fiji (10%).

Our vision is to create and deliver risk solutions and services that make our clients more successful.

Marsh operates from offices in both Suva and Lautoka with seamless access to MMC's global capabilities. Marsh has been servicing clients and placing insurance into the local and international insurance markets

for 50 years. Marsh manages 53% of the total premiums of the insurance broking industry and is the only broking company in Fiji with in-house Risk Management Consultants. This is complimented with specialized services provided by our consultants from Marsh Risk Consulting Services in Australia.

2018 has continued to be another successful year with client retention and new and expanded business growth. We continue to invest in recruiting talented individuals to ensure that we do not compromise our service delivery. Marsh continues to attract talent and has the most experienced and dedicated local team that has its advantages.

MARSH LIMITED

Na Marsh Pte Limited, Fiji e tiki ni kabani kilai e vuravura na Marsh & McLennan Companies (MMC) ka volitaki na kena sea ena kena makete na New York Stock Exchange. E sivia na 70,000 na levu ni nona tamata cakacaka e vuravura taucoko ka ratou vakadeitaka na nodratou veiqaravi ena 130 na matanitu. E 35% na nona rawaka e Viti e okati kina e 25% mai na Fijian Holdings keina 10% ena Unit Trust of Fiji.

E neitou raivotu me vakarautaki na iwali ni ririko kei na veiqaravi eso mera rawa ka vakavinaka kina o ira keitou qarava.

Na Marsh e veiqaravi ena valenivolavola e Suva kei Lautoka qai vakataucokotaki nona veiqaravi ni semati tu kina MMC e vuravura. E rauta ni 50 na yabaki na veiqaravi ni Marsh vei

ira na lewenivanua kei na kena vakarautaki na inisua. O Marsh e vakarautaka e rauta ni 53% na isau ni vakayaga ena veitabana ni inisua qai kabani duadua ga e Viti me tiko na nona tabana ni veivakasalataki ena vatulewataki ni ririko. Na veiqaravi oqo e dau veivukei mai kina na tabana nei Marsh mai Ositerelia.

Na yabaki 2018 e baci dua tale na yabaki vinaka, era vakadeitaki ira na veitabana keitou e qaravi ira voli salavata kei na nodra curu mai eso tale na kabani vovou ka vakarabailevutaki na neitou bisinisi. E vakuri tikoga na nodra vakacakacakataki na lewenivanua era kenadau ena veitabana duidui eso me kua ni vakaleqai kina na neitou veiqaravi. Era veiqaravi e Marsh na ivakalesilesi era taukena na veitaleidi eso qai uasivi nodra kila vakacakacaka qai ra yalodina.

**30
PERCENT**



GOLDEN MANUFACTURING

Golden Manufacturing Limited continues to maintain its position as market leader in corrugated packaging solutions in Fiji and the South Pacific Region. The Company services a wide variety of multi-national and local businesses with state of the art equipment.

Manufacturing facilities include equipment for the manufacturing of corrugated board and conversion into paperboard products. GML has recently diversified its business to the high quality printing and the manufacturing of labels.

The company has installed an 11-colour Flexo and Gravure combination printing press and adhesive coating and lamination machine for the manufacturing of high quality labels to cater for the needs of the existing customer base as well as expansion to export customers including Australia and New Zealand.

With the new additions to the manufacturing facility, GML is targeting to increase revenue by 10-20% in the 2020 financial year.

GOLDEN MANUFACTURING

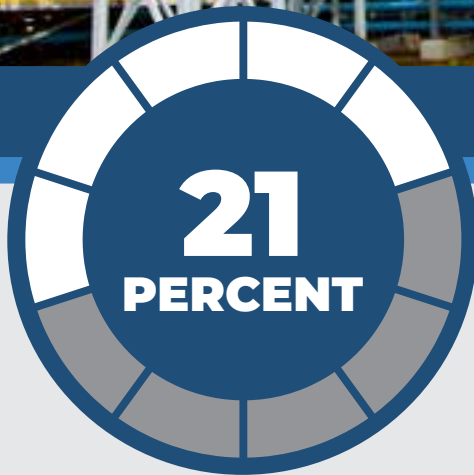
Na Golden Manufacturing Limited e vakuria tikoga na nona liutaka na makete ni paketetaki ni ivoli e Viti kei na Pasifika. Na kabani e qarava na ivoli ni veikabani duidui ena noda vanua ena misini kei na volau ni veiqaravi ena gauna vou oqo.

Na volau ni veiqaravi e tu kina na misini ni buli kateni ni tawa iyaya kei na kena vukici kina iolo se pakete buli ena pepa. Na GML esa vakarabailevutaka talega na nona bisnisi ena tabaivola kei na tabaki ni yaca ni

voli. E biuta tale na kabani ena nona volau edua na 11-colour Flexo keina Gravure (misini ni tabaivola, iolo kabikabi kei na vakapalasiatikataki ni pakete ni voli kei na yaca ni voli) me baleti ira keitou qaravi ira ena gauna oqo kei na vakarabailevutaki na veiqaravi vei ira na veikabani e Ositerelia kei Niusiladi.

Ena kena mai vakalevutaki na veimisini ena neitou volau ni buli iyaya e namaka na GML mena tubu na nona rawaka ena 10-20% ena yabaki vakailavo ni 2020.





PERNIX
(FIJI) LIMITED

PERNIX (FIJI) LIMITED

Another remarkable and yet challenging year for Pernix (Fiji) Pte Limited ("Pernix Fiji"). The production pattern in the last six months of year 2018 was slightly lower than the same period in 2017 due to the 2018 major planned maintenance in Kinoya Power Station and due to the weather conditions whereby the demand to operate the diesel and heavy fuel oil generating sets was less prioritized by Energy Fiji Limited ("EFL"). These are few factors which affected the financial performance within the last six months of 2018 but subsequently improved whereby the production for the first six months of 2019 is higher than the same period in 2018. As reported in the past, the variability in power station operation and maintenance revenue is primarily driven by the level of diesel generation determined by EFL coupled with the planned life cycle maintenance intervals of the power generating sets.

For three consecutive years, Pernix Fiji Power Stations accomplished an enormous and unprecedented achievement by ranking second highest within EFL's eight facilities

after an intensive Riscore safety audit. Efforts are currently underway to sustain higher standards through an external audit by Marsh Risk Consulting Australia. This achievement and recognition come as a result of persistent efforts for many years by Pernix Fiji Management and staff, in order to reach this high position that the company deserves. Pernix Fiji achievement is a testimony of the clear commitment to continue to strive to be the best by supporting and enhancing our safety program. It also reflects well on EFL and Pernix Fiji commitment to achieving and improving on a sound risk management standard.

Pernix Fiji management and staff were honored when two of its employees received the inaugural OHS Trainer of the Year and OHS Chairperson of the year Awards during the 2019 Conference to commemorate World Day for Safety & Health at Work. Mr. Michael Fong who received the OHS Trainer of the Year Award, is the company Safety Program Manager. Mr. Maikeli Balenaga Vulaono, Vuda Electrician, received the OHS

PERNIX (FIJI) LIMITED

Edua tale na yabaki vakaskiti salavata kei na bolebole kina Pernix (Fiji) Pte Limited ("Pernix Fiji"). Na rawaka ena matai ni vula ono ni 2018 e lutu vakalailai ni vakatauvatani ena gauna vata oya ena 2017. E vakavu vakalevu oqo ena tuvatuva vou ni kena qarava na qaqi ni livaliva e Kinoya, salavata kei na tuvaki ni draki me vakayagataki vakalailai ga kina na waiwai bibi mai na Energy Fiji Limited ("EFL"). Qo eso na tikina e sotavi ka lai vakilai ena rawa ni matai ni vula ono ni 2018 ia e qai lai saumaki me vinaka tale ena matai ni vula ono ni 2019. Me vaka ea tabaki ena ripote ni veiyabaki ni veika e rawati ena vakatautaki tiko ena gagadre nei EFL ena vakavou ni gacagaca kei na vurevure ni kaukauwa ena veiqaqi ni livaliva kei na gadrevi ni waiwai bibi.

Sa tolu na yabaki veitaravi na nona rawata tiko na Pernix Fiji Power Stations na i karua ni tutu ena walu na tabana nei EFL ena vakadiuci ni vanua vinaka ka veiganiti vei ira na tamata cakacaka e okati me Riscore safety audit. Esa sasagataki tale tikoga me vakadeitaki edua na ivakarau cecere vakacacacaka ka meratou mai vakadiuca na Marsh

Risk Consulting Australia. Na rawaka kei na rogorogo ni kabani e vua ni nodra gugumatua na vakalesilesi kei ira na veiliutaki ena veiyabaki me yacovi kina na ivakatagedegede e veiganiti kaya. Na rawaka ni Pernix Fiji e sa vakadinadina nina vakuri tikoga na veituvatuva eso e tokona na porokaramu ni vanua ni cakacaka veiganiti (safety). E vakatakila talega na nodrau duavata na EFL kei Pernix Fiji ena kena sasagataki me rawati na tuvatuva maqosa me baleta na kena lewai vakamatau ni vei ririko eso.

E ka dokai talega vei ira na veiliutaki kei na vakalesilesi ni Pernix Fiji ni rau mai digitaki e le rua na kena vakalesilesi me isevu ni gauna me OHS Trainer of the Year keina OHS Chairperson of the year Awards ena bese cokovata ni 2019 ka vakananumi kina na World Day for Safety & Health at Work. O Michael Fong e rawata na OHS Trainer of the Year Award, era Safety Program Manager ni kabani. O Maikeli Balenaga Vulaono, e Daunilivaliva e Vuda, ka rawata na OHS Chairperson of the year Award. Na Pernix Fiji e rawata e 2 na icocovi mai na 5 e vakarautaki,

Chairperson of the year Award. Overall, Pernix Fiji received 2 out of the 5 awards, which is a remarkable achievement. World Day for Safety & Health at Work is an annual International campaign to promote safe, healthy & decent work and has been observed by ILO since 2003. This was organized by FNU/NTPC, in collaboration with ILO & Ministry of Employment, Productivity & Industrial Relations.

Pernix Fiji continues to employ majority local work force which represents approximately 95% of the total number of employees, 83 to date. In-addition, Pernix Fiji has been active in promoting gender diversity in its work place by continuing to employ female technicians and engineering graduates.

In 2017, Pernix Management has adopted a new way in reviewing its achievement by learning from our failures and identify why and how we succeed; combine both and you have a recipe for success. Also, the company focused on promoting the OnePernix initiatives.

In 2018, Pernix Management took the way of doing business to another level by engaging a reputable U.S. company, FranklinCovey (www.franklincovey.com) to provide training on "The 7 Habits of Highly Effective People". The book was written by Dr. Stephen R. Covey which continues to be a best seller for the simple reason that it ignores trends and pop psychology and focuses on timeless principles of fairness, integrity, honesty, and human dignity. FranklinCovey is the world leader in helping organizations achieve results that require lasting changes in human behavior, often the most difficult challenge any organization faces. When accomplished, it is also the most durable competitive advantage.

Implementing "The 7 Habits of Highly Effective People" in the organization has Improved the mind set in decision making and being aware of the values that are important to individuals and the team. This has provided the ability to respond to situations proactively rather than reactively. The program is intended to assist in diminishing the old negative habits and reflect positive ones on individual and team goals and objectives. We have incorporated this change by emphasizing to the team why do we exist through the company Vision "To Leaving a legacy of excellence in everything we do and build", and Mission "To safely deliver complex projects worldwide for the most discriminating customers while consistently exceeding all their expectations", and why we need to be effective. The program has also impacted our people by implanting the values and habits of effective planning, put first things first, team self-motivation, understanding the customer, quality output, creating the environment of honesty and leadership, teamwork, understanding each other, promoting a family-oriented environment, and managing time. Making a change in the organization will be something greater and the entire team will benefit from positive outcomes. When people really synergize, they listen to each other, they empathize with one another and work together towards achieving a greater result. Staying focused on task and taking care of the resource, physical energy, staying motivated.

As Dr. Stephen Covey said: "Paradigms are powerful because they create the lens through which we see the world. If you want small changes in your life, work on your attitude. But if you want big and primary changes, work on your paradigm."

sa bau dua na cavuisausau! Na World Day for Safety & Health at Work (na siga e vakananumi kina noda taqomaki kei na noda bula vinaka na tamata cakacaka) edau vakananumi e vuravura ena veiyabaki ena kena vauqeti na veivanua ni cakacaka era veitaqomaki ka veiganiti vei ira na tamata cakacaka. E yadrava na ILO (Matabose ni Tamata Cakacaka e Vuravura) na kena vakananumi na siga oqo me tekivu mai na 2003. Eratou vakaurataka na FNU/NTPC, eratou cakacaka vata kina na ILO keina Ministry of Employment, Productivity & Industrial Relations.

Pernix Fiji e vakuria tikoga na nona vakacakacakataki ira e Viti, rauta vakacaca ni 95%, oya e 83 na kedra wiliwili nikua. E kena ikuri na nodra nanumi vakatautauvata na marama era rawata nodra volakoroi ena veika vakalivaliva kei na idinia mera vakacakacakataki kina.

Ena 2017, e vakatakila na veiliutaki ena Pernix edua na iwalewale vou ni kena ilovi na rawaka ni kabani oya na kena vulici na malumalumumu, laurai na veika e rawati vakavinaka kei na vu ni kena rawati vakavinaka, vakadeuci vinaka sara me kunei na isaluwaki ni rawaka vinaka. E yadrava talega na kabani na kena vakabulabulataki na ituvatuva na OnePernix.

Ena 2018, e raica na veiliutaki ni Pernix na sala ni veiqaravi ena dua tale na kena vakatagedegede ena nona semati koya kina dua na kabani vakairogorogo e Amerika na FranklinCovey (www.franklincovey.com) me veituberi ena "The 7 Habits of Highly Effective People" (7 nai Vakarau ni tamata dauvakayaco ka). Na ivola e vola Dr. Stephen R. Covey e yavutaki na kena voli vakalevu ni vakanamata ena lewa dodonu, yalodina, veivakabauti, keina tamata vakaturaga. FranklinCovey e liutaka na nodra vukei na veikabani eso ena nodra rawata na veisau vinaka ena nodra itovo na vakalesilesi

ka dua vei ira na bolebole levu era sotava na veikabani. Ni rawati vakavinaka sana yaco me vurevure ni veika vinaka kina kabani.

Na vakayagataki ni "The 7 Habits of Highly Effective People" ena kabani e sa vukea vakalevu na maqosa ni vakatulewa e nanumi kina na veika era vakamareqeta nai vakalesilesi yadudua e vakakina na kabani. E vakavuna na vakatulewa momona ena gauna dodonu. E namaki na porokaramu qo me vasevutaka na itovo makawa ka vavurea na itovo vinaka e matataki kina na inaki ni kabani kei na tamata yadudua. E okati na veiveisau oqo ena nodra vauqeti na vakalesilesi mera kila na raivotu ni kabani oya "Tu na tukutuku uasivi ni veika kece eda cakava se tara" ("To Leaving a legacy of excellence in everything we do and build"), kei na ibole oya; "Na qaravi vakamaqosa ni cakacaka kece sara kei na kedra duidui gagadre ena vakatagedegede e tudei ka sega ni namaki" ("To safely deliver complex projects worldwide for the most discriminating customers while consistently exceeding all their expectations"). Na porokaramu oqo esa vakayaco veisau sara vakalevu vei ira na vakalesilesi ena veika e vakabibitaki kei na itovo ni tuvatuva ka maqosa, na veika ga e dodonu me qaravi e liu me liu, mata cakacaka vinaka, kilai ira o qarava, vakavurea na veivakabauti kei na veiliutaki maqosa, cakacaka vata, kilai ira nomu lewe ni cakacaka, vakabulabulataki noda cakacaka vata vaka edua na vuvale kei na lewai vakavinaka ni gauna. Vakayaco veisau kina kabani edua na ka uasivi dina ena vinaka vei keda kece. Nodra yalovata na vakalesilesi ena kunei ena nodra veirogoci, vinanumi kei na cakacakavata me yacovi kina na rawaka vakasakiti. Era na vakanamata kina itavi, maroroi ni vurevure keina veivauqeti.

E vaka e kaya o Dr. Stephen Covey: "Bula Vakaivakarau e dua na ka kaukauwa baleta e vaka na lloilo e rawa nio raica kina na vuravura. Kevaka o vinakata na veisau lalai kina nomu bula, veisautaka taumada na ituvaki ni nomu bula. Ia, kevaka o vinakata na veiveisau lelevu kei na veika bibi ni nomu bula sana yaga mo yadrava na bula vakaivakarau."







CONTENTS ULUTAGA

Directors' Report Tukutuku Ni Dairekita	60
Statement By Directors Nodratou Rai Na Dairekita	63
Independent Auditors' Report Tukutuku Ni Dau Ni Fika	64
Independence Declaration Tukutuku Ni Rawa Ka Vakailavo	67
Consolidated Statements of Profit or Loss and Other Comprehensive Income Tukutuku Ni Yau ni Kabani	68
Statements of Financial Position Tukutuku Ni Lavo Qaqai	70
Statements of Cash Flows Tukutuku Ni Lavo Qaqa	71
Statements of Changes in Equity Tukutuku Ni Veisau Ena Akaude ni Taukei ni Kabani	72
Notes To and Forming Part of the Financial Statements Vakamacala Ka Lewe Talega Ni Tukutuku Vakailavo	73
South Pacific Stock Exchange Listing Requirements Tukutuku E Vinakati mai na South Pacific Stock Exchange	140
Proxy Form	145

DIRECTORS

REPORT

In accordance with a resolution of the Board of Directors, the directors of Fijian Holdings Limited ('the Company') present their report together with the financial statements of the Fijian Holdings Limited Group ('the Group') being the Company, its controlled entities (see note 21 for investments in subsidiaries, individually referred to as "group entities") and associates for the year ended 30 June 2019.

1. DIRECTORS

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

Adrian Sofield – Chairman
 Yogesh Karan – Deputy Chairman – Appointed 22 March 2019
 Iowane Naiveli – Resigned 24 October 2018
 Sakiusa Raivoce
 Aisea Waka Vosailagi
 Anthony Whitton
 Sanjit Patel
 Robert Lyon – Resigned 16 May 2019
 Isikeli Tikoduadua – Resigned 8 April 2019
 Litiana Loabuka – Appointed 30 November 2018
 Kalpana Lal – Appointed 30 November 2018

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment. The principal activities of the Group are the production and sale of cement, concrete and concrete products, investment and rental of property, fund management, stock broking, asset, loan financing and acceptance of term deposits, provision of sea transportation services and boat charters, cruise ship operations, commercial free to air broadcasting services, selling and servicing of radio, television and communications, retailing and wholesaling of general merchandise, printing and publishing, sale of stationary, and owners and administrators of properties.

3. TRADING RESULTS

The profit after income tax of the Group attributable to the members of the Company for the year ended 30 June 2019 was \$27.661 million (2018: \$25.662 million).

4. DIVIDENDS

The directors declared and paid a final dividend of \$3.717 million (2018: \$3.717 million) from the profits for the year ended 30 June 2019. The Company also paid an interim dividend of \$3.747 million (2018: \$3.717 million) during the year.

5. BAD AND DOUBTFUL DEBTS

The directors took reasonable steps before the Group's financial statements were made out to ascertain that all known bad debts were written off and adequate allowance 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 allowance for doubtful debts, inadequate to any substantial extent.

DIRECTORS

REPORT (CONTINUED)

6. ASSETS

The directors took reasonable steps before the Group's financial statements were made out to ascertain that the assets of the Group were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, the directors are not aware of any circumstances which would render the values attributable to the assets in the financial statements misleading.

7. SIGNIFICANT EVENTS

As at the date of this report the directors are not aware of any other significant events, other than those already included in the financial statements.

8. RELATED PARTY TRANSACTIONS

In the opinion of the directors all related party transactions have been adequately recorded and disclosed in the financial statements of the group entities.

9. 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 render any amounts stated in the financial statements misleading.

10. UNUSUAL TRANSACTIONS

The results of the Group's operations during the financial 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.

11. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in subsequent financial years.

12. GOING CONCERN

The directors consider that the Group will continue as a going concern. The directors believe that the basis of preparation of financial statements is appropriate and the Group will be able to continue its operations for at least 12 months from the date of signing this report.

DIRECTORS

REPORT (CONTINUED)

DIRECTORS' REPORT (continued)

13. DIRECTORS' INTERESTS

Interests of directors and any additions thereto during the year and up to the date of this report in the ordinary shares of the Company are as follows:

	<u>Beneficially</u>		<u>Non-beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Sakiusa Raivoce	-	1,322,107	-	-
Aisea Waka Vosailagi	-	-	-	817,020

No director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

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

Dated this 23rd day of August 2019.


 Chairperson


 Director

STATEMENT BY

DIRECTORS

STATEMENT BY DIRECTORS

In the opinion of the directors:

- (a) the accompanying statement of profit or loss and other comprehensive income of the Group is drawn up so as to give a true and fair view of the results of the Group for the year ended 30 June 2019;
- (b) the accompanying statement of financial position of the Group is drawn up so as to give a true and fair view of the state of the affairs of the Group as at 30 June 2019;
- (c) the accompanying statement of changes in equity of the Group is drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2019;
- (d) the accompanying statement of cash flows of the Group 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 2019;
- (e) at the date of this statement, there are reasonable grounds to believe that the group entities will be able to pay their debts as and when they become due and payable;
- (f) all related party transactions have been adequately recorded in the books of the group entities; and
- (g) the financial statements have been prepared in accordance with the Companies Act 2015.

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

Dated this 23rd day of August 2019.


.....
Chairperson


.....
Director



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FIJIAN HOLDINGS LIMITED (CONTINUED)

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Fijian Holdings Limited ("the Company") and its controlled entities (the "Group"), which comprise the consolidated statement of financial position as at 30 June 2019, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 36.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountant (IESBA), the Companies Act 2015 and the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill (\$53m)	
Refer to Notes 2.9 and 19 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group's annual testing of goodwill for impairment has been assessed as a key audit matter, given the size of the balance (being 8% of total assets) and the degree of judgement applied by us on assumptions applied by the Group, including those which are affected by expected future market or economic conditions.</p> <p>We focussed on the significant forward-looking assumptions the Group applied in their value in use model, including:</p> <ul style="list-style-type: none"> • forecast cash flows – adverse weather conditions and resort closures can impact the Group through route cancellations and deferrals. • discount rate - this varies according to the conditions and environment and is sensitive to changes, reducing available headroom. <p>These conditions increase the risk of inaccurate forecasts and the possibility of goodwill being impaired.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Considering the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • Assessing the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • Comparing the forecast cash flows contained in the value in use model to Board approved forecasts. • Assessing the accuracy of previous Group forecasts to help evaluate the forecasts incorporated in the model. • Considering the sensitivity of the model by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • Comparing the consistency of the growth rate to the Group's stated plan and strategy, past performance, industry trends and our experience regarding the feasibility of these in the industry and economic environment in which they operate.

KPMG, a Fiji partnership, is part of the KPMG International network. KPMG International Cooperative ("KPMG International") is a Swiss entity. Document classification: KPMG Public



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FIJIAN HOLDINGS LIMITED (CONTINUED)

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • Comparing the discount rate to publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in. • Assessing the disclosures in the financial report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, directors' report, South Pacific Stock Exchange listing requirements and equity securities but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein of this other information, we are required to communicate that fact. We have nothing to report in relation to the directors' report, South Pacific Stock Exchange listing requirements and equity securities.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG, a Fiji partnership, is part of the KPMG International network. KPMG International Cooperative ("KPMG International") is a Swiss entity. Document classification: KPMG Public



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FIJIAN HOLDINGS LIMITED (CONTINUED)**

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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.

In our opinion:

- i) proper books of account have been kept by the Company, sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and
- ii) to the best of our knowledge and according to the information and explanations given to us the financial statements give the information required by the Companies Act 2015, in the manner so required.

The engagement partner on the audit resulting in this independent auditors' report is Steve Nutley.

KPMG
KPMG
23 August, 2019
Suva, Fiji


Steve Nutley, Partner

INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2019



AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 395 OF THE COMPANIES ACT 2015

To: the Directors of Fijian Holdings Limited

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 30 June 2019 and up to the date of this report there have been:

- i. no contraventions of the Auditor independence requirements as set out in the Companies Act 2015 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG
KPMG
23 August, 2019
Suva, Fiji


Steve Nudgey, Partner

CONSOLIDATED STATEMENT
OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue			
Operating revenue	35	325,584	306,914
Other income	5(a)	5,174	4,572
		<u>330,758</u>	<u>311,486</u>
Expenses			
Changes in inventories of finished goods and work in progress		(105,568)	(94,545)
Raw materials and consumables used		(50,604)	(49,799)
Direct operating expenses		(32,321)	(29,345)
Staff costs		(30,076)	(27,941)
Depreciation and amortisation	8, 15, 19	(15,667)	(14,740)
Impairment loss on property, plant & equipment	15	-	(400)
Impairment loss on loans, advances and receivables	12, 13	(3,441)	(2,270)
Other operating expenses	5(b)	(48,170)	(47,170)
		<u>(285,847)</u>	<u>(266,210)</u>
Operating profit		<u>44,911</u>	<u>45,276</u>
Finance income – interest revenue		403	162
Finance income – other		150	56
Finance costs – other		(5,159)	(5,190)
Net finance costs	6	<u>(4,606)</u>	<u>(4,972)</u>
Share of profit in associates, net of tax	23	5,136	2,690
Profit before income tax		<u>45,441</u>	<u>42,994</u>
Income tax expense	7(a)	<u>(8,755)</u>	<u>(7,285)</u>
Profit after tax		36,686	35,709
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI – net change in fair value		3,456	8,570
Revaluation of property, plant and equipment	15(f)	4,140	-
Total items that will not be reclassified to profit or loss		<u>7,596</u>	<u>8,570</u>
Items that are or may be reclassified subsequently to profit or loss			
Net change in foreign currency translation reserve		(8)	10
Total items that are or may be reclassified subsequently to profit or loss		<u>(8)</u>	<u>10</u>
Other comprehensive income, net of tax		<u>7,588</u>	<u>8,580</u>
Total comprehensive income		<u>44,274</u>	<u>44,289</u>

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT

OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Profit attributable to:			
Equity holders of the holding company		27,661	25,662
Non-controlling interest	22	<u>9,025</u>	<u>10,047</u>
		<u><u>36,686</u></u>	<u><u>35,709</u></u>
Total comprehensive income attributable to:			
Equity holders of the holding company		35,090	34,238
Non-controlling interest	22	<u>9,184</u>	<u>10,051</u>
		<u><u>44,274</u></u>	<u><u>44,289</u></u>
Basic and diluted earnings per share	31	<u><u>Cents</u></u> <u><u>9</u></u>	<u><u>Cents</u></u> <u><u>8</u></u>

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.


CONSOLIDATED STATEMENT

OF FINANCIAL POSITION

	Note	2019 \$'000	2018 \$'000
ASSETS			
Cash and cash equivalents	10(a)	20,038	14,705
Debt securities	11	10,942	23,001
Inventories	14	42,301	35,869
Equity securities	20	29,366	25,382
Investments in associates	23	30,784	28,955
Loans, advances and receivables	12	203,268	166,379
Current tax asset	7(b)	1,109	79
Assets held for sale	17	-	100
Investment properties	18	53,954	45,790
Property, plant and equipment	15	159,490	143,003
Intangible assets	19	61,450	61,864
Right of use assets	8	16,925	15,750
Other assets	16	4,765	4,622
Deferred tax assets	7(c)	6,568	6,746
Total assets		640,960	572,245
LIABILITIES			
Payables	24	27,237	30,755
Contract liabilities		5,829	8,905
Dividends payable	26	4,045	2,401
Employee entitlements	25	1,919	1,866
Lease liabilities	8	17,866	16,248
Borrowings	27	258,940	219,993
Deferred tax liabilities	7(c)	15,141	14,101
Total liabilities		330,977	294,269
Net assets		309,983	277,976
SHAREHOLDERS EQUITY			
Share capital	28	30,465	30,465
Reserves	29	38,667	31,300
Retained earnings		184,879	164,682
Attributable to members of the holding company		254,011	226,447
Non-controlling interest	22	55,972	51,529
Total shareholders' equity		309,983	277,976

These consolidated financial statements have been approved in accordance with a resolution of the Board of Directors.

For and on behalf of the Board.


Chairperson


Director

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT
OF CASH FLOWS

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities:			
Cash receipts from customers		301,195	282,525
Cash paid to suppliers and employees		(275,291)	(241,195)
Cash generated from operating activities		25,904	41,330
Dividends received		3,738	4,256
Management fees paid		(3,219)	(3,229)
Net customer loans granted		(34,394)	(6,261)
Net increase/ (decrease) in deposits		26,859	(1,393)
Interest received		24,652	21,178
Other income received		645	493
Interest paid		(11,339)	(10,922)
Income taxes paid	7(b)	(8,835)	(5,130)
Net cash from operating activities		24,011	40,322
Cash flows from investing activities:			
Acquisition of property, plant and equipment and investment properties		(30,131)	(22,615)
Payment for share deposit		(592)	(600)
Investment in equity securities		(353)	(2,928)
Proceeds from disposal of equity securities		18	7
Proceeds from disposal of property, plant and equipment and assets held for sale		1,357	162
Acquisition of intangible assets		(155)	(104)
Net cash used in investing activities		(29,856)	(26,078)
Cash flows from financing activities:			
Dividends paid to the holding company's shareholders	9	(7,464)	(7,434)
Proceeds from/(payments for) debt securities, net		8,059	(1,723)
Dividends paid to non-controlling interests	22	(4,669)	(5,711)
Payment for lease liabilities		(2,421)	(1,542)
Proceed from issue of shares		1,535	-
Net movement in related party loans		(2,800)	-
Net movement in loans	27	3,890	(1,039)
Net cash used in financing activities		(3,870)	(17,449)
Net (decrease)/ increase in cash and cash equivalents		(9,715)	(3,205)
Cash and cash equivalents at beginning of year		815	4,022
Effect of exchange rate changes on cash		(8)	(2)
Cash and cash equivalents at end of year	10(a)	(8,908)	815

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF

CHANGES IN EQUITY

	Attributable to owners of the Company			Non-controlling	Total
	Share Capital	Reserves ¹	Retained Earnings	Interests	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2017	30,465	24,998	146,728	48,182	250,373
Impact of adjustment on initial application of IFRS 9 (net of tax)	-	(620)	(274)	(218)	(1,112)
Adjusted balance at 1 July 2017	30,465	24,378	146,454	47,964	249,261
Total comprehensive income	-	-	25,662	10,047	35,709
Other comprehensive income	-	8,576	-	4	8,580
Total comprehensive income	-	8,576	25,662	10,051	44,289
Transactions with owners of the Company					
Contributions and distributions					
Dividends paid to owners of the Company	-	-	(7,434)	(6,436)	(13,870)
Total contributions and distributions	-	-	(7,434)	(6,436)	(13,870)
Changes in ownership interests					
Acquisition of NCI	-	-	-	(50)	(50)
Decrease in non-controlling interest through acquisition	-	(1,654)	-	-	(1,654)
Total changes in ownership interests	-	(1,654)	-	(50)	(1,704)
Total transactions with owners of the Company	-	(1,654)	(7,434)	(6,486)	(15,574)
Balance at 30 June 2018	30,465	31,300	164,682	51,529	277,976
Balance 1 July 2018	30,465	31,300	164,682	51,529	277,976
Total comprehensive income	-	-	27,661	9,025	36,686
Other comprehensive income	-	7,429	-	159	7,588
Total comprehensive income	-	7,429	27,661	9,184	44,274
Transactions with owners of the Company					
Contributions and distributions					
Dividends paid to owners of the Company	-	-	(7,464)	(6,318)	(13,782)
Total contributions and distributions	-	-	(7,464)	(6,318)	(13,782)
Changes in ownership interests					
Acquisition of NCI	-	-	-	(2)	(2)
Acquisition of subsidiary with NCI	-	-	-	1,579	1,579
Decrease in non-controlling interest through acquisition	-	(62)	-	-	(62)
Total changes in ownership interests	-	(62)	-	1,577	1,515
Total transactions with owners of the Company	-	(62)	(7,464)	(4,741)	(12,267)
Balance at 30 June 2019	30,465	38,667	184,879	55,972	309,983

(1) See note 29

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Fijian Holdings Limited (“the Company”) is incorporated and domiciled in Fiji and its registered office and principal place of business is located at 7th Floor, Ra Marama House, 91 Gordon Street, Suva, Fiji.

The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise its subsidiaries (together referred to as “the Group” and individually as “group entities”) and the group’s interest in associates. The group entities are incorporated and domiciled in Fiji and PNG.

The Company is no longer presenting parent entity financial statements as it has in prior years as permitted by the Companies Act 2015 and the International Financial Reporting Standards.

The principal activity of the Company is investment. The principal activities of the Group are the production and sale of cement, concrete and concrete products, investment and rental of property, fund management, stock broking, asset and loan financing and acceptance of term deposits, provision of sea transportation services and boat charters, cruise ship operations, commercial free to air television broadcasting services, selling and servicing of radio, television and communications, retailing and wholesaling of general merchandise, printing and publishing, sale of stationary, and owners and administrators of properties. The Company is listed on the South Pacific Stock Exchange.

These consolidated financial statements were authorised for issue by the Board of Directors on 23 August 2019.

1.1 Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the International Accounting Standards Board and the requirements of Companies Act 2015.

1.2 Basis of accounting

These consolidated financial statements have been prepared under the historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Equity securities	Fair value
Investment properties	Fair value
Island properties	Fair value

New and amended standards and interpretations

The Group has adopted the following interpretations and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2018. The adoption of the new amended standards and interpretations did not have a material effect on the Group.

- Transfers of Investment Property (Amendments to IAS 40)
- Annual Improvements to IFRSs 2014-2016 Cycle (Amendments to IFRS 1 and IAS 28)
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

Standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2018, and have not been applied in preparing these financial statements.

New standards or amendments	Effective date
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	1 January 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	1 January 2019
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	1 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards	1 January 2019
Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
Definition of a Business (Amendments to IFRS 3)	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
IFRS 17 <i>Insurance Contracts</i>	1 January 2021

The Group does not intend to apply these standards, amendments and interpretations until their effective dates and the impact of these standards, amendments and interpretations on the financial statements of the Group has not yet been fully determined.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (continued)

1.3 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs 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. 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 are included in the following notes:

- Note 2.1(i) – Business combinations
- Note 2.4 – Equity investments at FVOCI
- Note 2.4.6 – Financial assets impairment
- Note 2.6 – Investment properties valuation
- Note 2.10 – Property plant and equipment and Intangible assets impairment

1.4 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Fiji Dollars, which is the Group's functional and presentation currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Principles of consolidation

i. Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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. 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 non-controlling 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 profit or loss.

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the cost of the acquisition is less than the Group's share of the fair value of the identifiable net assets of the acquiree, the difference is recognised directly in profit or loss, but only after a reassessment of the identification and measurement of the net assets acquired.

The fair value of the identifiable net assets is based on valuations performed by independent experts.

Consideration transferred includes the fair values of the assets transferred and liabilities incurred by the Group to the previous owners of the acquiree. Consideration transferred also includes the fair value of any contingent consideration.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Principles of consolidation (continued)

ii. Subsidiaries

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the 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.

iii. Non-controlling interest

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree at the date of acquisition. Changes in the Groups interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Transactions eliminated on consolidation

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses on these transactions are also eliminated. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

vi. Interests in equity accounted investees

Associates are those entities over which the Group has significant influence but not control over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost which includes transaction costs.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Dilution gains and losses arising on investments in associates are recognised in profit or loss.

2.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Fijian dollars at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. If the foreign operation is a non-wholly-owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of in its entirety or partially, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to the foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes only part of an associate or joint venture while retaining significant influence or joint control the relevant proportion of the cumulative amount is reclassified to profit or loss.

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are included within borrowings in liabilities on the statement of financial position.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments

2.4.1 Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2.4.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.2 Classification and subsequent measurement (continued)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.3 Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.4.4 Modifications of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (2.4.3)) and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower (see (2.4.6)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income (see (2.22)).

2.4.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.4.6 Impairment

Financial instruments

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and loan commitments issued.

No impairment loss is recognised on equity investment.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.6 Impairment (continued)

Financial instruments (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per rating agency Moody's or BBB- or higher per rating agency Standards & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date*: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- *financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- *undrawn loan commitments*: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial instruments (continued)

2.4.6 Impairment (continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- *financial assets measured at amortised cost*: as a deduction from the gross carrying amount of the assets;
- *loan commitments*: generally, as a provision;
- *where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component*: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- *debt instruments measured at FVOCI*: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for island properties which are shown at fair value.

Freehold land is shown at cost and improvements are shown at cost less accumulated depreciation. Island properties are shown at fair value based on valuations by external independent valuers. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

Subsequent to initial recognition, increases in the carrying amount arising on revaluation of island properties are credited to other comprehensive income and recorded as revaluation reserve in shareholders' equity. Decreases that off-set previous increases of the same asset are charged against other comprehensive income and revaluation reserves in equity, all other decreases are charged as an expense in profit or loss.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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 (refer note 2.10).

(ii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major improvements, renovations and overhaul expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in profit or loss during the financial period in which they are incurred.

(iii) Depreciation and amortisation

Freehold land and island properties are not depreciated. Leasehold properties, plant and equipment and other assets are depreciated and amortised on the straight line basis over their estimated useful lives, using the following depreciation rates:

	Rate
Leasehold land and improvements	Term of lease
Buildings	1.25% - 10%
Plant and equipment:	
- machinery, furniture & fittings and office equipment	2.50% - 40%
- motor vehicles	15% - 33%
- vessels	3% - 33%
Software	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

(iv) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on a specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Rental income from investment property is accounted for as described in accounting policy 2.16.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve (see note 2.5(iv)) is transferred to retained earnings.

2.7 Assets held for sale and discontinued operations

Non-current assets (or disposal groups comprising assets and liabilities) are classified as held-for-sale if it is highly probable that their value will be recovered primarily through sale rather than through continuing use. Assets classified as held for sale are stated at the lower of their carrying amount and fair value less costs to sell and are no longer amortised or depreciated.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as discontinued operations, the statement of profit or loss and other comprehensive income is re-presented as if the operations had been discontinued from the start of the comparative year.

2.8 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of raw materials, stores and supplies includes all costs of acquisition, calculated on the first-in-first-out or weighted average cost basis. Finished goods and work in process are valued at the actual cost of conversion, including a proportion of fixed and variable factory overheads. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.9 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

The gain or loss on disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

(b) Management rights

Management rights represent the initial cost paid in acquiring the rights and interest in the Management Agreement between RB Patel Group Limited (a subsidiary of FHL Retailing Limited) and RB Patel & Co., a New Zealand partnership. Management rights is carried at cost less accumulated amortisation (based on the contract period of the management right) and impairment losses and is subject to annual impairment testing.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and depreciation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment losses are recognised in profit or loss in the period in which they arise. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows.

2.11 Trade and other creditors

Trade and other creditors are stated at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid.

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.13 Current and deferred income tax

Income tax comprises of current tax and deferred tax. It is recognised in profit or loss unless it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date in the respective countries, 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 are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred income tax is not accounted for if 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 substantively enacted by the balance 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 for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Employee entitlements

Liabilities for annual leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

A liability for long service leave is recognised as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The estimated future cash outflows are discounted using interest rates on government bonds which have terms to maturity that match, as closely as possible, the estimated future cash outflows. Factors which affect the estimated cash outflows, such as expected future salary increases, experience of employee departures and period of service, are incorporated in the measurement.

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are incurred.

2.15 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Leases (continued)

i. As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities as separate line items in the statement of financial position (see note 8).

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of space that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Leases (continued)

ii. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

2.16 Revenue recognition

a. Significant accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Revenue recognition (continued)

a. Nature of goods and services

The following is a description of the principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments, see Note 35.

i. Construction

a) Sale of goods and services

The construction segment of the Group manufactures and sells cement, ready-mix concrete, concrete blocks, pavers, aggregates, concrete pipes, beams, power poles, other pre-stressed concrete products, tile adhesives and services as customs clearing agents. The segment recognises revenue when the customer takes possession of the good, when the goods leave the factory premises having been shipped to the customer or when the customer receives the service. For customers that prepay, the amount received is recognised as contract liability and revenue is recognised as the segment satisfies its respective performance obligation for the product or service. There is no significant financing component in respect of contract liabilities.

b) Construction services

The construction segment includes the design and building of ready-made homes. The segment enters into individual contracts with each of its customers. Construction of a dwelling is deemed to represent a single performance obligation to the customer, which is a performance obligation satisfied over time. The performance obligation is satisfied progressively over the construction period, with performance being measured by reference to regular engineer's reports (which represents an output method for measuring progress). The customer controls the asset as it is being created and the segment's service is being performed. Depiction of the transfer or the control of the goods or service to the customer is recognised using the output method.

ii. Property

The property segment of the Group generates revenue from rental of investment properties and recognises rental income in accordance with note 2.15(ii).

iii. Finance

The finance segment of the Group generates interest from loans and advances to customers and recognises interest income in accordance with note 2.22.

iv. Tourism

The tourism segment of the Group principally generates revenue from providing island resort connections in the Mamanucas and Yasawas, island day cruises, holiday packaging in the Yasawa Islands, cruise to the Yasawa Islands, vessel hires and charters, and sale of food and beverage items. For customers that prepay, the amount received is recognised as contract liability and revenue is recognised as the segment satisfies the respective performance obligation for the product or service. There is no significant financing component in respect of contract liabilities.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Revenue recognition (continued)

b. Nature of goods and services (continued)

iv. Tourism (continued)

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Island resort connections in the Mamanucas and Yasawas	An island resort connection involves transferring a customer from Port Denarau Marina to an island resort or vice versa or within island resorts on board the vessels. The transfer can be a one way transfer or a return transfer. The Group recognises revenue as the service of the transfer is provided.
Island day cruises	The Group provides half and full day adventures to various island resorts which are owned and managed by third parties and also to islands which are owned and managed by the Group. An island day cruise package to an island resort includes boat transfers, utilisation of facilities at the island resorts and meals. The package is accounted for as a single performance obligation, as the Group provides a significant service of integrating the various services into a combined output. Revenue from island day cruises is recognised when the service is provided.
Holiday packaging in the Yasawa Islands	The Group provides holiday packages to its guests which includes Island Resort accommodations which are owned and managed by third parties and return transfers to the Island Resorts in the Yasawa Islands. The package is accounted for as a single performance obligation, as the Group provides a significant service of integrating the various services into a combined output. Revenue from holiday packages in the Yasawas is recognised when the guest departs for the package which is the point when the Group has satisfied its performance obligations. Under this arrangement the Group has been assessed to be the principal.
Cruise to the Yasawa Islands	This is a cruise on board the vessel, Fiji Princess. There are three types of cruise offered based on the number of nights being 3 nights, 4 nights and 7 nights cruise in the Yasawa Islands. Revenue from cruise is recognised over time when the cruise night has elapsed.
Vessel hires and charters	The Group provides its vessels for hires and charters where revenue is based on a fixed rate per trip made. Revenue is recognised when the service has been rendered.
Sale of food and beverage items	Sale of food and beverage items occurs on board the vessels and on the islands which the Group manages and owns. Revenue is recognised at the point of sale.

v. Media

The media segment of the Group generates revenue from the operation of commercial free to air and the selling and servicing of radio, television and communications products and multiplex cinemas. Revenue is recognised based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of communication equipment	<p>The Group supplies communication equipment to customers.</p> <p>The equipment to be supplied together with the quantity, prices and payment terms are governed by a contract and are not subject to change during the duration of the contract.</p> <p>The Group delivers the equipment to the customer as and when they arrive. The contract states the specific price for each piece of equipment ordered and there is a breakdown of the amount for each equipment.</p> <p>Revenue is recognised as and when the equipment gets delivered to the customer.</p>

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Revenue recognition (continued)

b. Nature of goods and services (continued)

v. Media (continued)

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Advertising	Advertising is based on the purchase orders received from the customers. Advertising slots have various prices based on the length and timing of the advertisement. The advertising schedule is agreed with the customer and entered into the system. Invoices are raised at month end and only includes the revenue for the advertisements that were aired during the month.
Sponsorship	Sponsorship is based on purchase orders received from the customers. The value of the purchase order is divided by the number of sponsored program episodes to determine the amount of revenue per episode. Invoice is raised at month end and only includes the revenue for the number of sponsored episodes that were aired during the month.

vi. Retail

The retail segment of the Group generates revenue from the retailing and wholesaling of general merchandise. Revenue is recognised at a point in time when possession of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

vii. Investment

The investment segment of the Group generates revenue from equity investments in the form of dividends and recognises dividend income in accordance with note 2.4.

2.17 Dividend distribution

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date. Dividends are subject to the provisions of the Fiji Income Tax Act and Income Tax (Dividend) Regulations 2001.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.19 Basic and diluted earnings per share

Basic and diluted earnings per share is determined by dividing profit after income tax attributable to shareholders of the holding company by the weighted average number of ordinary shares outstanding during the financial year. If the number of ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.

2.20 Rounding

All amounts have been rounded to the nearest thousand dollars except where otherwise noted.

2.21 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional 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 profit or loss.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities; and
- impairment losses (and reversals) on investments in debt securities carried at amortised cost.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.23 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2.24 Contract liabilities

Contract liabilities arise where a customer has paid an amount of consideration prior to the Group performing by transferring the related good or service to the customer. The entire contract liability balance at the beginning of the period of \$8,905,000 was recognised as revenue during the year. The yearend contract liability balance represents advanced consideration received from customers.

2.25 Comparative figures

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. ACQUISITION OF INVESTMENTS

Pernix (PNG) Limited

The Company made an investment of \$5.3 million in Pernix (PNG) Limited. The percentage shareholding is yet to be determined and will be finalised once Pernix (PNG) Limited is fully operational. Accordingly, the transaction is currently being treated as a share deposit and has been recorded as a noncurrent other receivable.

Serendib Investment Limited

On 18 January 2019, Serendib Investment Limited, a newly established subsidiary of the Company, entered into an asset sale agreement with the Government of Fiji to purchase Government Printing and Stationery Department's assets for a cash amount of \$6 million (inclusive of VAT). The Company holds 75% of the shares and voting interest in Serendib Investment Limited.

The principal activities of Serendib Investment Limited is that of printing & publishing and sale of stationary from its bookshop. The acquisition will enable the Group to enter the printing industry sector which will further diversify the principal activities of the Group. Serendib Investment Limited will continue to be the designated Government printer and plans to venture into commercial printing with a vision to offer services in Fiji and the Pacific.

Identifiable assets acquired

The following table summarises the recognised amounts of assets acquired at the date of acquisition:

	Note	\$'000
Property, plant and equipment	15	5,461
Inventories		741
Total identifiable assets acquired		<u>6,202</u>

A gain on bargain purchase of \$697,000 was recognised at acquisition date. The Group incurred acquisition-related costs of \$11,000 on legal fees and due diligence costs. These costs have been included in "Other operating expenses".

4. FINANCIAL RISK MANAGEMENT

4.1 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit Sub-Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and control, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Risk management is also carried out by Group Finance & Audit Division (GFAD). The GFAD monitors compliance with the Group's risk management policies and framework in relation to risks faced by each company in the Group. A Risk and Compliance Officer who is also part of the Audit Sub-Committee, is responsible for monitoring compliance with Group risk management policies and procedures and for reviewing the risk management framework in relation to the risks faced by the Group. The Group Management team is assisted in these functions by an Internal Audit function (established by an outsourced internal audit team for one of the Group's subsidiaries; Merchant Finance Limited) which undertakes both regular and ad-hoc reviews of management controls and procedures, the results of which are reported directly to the Audit Sub-Committee of the Board.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(a) *Market risk (continued)*

Unfavourable changes to duty and tax regulations may expose the Group to a decline in revenue. To minimise this risk, the Group implements appropriate strategies to ensure that products and prices remain attractive. The Group operates predominantly in Fiji and Papua New Guinea, and changes to governments and the policies they implement affect the economic situation and ultimately the revenues of the Group. To address this, the Group reviews its pricing and product range regularly and tries to respond appropriately to these changes.

(i) Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies hence exposures to exchange rate fluctuations arise. Exchange rate exposures are closely managed within approved policy parameters. Major foreign exchange transactions relate to importation of goods and services with settlement based on spot rates. Foreign currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the Group's functional currency (refer notes 1.4 and 2.21)

The Group procures goods, assets, raw materials and supplies from principal suppliers based predominantly in New Zealand, Australia and Japan. As a measure, prompt settlement of liabilities (and assets if necessary) is exercised by management to minimise the exposure to foreign exchange losses. As an additional measure, the Group negotiates competitive rates with its bankers to minimise losses and maximise gains when foreign exchange receipts and payments become due. The Group's exposure to foreign exchange risk is not material.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as FVOCI. 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. The Group's equity investments in other entities that are publicly traded are quoted on the South Pacific Stock Exchange.

Sensitivity analysis

The table below sets out the effect on equity of a reasonably possible increase in the individual equity market prices of listed equities of 5% at 30 June 2019 and 30 June 2018. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant.

	2019	2018
	\$'000	\$'000
Impact on equity	1,063	891

An equal change in the opposite direction would have decreased equity by the same amount.

(iii) Interest rate risk

The principal risk to which investments and lending portfolios are exposed, is the risk of loss from fluctuations in future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits from re-pricing bonds.

In one of the Group's subsidiaries; Merchant Finance Pte Limited (MFL), the management of interest rate risk against interest rate gap limits is supplemented by management's regular monitoring of the sensitivity of MFL financial assets and liabilities to various standard interest scenarios and market offerings.

Interest rate risk is managed through: 1) investments; 2) loan pricing; and 3) deposit pricing. MFL tries to maintain an interest spread that it believes is sufficient to cater for the risk it is taking and is above the cost of its funds and is sufficient to cover operating costs. Interest spread is monitored monthly and is submitted to the Reserve Bank of Fiji (RBF) for monitoring purposes.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
4. FINANCIAL RISK MANAGEMENT (continued)
4.1 Risk Management Framework (continued)
(a) Market risk (continued)
(iii) Interest rate risk (continued)

The carrying amounts of Group's interest bearing financial instruments are set out below:

Financial instrument	2019 \$'000	2018 \$'000
Financial assets		
Deposits with financial institutions	5,392	13,451
Government securities	5,550	9,550
Cash and cash equivalents	4,071	2,071
Loans and advances	173,536	140,446
	188,549	165,518
Financial liabilities		
Bank overdraft	28,946	13,890
Bank loans	80,029	76,139
Fixed term deposits and short term borrowings (unsecured)	149,965	129,964
Total	258,940	219,993

At the reporting date the profile of the Group's variable interest bearing financial instruments was as follows:

Bank overdraft	28,946	13,890
Bank loans	75,727	68,350
Total	104,673	82,240

Sensitivity analysis

A 100 basis points (bp) increase in interest rates at the reporting date would have decreased equity and the profit or loss by amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2018.

	Equity \$'000	Profit or loss before tax \$'000
30 June 2019		
Variable rate instruments	1,047	1,047
30 June 2018		
Variable rate instruments	822	822

The Group is not subject to material interest rate risk from financial instruments which are at fixed interest.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and loans and advances to customers and investments in debt securities.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, including outstanding receivables and committed transactions. For potential rental tenants, a screening process, similar to a due diligence is performed, prior to their being granted leases. For banks and financial institutions, only reputable parties are acceptable. As far as practicable, if wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent ranking, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with set limits. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The carrying amounts of financial assets represent the maximum credit exposure.

Impairment losses on financial assets recognised in profit or loss were as follows.

	2019 \$'000	2018 \$'000
Impairment loss on loans, advances and receivables	3,441	2,270

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Expected credit loss assessment for trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 30 June 2018 and 2019:

	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
30 June 2019			
Current (not past due)	12,891	(239)	No
1 – 30 days past due	3,864	(114)	Yes
31 – 60 days past due	1,747	(182)	Yes
61 – 90 days past due	2,022	(652)	Yes
91 – 120 days past due	2,287	(968)	Yes
Over 120 days past due	1,885	(653)	Yes
Debts individually assessed	1,014	(679)	Yes
	<u>25,710</u>	<u>(3,487)</u>	
30 June 2018			
Current (not past due)	10,168	(234)	No
1 – 30 days past due	5,557	(150)	Yes
31 – 60 days past due	2,292	(218)	Yes
61 – 90 days past due	1,117	(256)	Yes
91 – 120 days past due	1,927	(707)	Yes
Over 120 days past due	1,095	(379)	Yes
Debts individually assessed	690	(682)	Yes
	<u>22,846</u>	<u>(2,626)</u>	

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are either based on actual and forecast GDP or inflation rates.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year is disclosed in note 12.

Cash and cash equivalents

The Group held cash and cash equivalents of \$20.038 million at 30 June 2019 (2018: \$14.705 million). The cash and cash equivalents are held with banks, which are rated B to AA-, based on Standards and Poor's (S&P) ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

Accordingly, due to short maturities, the Group did not recognise an impairment allowance against cash and cash equivalents as at 30 June 2019 (2018: nil).

Debt investment securities

The Group held debt investment securities of \$10,942,000 at 30 June 2019 (2018: \$23,010,000). The debt investment securities are held with banks, credit institutions and the Fiji Government. Debt investment securities held with banks and the Fiji Government are rated B to AA-, based on S&P ratings. In relation to debt investment securities held with credit institutions the Group monitors changes in credit risk by reviewing available press and regulatory information.

Impairment on debt investment securities held with banks and credit institutions has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. Impairment on debt investment securities held with the Fiji Government has been measured on the 12-month expected loss basis.

The Group did not recognise an impairment allowance against debt investment securities as at 30 June 2019 (2018: nil).

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below:

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

See accounting policy in Note 2.4.6.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, MFL considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on MFL's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

Credit risk grades

MFL allocates each exposure to a credit risk grade based on certain data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades standard and special mention is smaller than the difference between credit risk grades special mention, substandard, doubtful and loss.

Customer accounts are graded internally and all existing customers are categorised as excellent, good, satisfactory or limited. Further the individual accounts/customer groups are classified as Standard, Special Mention, Sub Standard, Doubtful and Loss for credit risk management purposes. All loans and advances are secured by collateral.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage and compliance with covenants;
- Payment record – this includes overdue status as well as a range of variables about payment ratios;
- Utilisation of the granted limit;
- Requests for and granting of forbearance; and
- Existing and forecast changes in business, financial and economic conditions.

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. MFL collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading.

MFL employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For all exposures, the key macro-economic indicator used is GDP growth, based on publications by the Reserve Bank of Fiji.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Generating the term structure of PD (continued)

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

Using its expert credit judgement and, where possible, relevant historical experience, MFL may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. Renegotiation of loans to customers in financial difficulties is a qualitative indicator of a significant increase in credit risk.

As a backstop, MFL considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

MFL monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 2.4.4.

MFL renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under MFL's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both personal and motor loans are subject to the forbearance policy. The Audit Committee regularly reviews reports on forbearance activities.

For loans and advances modified as part of MFL's forbearance policy, the estimate of PD reflects whether the modification has improved or restored MFL's ability to collect interest and principal and MFL's previous experience of similar forbearance action. As part of this process, MFL evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 2.4.6) in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Definition of default

MFL considers loans and advances to be in default when:

- the borrower is unlikely to pay its credit obligations to MFL in full, without recourse by MFL to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to MFL.

In assessing whether a borrower is in default, MFL considers indicators that are:

- qualitative – e.g. breaches of covenant;
- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to MFL; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether loans and advances are in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

MFL incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Audit Committee and consideration of a variety of external actual and forecast information, MFL formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by Reserve Bank of Fiji.

The base case represents a most-likely outcome and is aligned with information used by MFL for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, MFL carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

MFL has identified and documented key drivers of credit risk and credit losses for each portfolio of loans and advances and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 30 June 2019 included the following ranges of key indicator for the years ending 30 June 2020 and 2021.

	2020	2021
GDP growth	2.7%	3.0%

Predicted relationship between the key indicator and default and loss rates on loans and advances have been developed based on analysing historical data over the past 4 years.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
4. FINANCIAL RISK MANAGEMENT (continued)
4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Measurement of ECL (continued)

LGD is the magnitude of the likely loss if there is a default. MFL estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD model considers the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to individual loans and advances. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. MFL derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of loans and advances is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for loans and advances for which credit risk has not significantly increased, MFL measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, MFL considers a longer period. The maximum contractual period extends to the date at which MFL has the right to require repayment of an advance or terminate a loan commitment.

Loans and advances are grouped on the basis of shared risk characteristics that include loan purpose and credit risk gradings. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance for loans and advances. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2.4.6.

	12-month ECL (\$'000)	Lifetime ECL not credit- impaired (\$'000)	Lifetime ECL credit- impaired (\$'000)	Total (\$'000)
Loans and advances to customers at amortised cost				
Balance at 1 July 2018	1,139	1,526	4,428	7,093
Transfer to 12 months ECL	18	(11)	(7)	-
Transfer to lifetime ECL not credit impaired	(552)	556	(4)	-
Transfer to lifetime ECL credit impaired	(185)	(1,016)	1,201	-
Net remeasurement of loss allowance	286	834	417	1,537
New loans and advances originated or purchased	707	743	361	1,811
Loans and advances that have been derecognised	(162)	(298)	(844)	(1,304)
Write-off	-	(20)	(555)	(575)
Balance at 30 June 2019	1,251	2,314	4,997	8,562

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
4. FINANCIAL RISK MANAGEMENT (continued)
4.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Loss allowance (continued)

	12-month ECL (\$'000)	Lifetime ECL not credit-impaired (\$'000)	Lifetime ECL credit-impaired (\$'000)	Total (\$'000)
Loans and advances to customers at amortised cost				
Balance at 1 July 2017	1,180	1,099	3,660	5,939
Transfer to 12 months ECL	42	(42)	-	-
Transfer to lifetime ECL not credit impaired	(342)	342	-	-
Transfer to lifetime ECL credit impaired	(62)	(216)	278	-
Net remeasurement of loss allowance	(123)	197	2,089	2,163
New loans and advances originated or purchased	775	638	889	2,302
Loans and advances that have been derecognised	(319)	(436)	(1,798)	(2,553)
Write-off	(12)	(56)	(690)	(758)
Balance at 30 June 2018	1,139	1,526	4,428	7,093

The loss allowance in these table includes ECL on loan commitments because MFL cannot separately identify the ECL on the loan commitment component from those on loans and advances.

Credit-impaired loans and advances

See accounting policy in Note 2.4.6.

Credit-impaired loans and advances are graded doubtful to loss in MFL's internal credit risk grading system.

Collateral held and other credit enhancements

MFL holds collateral and other credit enhancements against its credit exposures. The following table sets out the principal types of collateral held against different portfolios of loans and advances.

	Percentage of exposure that is subject to collateral requirements		Principal type of collateral
	30 June 2019	30 June 2018	
Loans and advances to customers			
Motor vehicle	100	100	Motor vehicles
Personal loans	100	100	Property and equipment

As at 30 June 2019, the net carrying amount of credit-impaired loans and advances to customers amounted to \$18.385 million (2018: \$14.099 million) and the value of identifiable collateral (mainly properties and motor vehicles) held against those loans and advances amounted to \$30.992 million (2018: \$21.052 million).

Credit quality analysis

The following table sets out the information about the credit quality of loans and advances. Unless specifically indicated, the amounts in the table represents gross carrying amount.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
4. FINANCIAL RISK MANAGEMENT (continued)
4.1 Risk Management Framework (continued)

(c) *Credit risk (continued)*

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Credit quality analysis (continued)

Explanation of the terms: 12-months ECL, lifetime ECL and credit-impaired are included in Note 2.4.6.

	2019			
	12 months ECL \$'000	Lifetime ECL not credit impaired \$'000	Lifetime ECL credit impaired \$'000	Total \$'000
Loans and advances to customers				
Grade - Standard	98,352	-	-	98,352
Grade - Special mention	-	30,266	-	30,266
Grade - Substandard	-	26,533	-	26,533
Grade - Doubtful	-	-	14,590	14,590
Grade - Loss	-	-	3,795	3,795
	<u>98,352</u>	<u>56,799</u>	<u>18,385</u>	<u>173,536</u>
Loss allowance	(1,252)	(2,312)	(4,998)	(8,562)
Carrying amount	97,100	54,487	13,387	164,974

	2018			
	12 months ECL \$'000	Lifetime ECL not credit impaired \$'000	Lifetime ECL credit impaired \$'000	Total \$'000
Loans and advances to customers				
Grade - Standard	89,961	-	-	89,961
Grade - Special mention	-	25,854	-	25,854
Grade - Substandard	-	10,335	-	10,335
Grade - Doubtful	-	-	11,198	11,198
Grade - Loss	-	-	2,901	2,901
	<u>89,961</u>	<u>36,189</u>	<u>14,099</u>	<u>140,249</u>
Loss allowance	(1,139)	(1,526)	(4,428)	(7,093)
Carrying amount	88,822	34,663	9,671	133,156

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk Management Framework (continued)

(b) *Credit risk (continued)*

Details relating to MFL are set out below: (continued)

Financial assets under stage 2 are closely monitored to ensure that they do not deteriorate further. Security inspections are undertaken on these accounts to verify the value of the collateral pledged. These assets are monitored by specialist collection teams on a daily basis and further monitored by management at each month end. Where necessary management restructures these loans to enhance recovery.

In order to manage credit risk, MFL closely monitors existing customers in ensuring a debt service ratio greater than 1 and loan to value ratio of 85% is maintained, and ensuring that all new customers go through comprehensive credit screening. Furthermore, customer accounts are graded internally and all existing customers are categorised as excellent, good, satisfactory or limited. Further the individual accounts/customer groups are classified as Standard, Special Mention, Sub Standard, Doubtful and Loss for credit risk management purposes. All loans and advances are generally secured by collateral.

MFL employs a range of policies and practices to mitigate credit risk with the most common practice being the security collateral with guidelines being implemented on the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential and commercial properties.
- Hire Purchase Agreements and Bill of Sale over vehicles and machinery
- Charges over business assets such as premises, inventory and accounts receivable.
- Charges over financial instruments such as debt securities and equities and term deposits.

Longer-term finance and lending to corporate entities are generally secured. In addition, in order to further minimise the potential for credit loss, MFL seeks additional collateral from the counterparty if the credit risk has increased significantly.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument.

If an account goes into arrears, a credit review is performed and the collateral value is reassessed by MFL's in-house credit officers or independent valuers.

Credit risk concentration

Credit risk concentration is determined based on the industry for which the loan is given. An analysis of concentrations of credit risk from loans and advances and loan commitments is shown below

Industry	Loans and advances		Loan commitments	
	2019 (%)	2018 (%)	2019 (%)	2018 (%)
Agriculture	8.84	10.38	-	-
Building and construction	20.53	20.76	35.97	-
Manufacturing	3.26	2.93	-	31.97
Mining and quarrying	0.24	0.41	-	-
Private individuals	9.88	9.95	-	-
Professional and business services	5.47	2.67	9.06	-
Transport, communication and storage	37.46	41.04	54.97	40.55
Wholesale, retail, hotels and restaurants	8.34	8.02	-	21.37
Others	5.98	3.84	-	6.11
Total	100.00	100.00	100.00	100.00

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk management framework (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations arising from its financial liabilities. Prudent and careful management of the Group's liquidity position is essential in order to ensure that adequate funds are available to meet the Group's ongoing financial obligations. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business of the Group, management aims at maintaining flexibility in funding by keeping committed credit lines available.

A summary of the contractual maturity analysis of the Group's borrowings and other non-derivative financial liabilities as at 30 June is set out below on an undiscounted basis including estimated interest payments:

Non-derivative financial liabilities	Contractual cash flows						
	Carrying amount	Total	On demand	Up to 1 year	1-2 years	2-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2019							
Bank Overdrafts	28,946	28,946	28,946	-	-	-	-
Secured bank loans	80,029	90,712	-	23,139	16,464	36,337	14,772
Deposits from customers and term borrowings	149,965	170,131	2,000	98,456	27,701	40,996	978
Lease liabilities	17,866	32,736	-	3,273	3,815	6,761	18,887
Payables	27,237	27,237	-	27,237	-	-	-
	304,043	349,762	30,946	152,105	47,980	84,094	34,637
30 June 2018							
Bank Overdrafts	13,890	13,890	13,890	-	-	-	-
Secured bank loans	76,139	91,643	-	17,843	38,097	28,084	7,619
Deposits from customers and term borrowings	129,964	139,678	2,000	87,016	31,432	17,382	1,848
Lease liabilities	16,248	25,234	-	2,619	1,505	8,476	12,634
Payables	30,755	30,755	-	30,478	-	-	277
	266,996	301,200	15,890	137,956	71,034	53,942	22,378
Non-derivative financial assets	Contractual cash flows						
	Carrying amount	Total	On demand	Up to 1 year	1-2 years	2-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2019							
Cash and cash equivalents	20,038	20,038	210	19,828	-	-	-
Debt securities	10,942	11,391	-	5,897	-	4,462	1,032
Loans, advances and receivables	215,331	270,161	3,835	64,761	29,166	156,577	15,822
	246,311	301,590	4,045	90,486	29,166	161,039	16,854
30 June 2018							
Cash and cash equivalents	14,705	14,705	294	14,411	-	-	-
Debt securities	23,001	23,611	-	17,524	512	4,522	1,053
Loans, advances and receivables	176,112	206,734	-	93,134	50,325	52,265	11,010
	213,818	245,050	294	125,069	50,837	56,787	12,063

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (continued)

4.1 Risk management framework (continued)

(d) Liquidity risk (continued)

Additional details relating to MFL are set out below:

In order to comply with the Reserve Bank's requirements and the Banking Act 1995, MFL must hold as liquid deposits an amount equivalent to 10% of its total borrowed funds. The MFL Board ensures that the investment standalone is sufficient to meet the Unimpaired Liquid Assets Ratio requirements which are covered entirely by long term bonds.

The daily liquidity position is monitored. For MFL, the key measure used for managing liquidity risk is the ratio of net liquid assets to deposits from customers. Monthly maturity mismatch reports are prepared and analysed. Maturity reports of term deposits are actioned via pre-analysis (calling customer to determine the status of re-investment) and MFL Board Asset and Liability Committee (ALCO) is kept informed.

MFL's liquidity exposure is measured by calculating its Net Liquidity Gap and by comparing current ratios with targets. MFL Board/ ALCO monitors MFL's liquidity position by reviewing the Net Liquidity Gap expressed as a percentage of liabilities:

	Less than <u>1 month</u>	1 to <3 <u>months</u>	3 to <6 <u>months</u>	6 to <12 <u>months</u>	Over 12 <u>months</u>
Net Liquidity Gap as a % of Rate Sensitive Assets (not to exceed)	-5%	-7%	-10%	-20%	40%

Apart from the above, MFL uses the following as a benchmark in monitoring its liquidity position.

<u>Ratio</u>	<u>Target</u>	<u>Tolerance Range</u>
Cash Reserve	Minimum 8%	Not to fall below 5%
Liquid Assets/Total Deposits Ratio	20-25%	Not to fall below 20%
Liquid Asset/Total Assets Ratio	10-20%	Not to fall below 10%
Loans/Deposit Ratio	120-135%	Not to exceed 135%
Loans/Adjusted Deposit Ratio	100-120%	Not to exceed 120%
Unimpaired Liquid Assets Ratio	Minimum 12%	Not to fall below 10%

The Cash Reserve ratio is calculated by expressing cash reserves (comprising of cash book balance and short term deposits) as a percentage of total deposits. Other ratios are calculated according to RBF guidelines on liquidity risk management for credit institutions. The loans to deposit ratio and unimpaired liquid assets ratio are monitored daily whilst other ratios are monitored monthly.

Any variance in the above ratios are actioned immediately by management.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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 and be in compliance with statutory requirements.

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

The Group 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 (as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Capital risk management (continued)

The gearing ratio of the Group at balance date is as follows:

	2019	2018
	\$'000	\$'000
Total Borrowings (excluding deposits from customers)	115,125	99,217
Less: Cash and cash equivalents (Note 10)	8,908	(815)
Net debt	124,033	98,402
Total capital	309,983	277,976
Gearing ratio	40%	35%

Additional details relating to MFL are set out below:

MFL is subject to externally imposed capital requirements by the Reserve Bank of Fiji. MFL's objectives when managing capital are:

- To comply with the capital requirements set by the Reserve Bank of Fiji;
- To safeguard MFL's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of the business.

Capital adequacy and the use of regulatory capital are monitored daily by MFL's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Fiji, for supervisory purposes.

The Reserve Bank of Fiji requires MFL to (a) hold at least 10% of its total holdings in liquid assets and (b) maintain a ratio of total regulatory capital to risk-weighted assets at or above 15%. MFL complied with these requirements during the year.

MFL also measures its Credit Loss Reserve requirement on an annual basis and during the current year transferred an amount of nil (2018: \$nil) to this reserve in compliance with Reserve Bank of Fiji guidelines.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROFIT

	Note	2019 \$'000	2018 \$'000
Profit before income tax has been determined after:			
(a) Crediting as other income			
Net gain on disposal of property, plant and equipment and assets held for sale		295	136
Management fees		104	104
Rental income		70	92
Change in fair value of investment properties	18	2,182	2,389
Gain on bargain purchase	3	697	-
Miscellaneous income		1,826	1,851
		<u>5,174</u>	<u>4,572</u>
(b) Charging as expense			
Other operating expenses includes:			
Auditors' remuneration:			
- audit fees – KPMG		217	282
- other auditors		137	95
- other services – KPMG		-	120
- other auditors		213	214
Directors' emoluments			
- for services as directors		612	546
- for other services		265	193
Inventory obsolescence expense		119	340
FNPF contributions		2,589	2,706
Marketing and promotion		3,109	4,544
Rent		1,577	2,074
Repairs and maintenance		5,877	6,608
Management fee		1,310	1,151

6. NET FINANCE COSTS

Interest income under the effective interest method	<u>403</u>	<u>162</u>
Total interest income arising from financial assets measured at amortised cost	<u>403</u>	<u>162</u>
Exchange gain	<u>150</u>	<u>56</u>
Finance income – other	<u>150</u>	<u>56</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
6. NET FINANCE COSTS (Continued)

	2019 \$'000	2018 \$'000
Financial liabilities measured at amortised cost – interest expense	(3,860)	(3,884)
Exchange loss	(72)	(115)
Interest expense – lease liability	<u>(1,227)</u>	<u>(1,191)</u>
Finance costs - other	<u>(5,159)</u>	<u>(5,190)</u>
Net finance costs recognised in profit or loss	<u>(4,606)</u>	<u>(4,972)</u>

7. INCOME TAX

(a) Income tax expense

The amount of income tax attributable to the financial year differs from the amount prima facie payable on the profit. The difference is reconciled as follows:

Profit before income tax	<u>45,441</u>	<u>42,994</u>
Prima facie tax payable at 10% (2018:10%)	4,544	4,299
<u>Add/ (deduct):</u>		
Impact of difference in tax rate	3,605	3,376
Dividends received	(109)	(156)
Exempt income	(156)	(313)
Other permanent differences	625	413
Impact of equity accounted profit	(571)	(299)
Tax losses and timing differences not brought to account	658	267
Transitional dividend tax at 1%	-	124
Deferred tax asset recognised on temporary difference	-	(319)
Deferred tax liabilities recognised upon acquisition of property, plant and equipment	31	-
Temporary difference not recognised on deferred tax liability	(117)	(110)
Difference in tax rate – investment properties	-	(92)
Under provision in prior year	<u>245</u>	<u>95</u>
Income tax expense attributable to profit	<u>8,755</u>	<u>7,285</u>
Total income tax expense is made up of:		
Current income tax expense	7,752	6,745
Deferred tax expense	758	2,598
Transitional dividend tax at 1%	-	124
Under/ (over) provision in prior years	<u>245</u>	<u>(2,182)</u>
Income tax expense attributable to profit	<u>8,755</u>	<u>7,285</u>

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX (continued)

	2019 \$'000	2018 \$'000
(b) Current tax asset/ (liability)		
Balance at beginning of year	79	(392)
Income tax paid	8,835	5,130
Current income tax expense	(7,752)	(6,745)
Transfer of balance from VAT account	192	28
Transitional dividend tax at 1%	-	(124)
(Under)/ over provision in prior years	(245)	2,182
	<u>1,109</u>	<u>79</u>
(c) Deferred tax assets and liabilities		
<u>Deferred tax assets</u>		
Property, plant & equipment	36	42
Annual leave	304	301
Doubtful debts	2,256	1,781
Inventory provisions	165	197
Lease liabilities	2,764	3,337
Others	204	262
Unrealised foreign exchange (gain)/loss	(16)	22
Tax losses	855	804
	<u>6,568</u>	<u>6,746</u>
<u>Deferred tax liabilities</u>		
Property, plant & equipment	(11,248)	(9,949)
Cyclone reserve deposit	(142)	(140)
Right of use asset	(2,497)	(3,218)
Fair value on revaluation	(1,254)	(794)
	<u>(15,141)</u>	<u>(14,101)</u>

As at 30 June 2019, Group companies had unrecouped income tax losses of approximately \$6.1 million (2018: \$3.2 million) available to offset against future years' taxable income. The benefit at 20% (2018: 20%) tax rate amounting to approximately \$1.2 million (2018: \$0.6 million) has not been brought to account as realisation is not considered to be probable. Under the existing income tax laws, assessed tax losses may only be carried forward for 4 years in succession. This has been increased to 8 years for losses incurred from 1 January 2019. The benefit will only be obtained if:

- (i) the companies derive future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;
- (ii) the companies continue to comply with the conditions for deductibility imposed by the law; and
- (iii) no change in tax legislation adversely affect the companies in realising the benefit from the deductions for the losses.

Tax losses carried forward expire as follows:

Tax losses year	Gross amount \$'000	Tax effect \$'000	Expiry date
2018	3,241	648	2022*
2017	1,574	315	2021
2016	724	145	2020
2015	571	114	2019
	<u>6,110</u>	<u>1,222</u>	

* The apportionment of tax losses from 1 January 2019 to 30 June 2019 can be carried forward for 8 years and will expire in 2026.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX (continued)

(c) Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year

	1 July 2018 \$'000	Recognised in profit or loss/ other comprehensive income \$'000	30 June 2019 \$'000
<i>Deferred tax assets</i>			
Property, plant & equipment	42	(6)	36
Annual leave	301	3	304
Doubtful debts	1,781	475	2,256
Others	262	(58)	204
Inventory provisions	197	(32)	165
Unrealised foreign exchange loss	22	(38)	(16)
Tax losses	804	51	855
Lease liabilities	3,337	(573)	2,764
	<u>6,746</u>	<u>(178)</u>	<u>6,568</u>
<i>Deferred tax liabilities</i>			
Property, plant & equipment	(9,949)	(1,299)	(11,248)
Cyclone reserve deposit	(140)	(2)	(142)
Fair value on revaluation (recognised directly in equity)	(794)	(460)	(1,254)
Right of use assets	(3,218)	721	(2,497)
	<u>(14,101)</u>	<u>(1,040)</u>	<u>(15,141)</u>
	1 July 2017	Recognised in	30 June 2018
	\$'000	profit or loss	\$'000
		\$'000	
<i>Deferred tax assets</i>			
Property, plant & equipment	66	(24)	42
Annual leave	227	74	301
Doubtful debts	3,544	(1,763)	1,781
Others	9	253	262
Inventory provisions	210	(13)	197
Unrealised foreign exchange loss	3	19	22
Tax losses	1,142	(338)	804
Lease liabilities	-	3,337	3,337
	<u>5,201</u>	<u>1,545</u>	<u>6,746</u>
<i>Deferred tax liabilities</i>			
Property, plant & equipment	(9,045)	(904)	(9,949)
Cyclone reserve deposit	(119)	(21)	(140)
Fair value on revaluation (recognised directly in equity)	(794)	-	(794)
Right of use assets	-	(3,218)	(3,218)
	<u>(9,958)</u>	<u>(4,143)</u>	<u>(14,101)</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
8. LEASES

	2019 \$'000	2018 \$'000
(a) As a lessee		
Right-of-use assets	<u>16,925</u>	<u>15,750</u>

The Group leases many assets including land and buildings, coaches and jetty. Information about leases for which the Group is a lessee is presented below:

Rights-of-use assets

	Jetty \$'000	Land and buildings \$'000	Coaches \$'000	Total \$'000
Balance at 1 July 2017	1,057	12,924	2,404	16,385
Additions	244	618	316	1,178
Re-measurements	-	10	217	227
Depreciation charge for the year	<u>(191)</u>	<u>(1,451)</u>	<u>(398)</u>	<u>(2,040)</u>
Balance at 30 June 2018	1,110	12,101	2,539	15,750
Balance at 1 July 2018	1,110	12,101	2,539	15,750
Additions	-	3,478	-	3,478
Re-measurements	39	166	-	205
Depreciation charge for the year	<u>(199)</u>	<u>(1,873)</u>	<u>(436)</u>	<u>(2,508)</u>
Balance at 30 June 2019	950	13,872	2,103	16,925

	2019 \$'000	2018 \$'000
Lease liabilities		
Maturity analysis – contractual undiscounted cash flows		
Less than one year	3,273	2,619
One to five years	10,576	9,981
More than five years	<u>18,887</u>	<u>12,634</u>
Total undiscounted lease liabilities at 30 June	<u>32,736</u>	<u>25,234</u>

Lease liabilities included in the statement of financial position

Current	2,182	1,722
Non-current	<u>15,684</u>	<u>14,526</u>
	<u>17,866</u>	<u>16,248</u>

Amounts recognised in profit or loss

Interest on lease liabilities	1,226	1,082
Variable lease payments not included in the measurement of lease liabilities	1,577	2,074
Expenses relating to short-term leases	34	115

Amounts recognised in the statement of cash flows

Total cash outflow for leases	5,258	4,813
-------------------------------	-------	-------

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
8. LEASES (continued)
(a) As a lessee (continued)
i. Real estate leases

The Group leases land and buildings for its office space, retail stores, terminal check-in booth, sales booths and engineering and stores workshop. The Group also leases land for island day trips (South Sea Island and Malamala). The leases typically run for a period of two to twenty years except for land leased for island day trips which is typically for twenty-five years and certain land leases which are for ninety-nine years. Some leases include an option to renew the lease for an additional period in accordance with the lease contracts after the end of initial lease term. Some leases provide for additional rent payments that are based on changes in the consumer price index. The Group sub-leases one of its properties under operating lease.

Variable lease payments based on passenger numbers

Land leases for island day trips contain variable lease payments that are based on the number of passengers that would have landed on the Island and depending on the package type that the guest would have purchased available for the Islands. These payment terms are common for cruise service providers in Fiji. Fixed and variable rental payments for the period ended 30 June 2019 is as follows:

	Fixed payments \$'000	Variable payments \$'000	Total payments \$'000
Leases with lease payments based on passenger number	22	530	552

The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

ii. Other leases

The Group leases coaches for guest services from resorts and airports, with lease terms of three to five years and jetty for berthing of the vessels, with lease terms of two to nine years. Some leases include an option to renew the lease for an additional period in accordance with the lease contracts after the end of initial lease term. The Group also leases IT equipment with contract terms of five years.

Variable lease payments based on passenger numbers and additional services

Coach leases contain variable lease payments that are based on the number of passengers, charters depending on the point of pick-up or drop-off, additional runs to those contracted and monthly fuel prices. Lease for jetty contains variable lease payments for passenger levy which is based on the number of passengers on board the vessels from and to Port Denarau Marina. These payment terms are common for cruises service providers in Fiji. Fixed and variable rental payments for the period ended 30 June 2019 is as follows:

	Fixed payments \$'000	Variable payments \$'000	Total payments \$'000
Leases with lease payments based on passenger number and fuel prices	778	722	1,500

The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

iii. Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options, and reassesses this if there is a significant event or significant change in circumstances within its control.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. DIVIDENDS PAID

	2019	2018
	\$'000	\$'000
Dividend paid at 2 cents (2018: 2 cents)	7,464	7,434
	<u>7,464</u>	<u>7,434</u>

The calculation of dividend per share has been adjusted retrospectively due to the number of ordinary shares outstanding increasing as a result of a share split on 27 November 2018.

10. CASH AND CASH EQUIVALENTS

a) For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

Cash on hand and at bank	15,967	12,634
Term deposits	4,071	2,071
	<u>20,038</u>	<u>14,705</u>
Bank overdrafts (Note 27)	(28,946)	(13,890)
	<u>(8,908)</u>	<u>815</u>

b) Financing facilities

Facilities available to the Group are bank overdrafts. Financing facilities of \$33 million were available to the Group as at 30 June 2019 (2018: \$32 million) of which \$21 million (2018: \$14 million) was utilised. See also note 27.

11. DEBT SECURITIES

Current investments

Government bonds	500	4,000
Deposits with financial institutions	5,392	13,451
	<u>5,892</u>	<u>17,451</u>

Non-current investments

Government bonds	5,050	5,550
	<u>5,050</u>	<u>5,550</u>
Total	<u>10,942</u>	<u>23,001</u>

Maturity analysis

Not longer than 3 months	-	4,500
Longer than 3 months and not longer than 12 months	5,892	12,951
Longer than 1 year and not longer than 5 years	4,250	4,750
Longer than 5 years	800	800
	<u>10,942</u>	<u>23,001</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
12. LOANS, ADVANCES AND RECEIVABLES

	Note	2019 \$'000	2018 \$'000
Current			
Trade receivables		25,710	22,846
Provision for impaired receivables		<u>(3,487)</u>	<u>(2,626)</u>
		22,223	20,220
Net loans and advances			
– third parties	13	16,293	42,689
– related parties		-	197
Other receivables – third parties		6,206	4,408
– related parties		2,798	2,523
Provision for impaired receivables		<u>(14)</u>	<u>(14)</u>
		<u>47,506</u>	<u>70,023</u>
Non-current			
Net loans and advances			
– third parties	13	148,681	90,467
Other receivables		<u>7,081</u>	<u>5,889</u>
		<u>155,762</u>	<u>96,356</u>
TOTAL		<u>203,268</u>	<u>166,379</u>
Provision for impairment on receivables			
Balance at beginning of year		2,640	2,609
Adjustment on initial application of IFRS 9		-	(57)
Additional provision made		888	210
Bad debts written off		(3)	(10)
Reversal of provisions		<u>(24)</u>	<u>(112)</u>
Balance at end of year		<u>3,501</u>	<u>2,640</u>

Provision for impairment relates to receivables only. Impairment on loans and advances are disclosed in note 13.

Related party receivables are unsecured.

13. LOANS AND ADVANCES

Gross term receivables		173,536	140,249
ECL allowance	4.1(b)	<u>(8,562)</u>	<u>(7,093)</u>
		<u>164,974</u>	<u>133,156</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
13. LOANS AND ADVANCES (continued)

	2019 \$'000	2018 \$'000
<u>Maturity analysis</u>		
Not longer than 3 months	7,383	10,152
Longer than 3 months and not longer than 12 months	<u>10,162</u>	<u>35,123</u>
	17,545	45,275
ECL allowance	<u>(1,252)</u>	<u>(2,586)</u>
Current (Note 12)	<u>16,293</u>	<u>42,689</u>
Longer than 1 year and not longer than 5 years	145,634	86,620
Longer than 5 years	<u>10,357</u>	<u>8,354</u>
	155,991	94,974
ECL allowance	<u>(7,310)</u>	<u>(4,507)</u>
Non-current (Note 12)	<u>148,681</u>	<u>90,467</u>
	<u>164,974</u>	<u>133,156</u>
Loan impairment expense		
Increase in impairment	2,044	1,912
Amounts written off directly to profit or loss during the year as uncollectible	<u>533</u>	<u>260</u>
	<u>2,577</u>	<u>2,172</u>

14. INVENTORIES

Raw materials, spares, stores and supplies	12,934	10,341
Finished goods	28,523	24,573
Goods in transit	1,698	1,971
Provision for obsolescence	<u>(854)</u>	<u>(1,016)</u>
	<u>42,301</u>	<u>35,869</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
15. PROPERTY, PLANT AND EQUIPMENT

(a) Carrying values of property, plant and equipment are set out below:

	2019 \$'000	2018 \$'000
Freehold land and improvements		
- at cost/ deemed cost	7,064	7,183
Island properties		
- at directors' valuation	12,600	8,000
Leasehold land, improvements and buildings at cost/ deemed cost	79,121	65,667
Accumulated depreciation	(12,694)	(11,089)
	<u>66,427</u>	<u>54,578</u>
Plant and equipment		
- at cost/ deemed cost	190,567	183,379
Accumulated depreciation	(117,324)	(108,733)
Allowance for impairment	(4,058)	(4,058)
	<u>69,185</u>	<u>70,588</u>
Radio equipment – at cost	3,525	3,525
Accumulated depreciation	(2,497)	(2,409)
Allowance for impairment	(947)	(947)
	<u>81</u>	<u>169</u>
Capital works in progress – at cost	4,133	2,485
	<u>159,490</u>	<u>143,003</u>

(b) Reconciliation of property, plant and equipment

Reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current year is set out below:

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Radio equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2018	7,183	8,000	54,578	70,588	169	2,485	143,003
Revaluation	-	4,600	-	-	-	-	4,600
Acquisitions through business combination	-	-	4,415	1,046	-	-	5,461
Additions	-	-	8,705	4,340	-	6,900	19,945
Disposals	(119)	-	-	(869)	-	-	(988)
Transfers from capital work in progress	-	-	334	4,918	-	(5,252)	-
Depreciation	-	-	(1,605)	(10,838)	(88)	-	(12,531)
Carrying amount at 30 June 2019	<u>7,064</u>	<u>12,600</u>	<u>66,427</u>	<u>69,185</u>	<u>81</u>	<u>4,133</u>	<u>159,490</u>

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Reconciliation of property, plant and equipment - continued

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Radio equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2017	7,183	8,000	47,270	58,263	257	17,355	138,328
Transfers to asset held for sale	-	-	-	(100)	-	-	(100)
Transfers to intangible assets	-	-	-	(16)	-	-	(16)
Transfers to inventories	-	-	-	(214)	-	-	(214)
Additions	-	-	491	5,351	-	11,743	17,585
Disposals	-	-	-	(91)	-	(2)	(93)
Transfers from capital work in progress	-	-	8,141	18,470	-	(26,611)	-
Impairment loss	-	-	-	(400)	-	-	(400)
Depreciation	-	-	(1,324)	(10,675)	(88)	-	(12,087)
Carrying amount at 30 June 2018	7,183	8,000	54,578	70,588	169	2,485	143,003

(c) The depreciation policy is set out in Note 2.5.

(d) Refer to note 27 for items charged as security.

(e) In 2018, Blue Lagoon Cruises entered into an agreement to sell *Mystique Princess*. The vessel was therefore transferred to assets held for sale at the lower of its carrying value and fair value less costs to sell. This resulted in an impairment loss of \$400,000 being charged to profit or loss. The resulting carrying value of the asset at 30 June 2018 was \$100,000 (see note 17). The asset was subsequently sold during the 2019 financial year.

(f) The island property in Nanuya Lailai Island – Yasawa, was revalued by the Directors of Blue Lagoon Cruises Limited based on an independent valuation by Rolle Associates dated 17 August 2018. The valuation resulted in an increase of \$4.60 million (\$4.14 million net of tax). The revaluation has been categorised as a Level 2 fair value based on the inputs to the valuation technique used. The following table shows the valuation technique used, as well as the significant unobservable inputs used.

<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Inter-relationship between key unobservable inputs and fair value measurement</i>
Summation or replacement cost and sales comparison approach based on proprietary databases of prices of transactions for properties of similar nature, location and condition.	Not applicable	Not applicable

The carrying amount that would have been recognised had the island properties been carried under the cost model is \$108,000.

(g) For Group purposes, investment properties are transferred to property, plant and equipment when they are occupied by Group companies. There is impact on profit or loss of this transfer as investment properties are held at fair value upon transfer, the change in fair value of investment properties that are occupied by Group companies are reversed and depreciation charge is recorded.

(h) Radio equipment relates to Fiji Television Limited and the amounts recorded relate to radio equipment hired out to the Fiji Police Force. These costs are being amortised over the estimated life of 3 years. These assets remain the property of Fiji Television Limited.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. OTHER ASSETS	2019 \$'000	2018 \$'000
Prepayments	4,765	4,622
17. ASSETS HELD FOR SALE		
Assets held for sale (see note 15(e))	-	100
18. INVESTMENT PROPERTIES		
Valuation		
Opening balance	35,526	31,721
Acquisitions	1,520	-
Transfers from assets held for sale	-	1,416
Change in fair value	2,182	2,389
Closing balance	39,228	35,526
Work in progress		
Opening balance	10,264	5,018
Acquisitions	4,462	5,246
Closing balance	14,726	10,264
Carrying amount		
Opening balance	45,790	36,739
Closing balance	53,954	45,790

Investment properties occupied by the Group are transferred to property, plant and equipment on consolidation. Changes in fair values are recognised as gains in profit or loss and included in 'other income'. All gains are unrealised.

Refer to note 27 for items charged as security.

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property annually. The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Inter-relationship between key unobservable inputs and fair value measurement</i>
Sales (Direct Comparison) whereby the comparable developments are compared to the subject properties on a common denominator with equated adjustments made to allow for differences and comparability. This approach considers the sale price levels of similar and comparable properties in the localities.	Not applicable	Not applicable

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. INTANGIBLE ASSETS

	2019 \$'000	2018 \$'000
Goodwill on consolidation	62,620	62,620
Provision for impairment on goodwill	(6,912)	(6,912)
Management rights	4,877	5,377
Software	865	779
	<u>61,450</u>	<u>61,864</u>
Total intangible assets	61,450	61,864
Movements during the year are as follows:		
Opening net book amount	61,864	62,296
Additions	133	165
Transfer from PPE	-	16
Transfer from work in progress	81	-
Amortisation charge on software	(128)	(113)
Amortisation of management rights	(500)	(500)
	<u>61,450</u>	<u>61,864</u>
Total intangible assets	61,450	61,864

The accounting policy on intangible assets is set out in Note 2.9 and impairment loss on goodwill is recognised in profit or loss.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
19. INTANGIBLE ASSETS - continued
(a) FHL Retailing Limited
Impairment test for goodwill

Goodwill of \$12.112m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary which holds the Group's 51% investment in RB Patel Group Limited.

Management value the investment in RB Patel Group Limited at fair value less estimated costs to sell which is significantly above cost and therefore have concluded that goodwill is not impaired. Fair value for RB Patel Group Limited has been determined based on quoted price of shares traded on the South Pacific Stock Exchange at 30 June 2019 of \$7.00 (2018: \$4.85) less estimated cost to sell. A decrease in RB Patel Group Limited's share price by more than \$4.78 would result in impairment. The fair value measurement was categorised as a Level 1 fair value based on quoted prices. The carrying amount of the cash generating unit (CGU) in 2019 was determined to be lower than its recoverable amount of \$104.968 million (2018: \$72.727 million).

Impairment test for management rights

Management rights is considered a CGU. The recoverable amount of the CGU is determined based on value in use calculations. Free cash flow from management rights was computed based on the forecast management fee income for the next 15 years net of management fee expense and income tax expense thereon.

These projections were based on financial budgets approved by management for the year ending June 2020. Cash flows beyond June 2020 are extrapolated using the estimated growth rates in the underlying business. The growth rate does not exceed the long term average growth rate in which the CGU operates. The key assumptions used in the value in use calculation are as follows:

	2019	2018
	<i>In percent</i>	
Discount rate	10.0	10.0
Terminal value growth rate	2.0	2.0

The weighted average growth rates are based on management's assessment. The discount rate used reflects the risk adjusted rate of return. The carrying amount of the CGU in 2019 was determined to be lower than its recoverable amount. Management rights are being amortised over the remaining life on a straight line basis.

(b) South Sea Cruises Limited
Impairment test for goodwill

Goodwill of \$46.143m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary. The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated. The carrying amount of the CGU in 2018 was determined to be lower than its recoverable amount of \$132.167 million (2018: \$123.915 million). The key assumptions used in the estimation of value in use were as follows:

	2019	2018
	<i>In percent</i>	
Discount rate	11.3	10.1
Terminal value growth rate	2.5	2.5
Budgeted EBITDA growth rate (average of next five years)	8.0	6.0

The discount rate was a post-tax measure based on the historical industry average weighted-average cost of capital, with a debt leveraging of 40% at a market interest rate of 4.4%.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the long-term compound annual EBITDA growth rate estimated by management, consistent with the assumption that a market participant would make.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. INTANGIBLE ASSETS (continued)

(b) South Sea Cruises Limited - continued

Impairment test for goodwill - continued

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

An adverse movement in a key assumption that would lead to impairment is set out below. Management has identified that a reasonably possible change in one key assumption could cause further impairment of goodwill as follows:

	2019	
	Movement in percent	Impairment (\$'000)
Discount rate increases	2.10	2,424

(c) Fiji Television Limited

Impairment test for goodwill

Goodwill of \$1.984m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary which holds the Group's 61.8% investment in Fiji Television Limited. Management value the investment in Fiji Television Limited at fair value less estimated costs to sell which is significantly above cost and therefore have concluded that goodwill is not impaired. Fair value for Fiji Television Limited has been determined based on quoted price of shares traded on the South Pacific Stock Exchange at 30 June 2019 of \$3.00 (2018: \$2.38) less estimated cost to sell. A decrease in Fiji Television Limited's share price by more than \$2.30 would result in impairment. The fair value measurement was categorised as a Level 1 fair value based on quoted prices. The carrying amount of the CGU in 2019 was determined to be lower than its recoverable amount of \$14.662 million (2018: \$14.935 million).

20. EQUITY SECURITIES

Equity securities are valued in accordance with Note 2.4 of the financial statements.

	2019 \$'000	2018 \$'000
(a) Listed/ quoted securities		
- Amalgamated Telecom Holdings Limited	9,892	8,678
- Fijian Holdings Unit Trust	6,603	5,934
- Pacific Green Industries Limited	1,123	1,106
- Fiji Care Insurance	297	167
- Kinetic Growth Fund	224	167
- Communications (Fiji) Limited	3	2
- Flour Mills of Fiji Limited	3,126	1,765
	<u>21,268</u>	<u>17,819</u>
(b) Unlisted securities		
Shares in other companies		
- Goodman Fielder International (Fiji) Limited	2,200	2,200
- South Pacific Stock Exchange	15	15
- Fiji Gas Company Limited	2,328	2,293
- Asian Paints (South Pacific) Limited	3,500	3,000
- Motibhai and Company Limited	55	55
	<u>8,098</u>	<u>7,563</u>
Total investments	<u>29,366</u>	<u>25,382</u>

Equity securities designated as at FVOCI

No strategic investments were disposed of during 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. EQUITY SECURITIES (continued)

(c) Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value is estimated using inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. EQUITY SECURITIES (continued)

(c) Valuation of financial instruments (continued)

	Carrying amount				Fair value				
	Amortised cost \$'000	FVOCI – debt instruments \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2019									
Financial assets measured at fair value									
Listed equities	-	-	21,268	-	21,268	21,268	-	-	21,268
Unlisted equities	-	-	8,098	-	8,098	-	2,328	5,770	8,098
	-	-	29,366	-	29,366	-	-	-	-
Financial assets not measured at fair value									
Government bonds	5,550	-	-	-	5,550	-	5,882	-	5,882
	5,550	-	-	-	5,550	-	-	-	-
30 June 2018									
Financial assets measured at fair value									
Listed equities	-	-	17,819	-	17,819	17,819	-	-	17,819
Unlisted equities	-	-	7,563	-	7,563	-	2,293	5,270	7,563
	-	-	25,382	-	25,382	-	-	-	-
Financial assets not measured at fair value									
Government bonds	9,550	-	-	-	9,550	-	10,281	-	10,281
	9,550	-	-	-	9,550	-	-	-	-

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
20. EQUITY SECURITIES (continued)
(c) Valuation of financial instruments - continued

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities	<i>Dividends capitalisation technique:</i> The valuation model is based on the future maintainable dividends and capitalisation rates.	<ul style="list-style-type: none"> Capitalisation rates (2019: 5-10%; 2018: 5-10%) 	The estimated fair value would increase/ (decrease) if any of the significant unobservable inputs were changed. Generally, a change in the annual growth rate is accompanied by directionally similar change in future maintainable dividends.
Government bonds	<i>Market comparison</i> - The fair value of the long term investment securities is based on market prices published by the Reserve Bank of Fiji.	Not applicable	Not applicable

Fair value of assets included in Level 3 are based on Directors' valuations and independent valuation conducted by Simmons Corporate. During the financial year ended 30 June 2019, there were no transfers in and out of fair value hierarchy levels mentioned above. There was no material movement between the opening and closing balances in Level 3 of the fair value hierarchy. The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair value.

	\$'000
Balance at 1 July 2017	9,629
Derecognition as a result of equity accounting	(5,691)
Gain included in OCI	
- Net change in fair value	1,332
Balance at 30 June 2018	<u>5,270</u>
Balance at 1 July 2018	5,270
Gain included in OCI	
- Net change in fair value	500
Balance at 30 June 2019	<u>5,770</u>

Sensitivity analysis

For the fair values of equity securities, a reasonably possible change of 10% at the reporting date to one of the significant unobservable inputs, holding other inputs constant would have the following effects:

	OCI, net of tax	
	Increase	Decrease
	\$'000	\$'000
Capitalisation rates	(276)	276
Forecast dividend yield	401	(401)

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. DETAILS OF INVESTMENTS

Name of company	Place of incorporation/ principal country of operation	Ownership interest	
		2019 %	2018 %
(a) Listed/ quoted securities			
Fijian Holdings Unit Trust	Fiji	25.2	25.2
FMF Foods Limited	Fiji	4.3	4.3
(b) Unlisted securities			
Subsidiary companies:			
Basic Industries Limited	Fiji	51.1	51.1
Serendib Investments Limited	Fiji	75.0	-
South Sea Cruises Limited	Fiji	100.0	100.0
- Blue Lagoon Cruises Holdings Limited	Fiji	100.0	100.0
- Blue Lagoon Cruises Limited	Fiji	96.1	96.1
FHL Logistics Limited	Fiji	100.0	100.0
FHL Retailing Limited	Fiji	100.0	100.0
- RB Patel Group Limited	Fiji	53.7	53.7
FHL Stockbrokers Limited	Fiji	100.0	100.0
Pacific Cement Limited	Fiji	50.3	50.1
FHL Fund Management Limited	Fiji	100.0	100.0
FHL Properties Limited	Fiji	100.0	100.0
FHL Media Limited	Fiji	100.0	100.0
- Fiji Television Limited	Fiji	61.8	61.8
- Life Cinema Limited	Fiji	71.6	69.1
Merchant Finance Limited	Fiji	80.0	80.0
Other companies			
Asian Paints (South Pacific) Limited	Fiji	8.9	8.9
Goodman Fielder International (Fiji) Limited	Fiji	10.0	10.0
Golden Manufacturers Limited	Fiji	30.0	30.0
Pernix (Fiji) Limited	Fiji	21.0	21.0
Marsh Limited	Fiji	25.0	25.0
New World Limited	Fiji	20.3	20.3

22. NON-CONTROLLING INTERESTS

The Group has a number of subsidiaries which it controls but which also have significant non-controlling interests.

The table set out below shows the interest that non-controlling interests have in each subsidiary that is material to the reporting entity.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. NON-CONTROLLING INTERESTS - continued

	Basic Industries Limited	Pacific Cement Limited	Serendib Investments Limited	Merchant Finance Limited	RB Patel Group Limited	Fiji Television Limited	Life Cinema Limited	Blue Lagoon Cruises Limited	Intra-group eliminations	Total
30 June 2019										
NCI percentage	48.99%	49.75%	25.00%	20.00%	46.27%	38.19%	28.37%	3.90%		\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets	22,522	7,638	6,799	165,676	68,883	7,056	11,607	19,156		
Current assets	33,368	15,270	1,667	30,640	19,728	11,810	623	4,563		
Non-current liabilities	(3,471)	(502)	(895)	(48,400)	(19,815)	(1,562)	(9,474)	(2,221)		
Current liabilities	(23,608)	(10,363)	(1,868)	(110,809)	(21,327)	(2,110)	(2,746)	(62)		
Net assets	28,811	12,043	5,703	37,107	47,469	15,194	10	21,436		
Net assets attributable to NCI	14,115	5,991	1,426	7,421	21,964	5,803	3	836	(1,587)	55,972
Revenue	76,305	28,182	987	19,085	136,486	11,881	5,263	3,445		
Profit/(loss)	6,853	(1,769)	(297)	7,854	10,080	1,202	(588)	2,437		
OCI	-	-	-	-	-	(8)	-	4,140		
Total comprehensive income	6,853	(1,769)	(297)	7,854	10,080	1,194	(588)	6,577		
Profit/(loss) allocated to NCI	3,357	(880)	(74)	1,571	4,664	459	(167)	95		9,025
OCI allocated to NCI	-	-	-	-	-	(3)	-	162		159
Cash flows from/(used in) operating activities	1,401	(2,055)	(1,092)	3,533	8,057	(1,124)	169	(203)		
Cash flows (used in) investing activities	(5,041)	(622)	(5,839)	(1,312)	(8,529)	(544)	(415)	209		
Cash flows (used in)/from financing activities (dividends to NCI: \$4.669 million)	(949)	1,428	6,000	6,418	(4,051)	(977)	101	-		
Net (decrease)/increase in cash and cash equivalents	(4,589)	(1,249)	(931)	8,639	(4,523)	(2,645)	(145)	6		

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
23. INVESTMENTS IN ASSOCIATES

The Group's share of profit after tax in its equity accounted investees for the year was \$5.136 million (2018: \$2.690 million). The Group has interests in the following associates which are considered individually immaterial:

Marsh Limited
 Golden Manufacturers Limited
 Pernix (Fiji) Limited
 New World Limited

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	Assets \$'000	Liabilities \$'000	Revenue \$'000	Expenses \$'000	Profit/ (loss) \$'000
2019	202,846 =====	101,790 =====	315,215 =====	294,604 =====	20,611 =====
2018	178,400 =====	99,463 =====	78,693 =====	68,804 =====	9,889 =====

Reconciliation of the carrying value of investments in associates:

	2019	2018
	\$'000	\$'000
Opening balance	28,955	20,161
Additions	-	7,709
Equity accounted earnings of associates (net of tax)	5,136	2,690
Dividends from associates	(3,307)	(1,605)
Closing balance	<u>30,784</u>	<u>28,955</u>

24. PAYABLES
Current

Trade creditors	15,114	11,827
Accruals and other creditors	<u>11,629</u>	<u>18,651</u>

26,743 30,478

Non-current

Trade creditors	<u>494</u>	<u>277</u>
-----------------	------------	------------

TOTAL

27,237 30,755

25. EMPLOYEE ENTITLEMENTS
Current

Annual leave	966	893
Bonus and gratuity	<u>923</u>	<u>777</u>
	<u>1,889</u>	<u>1,670</u>

Non-current

Bonus and gratuity	24	30
Long service leave	<u>6</u>	<u>166</u>
	<u>30</u>	<u>196</u>

1,919 1,866

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
26. DIVIDENDS PAYABLE

	2019 \$'000	2018 \$'000
Dividends	<u>4,045</u>	<u>2,401</u>

This amount represents provision for dividends by subsidiary companies to their minority shareholders.

27. BORROWINGS
Current

Bank overdrafts secured (Note 10)	28,946	13,890
Term loans secured	20,011	15,148
Fixed term deposits and term borrowings (unsecured) – third parties	<u>98,766</u>	<u>89,218</u>
	<u>147,723</u>	<u>118,256</u>

Non-current

Term loans secured	60,018	60,991
Fixed term deposits and term borrowings (unsecured) – third parties – related parties	<u>47,049</u> <u>4,150</u>	<u>36,596</u> <u>4,150</u>
	<u>111,217</u>	<u>101,737</u>

TOTAL

<u>258,940</u>	<u>219,993</u>
----------------	----------------

The bank overdraft, stand by facilities, and term loans of the subsidiary companies with Australia and New Zealand Banking Group Limited (“ANZ Bank”, “ANZ Banking Group Limited”) are secured by registered equitable mortgages over all the assets and undertakings of the companies, including uncalled and unpaid capital of the respective companies.

- i. Fijian Holdings Limited – the loan and bank overdraft with ANZ Bank are secured by Scrip Lien over shares in Basic Industries Limited, shares in Merchant Finance Limited, shares in South Sea Cruises Limited, shares in Golden Manufacturers Limited, shares in FHL Media Limited, shares in Pernix (Fiji) Limited, Scrip Lien given by FHL Retailing Limited over shares in RB Patel Group Limited, Scrip Lien, given by the FHL Trustees Limited, over shares in Pernix (Fiji) Limited, Naked deposit given Fijian Holdings Trust Management Limited (100% FHL owned) over 1 ordinary share in South Sea Cruises Limited, and First Registered Charge (Mortgage debenture), given by FHL including its uncalled and unpaid capital. (Being a fixed and floating charge over all present and future assets, undertakings (including goodwill) and unpaid or uncalled capital of that Security Provider).
- ii. South Sea Cruises Limited – the loan and bank overdraft with ANZ Bank are secured as follows:
 - First registered mortgage debenture by South Sea Cruises Limited being a fixed and floating charge over all present and future assets, undertakings and unpaid or uncalled capital.
 - First registered ships mortgage over MV Tiger IV, MV Dau Sara Cakau, MV Yasawa Flyer II, MV Ocean Dreaming and MV Cougar II. Agreement to mortgage over MV Ocean Dreaming, MV Yasawa Flyer II and MV Dau Sara Cakau and MV Cougar II.
 - Deed of covenant over MV Tiger IV, MV Yasawa Flyer II, MV Dau Sara Cakau, MV Ocean Dreaming and MV Cougar II.
 - First charge ship mortgage and deed of covenant over new vessel being acquired Ocean Voyager 78.
 - Irrevocable Undertaking over MV Yasawa Flyer II.
 - Master lease agreement between Australia and New Zealand Banking Group Limited and South Sea Cruises Limited.
 - Cross guarantee between South Sea Cruises Limited, Blue Lagoon Cruises Limited and Blue Lagoon Cruises Holdings Limited.
 - First registered mortgage debenture by Blue Lagoon Cruises Limited, being a fixed and floating charge over all present and future assets, undertakings and unpaid or uncalled capital.
 - First registered ships mortgage over Fiji Princess belonging to Blue Lagoon Cruises Pte Limited.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. BORROWINGS - continued

- First registered land mortgage over Itaukei sublease number 832993 being land comprising Malamala Island.
 - First registered mortgage debenture on freehold land at Nanuya Lailai Islands and vessel for Blue Lagoon Cruises Pte Limited.
 - Pledge for first registered ships mortgage over MV Tiger V and Panther.
- iii. RB Patel Group Limited – the loan and bank overdraft with ANZ Bank are secured as follows:
- First registered mortgage debenture given by RB Patel Group Limited over all its present and future assets and undertakings and its uncalled and unpaid capital, stamped to \$26.8 million.
 - First registered mortgage over properties (CT No. 23400) situated at corner of Dovi Road and Ratu Mara Road, Laucala Beach Estate, Nasinu, (CT No. 7082) situated at Martintar, Nadi, (CT No. 34330) situated at Tavewa Avenue, Lautoka, (CL No. 53120) situated at Tavewa Avenue, Lautoka and (CT No. 39150) situated at Queens Road, Lami.
 - A Deed of Pari Passu between the ANZ Banking Group Limited, Westpac Banking Corporation and RB Patel Group Limited, regarding sharing of securities in the ratio 50/50 with maximum debt of \$7 million each.
 - Deed of Variation of Pari Passu between the ANZ Banking Group Limited, Westpac Banking Corporation and RB Patel Group Limited, increasing maximum debt to \$7 million each.
- The bank overdraft facility (together with letter of credit and guarantee facilities) from Westpac Banking Corporation to RB Patel Group Limited is secured by:
- Registered equitable mortgage debenture given by RB Patel Group Limited over all its assets and undertakings including its uncalled and called but unpaid capital.
 - A Deed of Pari Passu between Westpac Banking Corporation, ANZ Banking Group Limited and RB Patel Group Limited, regarding sharing of securities in the ratio 50/50 with maximum debt of \$7 million each.
 - Registered first mortgage over properties (CL No. 718652) situated at the corner of Kings & Adi Davila Roads, Nakasi, Nausori, (CL No. 4825) situated at Clarke Street, Suva and (NL No. 15761) situated at Nasekula Road, Labasa.
- iv. Basic Industries Limited – the loan and bank overdraft with ANZ Bank is secured by a registered first mortgage debenture over all assets and undertakings of Basic Industries Limited including its uncalled and unpaid premiums.
- Basic Industries Limited leases vehicles and equipment with lease terms of 3 to 5 years.
- The finance lease on motor vehicles are secured as follows:
- Master finance lease agreement between Basic Industries Limited and Australia and New Zealand Banking Group Limited.
 - Letter of comfort given by Fijian Holdings Limited in support of facilities amounting in aggregate to \$12.995m held on account of Basic Industries Limited.
- v. Life Cinema Limited – the bank overdraft facility and loan from ANZ Banking Group Limited are secured by:
- First Registered Mortgage Debenture over Life Cinema Limited's assets and undertakings including its called and uncalled capital.
 - Letter of Undertaking given by Fijian Holdings Limited for the entire indebtedness of \$6,250,000 to ANZ Banking Group Limited.
- vi. Fiji Television Limited - the interest bearing facility which includes bank overdraft, finance lease and term loan with ANZ Bank are secured by a first registered mortgage debenture over all of Fiji Television Limited's assets and undertakings (including goodwill) and unpaid or uncalled capital stamped to \$2.8 million:
- Master finance lease agreement dated 13 June 2014 between ANZ and Fiji Television Limited.
 - Master operating lease agreement dated 13 June 2014 between ANZ and Fiji Television Limited.
- vii. Pacific Cement Limited - the loan with ANZ Bank is secured by a first registered mortgage debenture over all of Pacific Cement Limited's assets and undertakings, stamped at \$9.1 million.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. BORROWINGS (continued)

- viii. FHL Properties Limited - the loans with ANZ Bank are secured by a first registered mortgage over CT 19239 (Vanua House), first registered mortgage debenture over the assets and undertakings of FHL Properties Limited (this is a fixed and floating charge over all present and future assets, undertakings (including goodwill) and unpaid/ uncalled capital of FHL Properties Limited), first registered mortgage over CT 4098 (Ratu Sukuna House), first registered mortgage over CT 12609 (Ra Marama House) and first registered mortgage over freehold at the corner of Gordon and Gorrie street over CT7767.

The Company has entered into a loan agreement with ANZ Bank as follows for which no drawdowns were made during the current financial year:

- \$63,891,000 to assist with funding 100% of the cost for the construction of a 17 storey modern commercial building (FHL Tower), at a variable interest rate of 6.05%. Interest is to be capitalized for the first 18 months from date of commencement of construction. Thereafter, interest only payments for 18 months the principal and interest repayments of \$559,230 to apply.
- \$2,000,000 business overdraft to assist with funding the VAT component of the FHL Tower project, at a variable interest rate of 6.05% and repayable at demand.

- ix. Merchant Finance Limited - the overdraft facility with ANZ Bank are secured by a first registered mortgage debenture against title of deeds relating to freehold, leasehold and other properties.

The overdrafts bear interest rates of 4.40% per annum and finance leases bear interest rates varying from 3.9% to 5% per annum.

Fixed term deposits and term borrowings are related to customer deposits with Merchant Finance Limited and Fijian Holdings Unit Trust.

The Group did not have any defaults of principal or interest or other breaches with respect to its borrowings during the years ended 30 June 2019 and 2018.

Reconciliation of movement of liabilities to cash flows from financing activities

	Term loan (secured) \$'000	Lease liabilities \$'000	Total \$'000
Balance at 30 June 2017	77,022	16,385	93,407
Changes from financing cash flows			
Proceeds from loans and borrowings	13,270	-	13,270
Repayment of borrowings	(14,309)	-	(14,309)
Payment of finance lease liabilities	-	(1,542)	(1,542)
Total changes from financing cash flows	(1,039)	(1,542)	(2,581)
Other changes			
Liability-related			
New lease liabilities	-	1,405	1,405
Interest expense	3,177	1,082	4,259
Interest paid	(3,021)	(1,082)	(4,103)
Total liability-related other changes	156	1,405	1,561
Balance at 30 June 2018	76,139	16,248	92,387
Changes from financing cash flows			
Proceeds from loans and borrowings	8,943	-	8,943
Repayment of borrowings	(5,053)	-	(5,053)
Payment of finance lease liabilities	-	(2,421)	(2,421)
Total changes from financing cash flows	3,890	(2,421)	1,469
Other changes			
Liability-related			
New lease liabilities	-	4,039	4,039
Interest expense	11,584	1,226	12,810
Interest paid	(11,584)	(1,226)	(12,810)
Total liability-related other changes	-	4,039	4,039
Balance at 30 June 2019	80,029	17,866	97,895

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. SHARE CAPITAL

	2019 \$'000	2018 \$'000
Issued and fully paid		
Issued and paid up capital (40,000,000 authorised)	<u>30,465</u>	<u>30,465</u>
	<u>30,465</u>	<u>30,465</u>

Shares have no par value.

In the prior years, the Company's issued and paid up capital comprised of 10,464,650 'A' class ordinary shares which were listed on the Restricted Board of the South Pacific Stock Exchange. The iTaukei Affairs Board and the iTaukei Trust Fund (formerly Fijian Trust Fund) each held 10 million of the Company's "B" class ordinary shares.

During the year the 20 million of the Company's "B" class ordinary shares were listed on the Restricted Board of the South Pacific Stock Exchange. This was in accordance with the Annual General Meeting resolution that was passed by the shareholders on 27 November 2018.

Further, during the year, the 30,464,650 shares were split to a ratio of 1:10, that is 10 shares for each existing share. This was in accordance with the Annual General Meeting resolution that was passed by the shareholders on 27 November 2018. The record date for the share split was 31 December 2018.

All ordinary shares rank equally with regard to the Company's residual assets.

29. RESERVES

Fair value reserve

Fair value reserve consists of subsequent changes in the fair value of investments in equity instruments that are not held for trading.

Credit loss reserve

The credit loss reserve relates to Merchant Finance Limited in accordance with the requirements of the Reserve Bank of Fiji.

Other equity reserve

Other equity reserve relates principally to acquisition of minority interest shareholdings in Blue Lagoon Cruises Limited and RB Patel Group Limited.

Asset revaluation reserve

The asset revaluation reserve consists of increments arising from the revaluation of the Group's property, plant and equipment.

Foreign currency translation reserve

The foreign currency translation reserve relates to foreign currency translation as at year end on consolidation of subsidiary companies operating in foreign jurisdictions whose financial statements and transactions are denominated in a currency other than the functional and presentation currency of the Group.

Common control reserve

The acquisition of FHL Media in 2013 was accounted for as a common control transaction as at the time of this transaction both FHL Media and the Company were controlled by the same shareholder group. As a common control transaction, the acquisition did not reflect the fair value of assets and liabilities acquired or recording of additional goodwill at the time of the acquisition of FHL Media. The acquisition balance sheet of FHL Media reflected the carrying values for assets and liabilities acquired from FHL Media's consolidated accounting records. The difference between the fair value of the consideration given and the carrying value of the assets and liabilities acquired was recognised as a common control reserve in the consolidated financial statements. Upon disposal of all interests in FHL Media Limited by the Group, this reserve will be transferred to retained earnings.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	Asset Revaluation Reserve \$'000	Credit Loss Reserve \$'000	Common Control Reserve \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Equity Reserve \$'000	Total \$'000
29. RESERVES - continued							
Balance at 30 June 2017	6,392	2,425	9,926	7,539	(235)	(1,049)	24,998
Impact of adjustment on initial application of IFRS 9, net of tax	-	-	-	(620)	-	-	(620)
Adjusted balance at 1 July 2017	6,392	2,425	9,926	6,919	(235)	(1,049)	24,378
Foreign currency movement	-	-	-	-	6	-	6
Decrease in non-controlling interests	-	-	-	-	-	(1,654)	(1,654)
Fair value movements	-	-	-	8,570	-	-	8,570
Balance at 30 June 2018	6,392	2,425	9,926	15,489	(229)	(2,703)	31,300
Foreign currency movement	-	-	-	-	(6)	-	(6)
Decrease in non-controlling interests	-	-	-	-	-	(62)	(62)
Fair value movements	3,979	-	-	3,456	-	-	7,435
Balance at 30 June 2019	10,371	2,425	9,926	18,945	(235)	(2,765)	38,667

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
30. OPERATING LEASES
Operating lease commitments

The Group has a number of leases with less than 12 months of lease term for which no right of use assets and liabilities have been recognised. The future aggregated minimum lease payments under these leases are as follows:

	2019 \$'000	2018 \$'000
Not later than 1 year	<u>100</u>	<u>289</u>
	100	289

Operating lease commitments – where a group company is the lessor

The group leases certain properties at varying terms and conditions. The future minimum lease payments receivable under these leases are as follows:

Not later than 1 year	5,959	4,840
Later than 1 year but not later than 5 years	10,728	6,946
Later than 5 years	<u>2,799</u>	<u>2,371</u>
	19,486	14,157

Amounts recognised in profit or loss

During 2019, investment property rentals of \$6.017 million (2018: \$4.870 million) were included in 'Operating revenue'. Direct operating expenses (including repairs and maintenance), were as follows:

Income-generating property	806	1,562
Vacant property	<u>-</u>	<u>-</u>
	806	1,562

31. EARNINGS PER SHARE

The calculation of earnings per share at 30 June 2019 was based on the profit attributable to ordinary shareholders of \$27.661 million (2018: \$25.662 million) and, following a split of shares during the year (see note 28), a weighted average number of ordinary shares outstanding of 304.647 million (2018: 304.647 million), calculated as follows:

	2019 \$'000	2018 \$'000
Profit after income tax attributable to members of the holding company	27,661	25,662
Weighted average number of shares outstanding	<u>304,646,500</u>	<u>304,646,500</u>
Basic and diluted earnings per share	<u>\$ 0.09</u>	<u>\$ 0.08</u>

The calculation of basic and diluted earnings per share for 2018 has been adjusted retrospectively due to the number of ordinary shares outstanding increasing as a result of a share split on 27 November 2018.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. CONTINGENT LIABILITIES

	2019 \$'000	2018 \$'000
Non-performance guarantees given by the bank on behalf of subsidiary companies	3,805	5,678
Non-performance guarantees given by the bank on behalf of the holding company	270	270

In the opinion of the directors, no loss is anticipated in respect of the above contingent liabilities.

The Company has provided a letter of support to its subsidiary, South Sea Cruises Limited undertaking that in the next 12 months it will provide sufficient financial assistance as and when it is needed to enable the subsidiary to continue operations and meet its financial obligations.

One of the Group's subsidiaries, South Sea Cruises Limited, is currently a second defendant in a case involving the Land Tenure of Malamala Island. The matter was struck out by the High Court on 18 November 2016 against the first and fourth defendant. The Plaintiff filed an appeal on 23 January 2017 against this decision which was successful. Thereafter, South Sea Cruises Limited is currently in the process of seeking a stay application. It is uncertain at this stage the potential liability that may arise, if any.

33. CAPITAL COMMITMENTS

Commitments for capital expenditure not provided for in the financial statements are as follows:

Approved and contracted	<u>12,826</u>	<u>16,460</u>
-------------------------	---------------	---------------

Commitments in respect of loans and approved credit commitments offered but not yet advanced as at balance date amounted to approximately \$5.270 million (2018: \$4.057 million).

34. RELATED PARTY INFORMATION

Directors

The following were directors of the Company at any time during the financial year:

Adrian Sofield – Chairman
 Yogesh Karan – Deputy Chairman – Appointed 22 March 2019
 Iowane Naiveli – Resigned 24 October 2018
 Sakiusa Raivoce
 Aisea Waka Vosailagi
 Anthony Whitton
 Sanjit Patel
 Robert Lyon – Resigned 16 May 2019
 Isikeli Tikoduadua – Resigned 8 April 2019
 Litiana Loabuka – Appointed 30 November 2018
 Kalpana Lal – Appointed 30 November 2018

Amounts paid to the directors during the year are disclosed in Note 5(b).

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. RELATED PARTY INFORMATION (continued)

Identity of related parties

All material ownership interests in related parties are disclosed in Note 21. The Group also has related party transactions within the Group which are eliminated upon consolidation.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the Group:

Name	Title
Fijian Holdings Limited	
Nouzab Fareed	Chief Executive Officer
Abilash Ram	Chief Financial Officer
Saleshni Warran	Manager Audit, Risk and Compliance
Mereti Cokanasiga	Manager Human Resources
Sitiveni Koya	Company Secretary
Fiji Television Limited	
Karen Lobendahn	Chief Executive Officer
South Sea Cruises Limited	
Brad Rutherford	Chief Executive Officer
Basic Industries Limited	
Mosese Volavola	Chief Executive Officer
Pacific Cement Limited	
Sowani Tuidrola	Chief Executive Officer
Merchant Finance Limited	
Rowena Fong	Chief Executive Officer
RB Patel Group Limited	
Deepak Rathod	Chief Operating Officer
Serendib Investment Limited	
Pradeep Mendis	Manager Operations

The aggregate compensation of key management personnel of the Group comprising only short-term benefits amounted to \$2.610 million (2018: \$2.085 million).

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. 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.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Construction	Sales of cement, concrete and concrete products
Property	Owners and administrators of properties, and rental of property
Finance	Asset and loan financing, and acceptance of term deposits
Tourism	Provision of sea transportation services and boat charters
Media	Television and communications
Retail	Retailing and wholesaling of general merchandise
Investment	Equity investments

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

 35. SEGMENT INFORMATION - continued
 Primary Reporting - Business Segments
 2019

	<u>Construction</u> <u>\$000</u>	<u>Property</u> <u>\$000</u>	<u>Finance</u> <u>\$000</u>	<u>Tourism</u> <u>\$000</u>	<u>Media</u> <u>\$000</u>	<u>Retail</u> <u>\$000</u>	<u>Investment</u> <u>\$000</u>	<u>Other</u> <u>\$000</u>	<u>Inter Segment</u> <u>\$000</u>	<u>TOTAL GROUP</u> <u>\$000</u>
External Operating Revenue										
Sale of goods	103,540	-	-	-	-	131,718	-	-	(12,806)	222,452
Rending of services	-	-	-	53,753	16,601	-	-	984	(3,285)	68,053
Revenue from contracts with customers	103,540	-	-	53,753	16,601	131,718	-	984	(16,091)	290,505
Rental and property management	-	4,206	-	-	-	3,516	-	-	(958)	6,764
Interest income	-	-	23,651	-	-	-	-	-	-	23,651
Fee income	-	-	452	-	-	-	-	-	-	452
Interest expense	-	-	(6,138)	-	-	-	-	-	46	(6,092)
Other	-	-	-	-	-	-	30,664	10,451	(30,811)	10,304
Total operating revenue/net interest income										325,584
Result										
Profit before income tax	7,357	5,219	9,784	8,513	1,514	11,196	25,463	4,481	(28,086)	45,441
Income tax expense	(2,273)	(1,047)	(1,930)	(1,842)	(209)	(1,116)	(79)	(259)	-	(8,755)
Other material non-cash items:										
- Impairment losses on non financial assets	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	(4,789)	(81)	(896)	(7,344)	(2,003)	(1,898)	(223)	(792)	2,359	(15,667)
Acquisition of property, plant and equipment	5,604	83	1,388	2,558	489	1,280	30	6,851	7,123	25,406
Total assets	79,931	52,388	195,819	91,045	59,053	88,646	406,516	131,340	(463,778)	640,960
Total liabilities	39,077	17,036	158,713	64,496	15,072	41,178	48,344	9,797	(62,736)	330,977

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

 35. SEGMENT INFORMATION - continued
 Primary Reporting - Business Segments
 2018

	<u>Construction</u> <u>\$'000</u>	<u>Property</u> <u>\$'000</u>	<u>Finance</u> <u>\$'000</u>	<u>Tourism</u> <u>\$'000</u>	<u>Media</u> <u>\$'000</u>	<u>Retail</u> <u>\$'000</u>	<u>Investment</u> <u>\$'000</u>	<u>Other</u> <u>\$'000</u>	<u>Inter Segment</u> <u>\$'000</u>	<u>TOTAL GROUP</u> <u>\$'000</u>
External Operating Revenue										
Sale of goods	104,544	-	-	-	-	121,589	-	-	(15,800)	210,333
Rending of services	-	-	-	50,532	16,404	-	-	-	(3,285)	63,651
Revenue from contracts with customers	104,544	-	-	50,532	16,404	121,589	-	-	(19,085)	273,984
Rental and property management	-	3,968	-	-	-	3,078	-	-	(799)	6,247
Interest income	-	-	20,759	-	-	-	-	-	-	20,759
Fee income	-	-	427	-	-	-	-	-	-	427
Interest expense	-	-	(5,248)	-	-	-	-	-	59	(5,189)
Other	-	-	-	-	-	-	27,905	9,217	(26,436)	10,686
Total operating revenue/net interest income	10,380	2,867	8,521	7,421	1,064	10,747	23,385	4,229	(25,620)	42,994
Result	(2,063)	(609)	(1,726)	(1,324)	(399)	(1,085)	(87)	8	-	(7,285)
Income tax expense										
Other material non-cash items:										
- Impairment losses on non financial assets	-	-	-	(400)	-	-	-	-	-	(400)
Depreciation and amortisation expense	(4,893)	(68)	(933)	(6,736)	(2,149)	(1,589)	(197)	(624)	2,449	(14,740)
Acquisition of property, plant and equipment	5,591	32	418	7,780	2,008	753	104	899	-	17,585
Total assets	70,980	42,252	165,607	88,529	59,157	78,749	340,001	97,318	(370,348)	572,245
Total liabilities	30,379	11,072	130,681	68,656	18,732	35,510	44,502	4,730	(49,993)	294,269

The Group operates in Fiji and in PNG with the PNG operations not being material and therefore do not require separate segment disclosures. The fee income above relates to financial assets not measured at FVTPL. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in subsequent financial years.

LISTING REQUIREMENTS OF THE

SOUTH PACIFIC STOCK EXCHANGE

SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in these financial statements)

- a) Statement of interest of each Director in the share capital of the Company or in a related Corporation as at 30 June 2019 included

	<u>Beneficially</u>		<u>Non-beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Sakiusa Raivoce	-	1,322,107	-	-
Aisea Waka Vosailagi	-	-	-	817,020

- b) Distribution of Shareholding

<u>Holding</u>	<u>No. of Holders</u>	<u>% Holding</u>
Less than 500 shares	93	0.01
501 to 5,000 shares	465	0.42
5,001 to 10,000 shares	314	0.78
10,001 to 20,000 shares	201	0.93
20,001 to 30,000 shares	90	0.73
30,001 to 40,000 shares	47	0.53
40,001 to 50,000 shares	38	0.56
50,001 to 100,000 shares	68	1.58
100,001 to 1,000,000 shares	132	14.92
More than 1,000,000 shares	18	79.54
Total	1,466	100.00%

- c) Top 20 shareholders

	<u>Name</u>	<u>No. of shares</u>
1	iTaukei Affairs Board	107,800,400
2	iTaukei Trust Fund Board	100,000,000
3	iTaukei Land Trust Board	8,596,660
4	Cakaudrove Provincial Holdings Company Limited	3,001,521
5	Ratu Sir K Mara Education Trust Fund	3,000,000
	Cicia Plantation Co-Operative Society Ltd	3,000,000
6	Tailevu Dairy Farmers	2,200,000
7	Macuata Provincial Council	2,109,940
8	Vanua Ko Lovoni Investment	1,798,050
9	Bua Provincial Council	1,623,570
10	Duavata Holdings Ltd	1,410,000
11	Sakiusa & Anaseini Raivoce	1,322,107
12	Serua Provincial Council	1,166,860
13	iTaukei Land Trust Board ATF Mataqali Serau, Nabiti, Dreketi, Macuata	1,147,361
14	Mualevu Koro Investment Ltd	1,087,540
15	Lomati Village Investment	1,023,019
16	Kadavu Provincial Council	1,016,878
17	Moala Tikina Council	1,010,050
18	Dogotuki Tikina Council	1,000,000
	Mavana Investment Ltd	1,000,000
	Munia Holdings Ltd	1,000,000
	Nabukebuke Holdings Ltd	1,000,000
	Naqarani Holdings Ltd	1,000,000
	Nasoqo Holdings Ltd	1,000,000

LISTING REQUIREMENTS OF THE

SOUTH PACIFIC STOCK EXCHANGE (CONTINUED)

SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS – Continued

c) Top 20 shareholders (continued)

	<u>Name</u>	<u>No. of shares</u>
	Kiri Verewale Richmond	1,000,000
19	Vatulele Island Holdings Ltd	979,900
20	Rewa Provincial Council	936,010

d) Share price details:

Highest share price during the year was \$1.95
 Lowest share price during the year was \$0.60
 Share price at year end was \$1.93

e) Attendance at Board Meetings:

<u>Name</u>	<u>No of meeting</u>	<u>No attended</u>
Adrian Sofield	5	5
Yogesh Karan	5	3
Sakiusa Raivoce	5	5
Ratu Aisea Waka Vosailagi	5	5
Litiana Loabuka	5	3
Kalpana Lal	5	3
Anthony Whitton	5	5
Sanjit Patel	5	4

f) Share register

Central Share Registry (Pte) Limited
 Shop 1 and 11, Sabrina Building
 Victoria Parade
 Suva

Company Secretary – Sitiveni Koya

LISTING REQUIREMENTS OF THE

SOUTH PACIFIC STOCK EXCHANGE (CONTINUED)

FIJIAN HOLDINGS LIMITED AND SUBSIDIARY COMPANIES

YEAR ENDED 30 JUNE 2019

SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS - Continued

	g) Disclosure under Section 51.2 (x)										
	FHL Fund Management Limited	South Sea Cruises Limited	FHL Properties Limited	FHL Stockbrokers Limited	FHL Retailing Limited	Basic Industries Limited	Pacific Cement Limited	Serendib Investment Limited	FHL Logistics Limited	Merchant Finance Limited	FHL Media Limited
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover	2,518	53,753	4,206	205	142,962	75,359	28,182	984	-	17,513	16,601
Other income	11	778	3,448	3	1,251	946	-	3	-	1,572	983
	2,529	54,531	7,654	208	144,213	76,305	28,182	987	-	19,085	17,584
Depreciation	(158)	(7,344)	(81)	(2)	(2,398)	(3,819)	(970)	(133)	-	(896)	(2,003)
Interest income/(expense)	45	(2,441)	(162)	24	(609)	(252)	(153)	(38)	-	(80)	(149)
Other expenses	(1,210)	(36,233)	(2,192)	(64)	(126,403)	(63,251)	(28,684)	(1,316)	-	(8,325)	(13,917)
Income tax expense	(241)	(1,842)	(1,047)	(45)	(1,290)	(2,129)	(144)	201	-	(1,930)	(209)
Profit after tax	965	6,671	4,172	121	13,513	6,854	(1,769)	(299)	-	7,854	1,306
Assets	2,563	104,213	52,365	966	194,599	55,890	22,908	8,466	1	195,724	59,165
Liabilities	558	65,200	17,014	198	45,611	27,079	10,865	2,763	918	158,618	15,184
Shareholder's Funds	2,005	39,013	35,351	768	148,988	28,811	12,043	5,703	(917)	37,106	43,981

LISTING REQUIREMENTS OF THE

SOUTH PACIFIC STOCK EXCHANGE (CONTINUED)

SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS - Continued

h) 5 Year Comparative

Year	2015	2016	2017	2018	2019
Dividend payment (\$m)	6.70	7.01	7.34	7.43	7.46
Return on investment (%)	7%	11%	12%	12%	12%
Earnings per share (¢)	4	5	7	8	9
Group total assets (\$m)	473.57	491.29	525.06	572.25	640.96
Group shareholders fund (\$m)	215.84	230.54	250.37	277.98	309.98
Group operating revenue (\$m)	256.10	293.55	297.35	306.91	325.58
Company operating revenue (\$m)	26.47	26.08	26.90	27.90	30.66
Group profit before tax (\$m)	23.90	34.81	37.22	42.99	45.44
Company profit before tax (\$m)	12.33	20.44	22.38	23.39	25.46

EQUITY

SECURITIES

Equity securities, valued at fair value, for the Company comprises of the following:

	2019 \$'000	2018 \$'000
Name of company		
(a) Listed/ quoted securities		
Fijian Holdings Unit Trust	6,599	5,930
FMF Foods Limited	2,765	1,765
	9,364	7,695
(b) Unlisted securities		
Subsidiary companies:		
Basic Industries Limited	31,000	31,000
Serendib Investments Limited	4,500	-
South Sea Cruises Limited	55,500	55,500
- Blue Lagoon Cruises Holdings Limited*		
- Blue Lagoon Cruises Limited*		
FHL Logistics Limited	-	-
FHL Retailing Limited	103,926	65,000
- RB Patel Group Limited*		
FHL Stockbrokers Limited	595	595
Pacific Cement Limited	4,600	4,600
FHL Fund Management Limited	1,811	1,811
FHL Properties Limited	30,395	29,527
FHL Media Limited	45,004	32,647
- Fiji Television Limited*		
- Life Cinema Limited*		
Merchant Finance Limited	42,082	42,082
	319,413	262,762
Other companies		
Asian Paints (South Pacific) Limited	3,500	3,000
Goodman Fielder International (Fiji) Limited	2,200	2,200
Golden Manufacturers Limited	10,000	16,699
Pernix (Fiji) Limited	1,500	1,500
Marsh Limited	7,000	6,111
New World Limited	10,200	7,709
	34,400	37,219
	363,177	307,676

* The results of these subsidiaries have been consolidated in the carrying value of South Sea Cruises Limited, FHL Media Limited and FHL Retailing Limited respectively.

PROXY FORM

[PURSUANT TO SECTION 157 AND 158 OF COMPANIES ACT 2015]

Name of the Member: _____

Registered Address: _____

SIN: _____

I/We, being the member(s) of _____ shares of the above named Company,

hereby appoint:

1. Name _____, of _____ or

failing that;

2. Name _____, of _____

as my/our proxy to attend and vote on a show of hands and poll on my/our behalf at the Fijian

Holdings Limited General Meeting of the Company, to be held on 22 October 2019 at 12pm at

the Lali Room, Holiday Inn, 501 Victoria Parade, Suva and at any adjournment thereof in respect

of such resolutions and in such manner as are indicated below:

Resolution No.	Resolutions	*Optional [Mark X]		
		For	Against	Abstain
1.	Ordinary Business			
2.	Consideration of Financial Statements:			
	Confirmation of second Interim Dividend			
3.	Election of Directors 1. Sanjit Patel 2. Tony Whitton			
4.	Appointment of Auditors			

Signed this _____ day of _____ 20_____.

Signature of Member(s) _____

Notes:

1. *It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For'/'Against'/'Abstain' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority to conduct a poll.
3. If a representative of the corporation is to attend the meeting, Annexure K - "Appointment of Corporate Representative" should be filled in. If the Corporate Representative wishes to appoint a Proxy, this Form must be duly filled in.
4. This Proxy Form must be received by the Company at Fijian Holdings Limited, Level 7 Ra Marama, 91 Gordon Street, Suva or Share Registry at Central Share Registry Pte Limited, Shop 1 and 11, Sabrina Building Victoria Parade Suva or fax: 330 5020 or email to Sitiveni.Koya@fijianholdings.com.fj on 20th October 2019 before 12 noon, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.





FIJIAN
HOLDINGS
LIMITED