

**Broadening horizons for growth**



**FIJIAN  
HOLDINGS  
LIMITED**

**ANNUAL REPORT 2016**



#### 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 indigenous Fijians 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 Pacific

#### MISSION STATEMENTS

The FHL Group is committed to the achievement 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 vei qaravi
- Tubu cake na rawa ka ena vakasala vinaka
- Me toso tiko ga na i tovo ni neitou vei qaravi
- Cakacaka vata meda qaqa
- Me tarai cake na i vatagedegede ni rawa ka ni neitou tamata cakacaka

#### NA YAVUTU NI KABANI

Me vakusakusataka na nodra vakaitavi na iTaukei ena cicivaki ni bisinisi, vakadeitaka kina na nodra bula vakavanua, vakabisinisi.

#### NA RAI NI KABANI

Me dau ni vakatubu i lavo taudua ena Pasifika

#### NA YALAYALA ME VAKAVOTUKANATAKI

Sa tu vakarau na Kabani Cokovata na FHL me tutaka na kena laurai na vakavotukanataki ni nona yalayala e ra tiko qo:

- Keimami bulia ka cakacakataka na veika keimami vakavulica ena kabani baleti ira era iTaukei kei ira era vakaitavi kina.
- Keimami na saga me tadolavi kina na vanua ni vakatubu bisinisi ena neitou vakavulici ira keitou qarava, na vakasama titobu, na loloma kei na gadrevi ni veisau.
- Keimami na maroroya ka bulataka na i tovo ni vei qaravi ka kena yavu na dina, cakacaka vakadodonu kei na tuvai ka qaravi vinaka ni tavi ni vei qaravi.
- Keimami na tutaka vakaukauwa na nodra tuberi cake kei na nodra vakavulici na iTaukei me ra daunibisinisi vinaka ka tamusuka na vua ni nodra bula.



## CONTENTS ULUTAGA

History of Fijian Holdings Limited Tauyavutaki ni Kabani	2	People & Leadership Sub-Committee Komiti Ka Qarava Na Tamata Cakacaka	17
The Year in Review Na Raici Lesu ni Yabaki Vakailavo	3	Board of Directors Lewe ni Matabose	18
Financial Highlights Usutu ni Rawa Ka	4	FHL Group Management Team Manidia Liu Ni Kabani Cokovata e FHL	20
Fijian Holdings Limited Top 30 Shareholders Nai Matai Ni 30 Ni Taukei Ni Sea Levu Taudua	6	FHL Management Team Manidia Veiliutaki e FHL	22
Corporate Governance Statement Tukutuku Ni Kena Cicivaki Na Kabani	7	Chairman's Report Tukutuku Ni Liuliu Ni Matabose	23
Corporate Social Responsibility Tukutuku Ni Qaravi Ni Bula Raraba	12	Group Chief Executive Officer's Report Tukutuku Ni Liuliu Ni Kabani Cokovata	27
Investment & Strategy Sub-Committee Komiti Ka Qarava Na Vakatu builavo	14	Operational Report of Subsidiary Companies Tukutuku Mai Vei Ira na Veikabani Cokovata	33
Audit & Risk Sub-Committee Komiti Ka Qarava Na Ririko	15	Report on Associate Companies and Other Investments Kedra i Tukutuku na Kabani Veiwekani	41
Board Nomination & Remuneration Sub-Committee Komiti Ka Qarava Na Veidigitaki kei nai Sau ni Dairekita	16	Financial Statements Tukutuku Vakailavo	45

# HISTORY OF FIJIAN HOLDINGS LIMITED TAUYAVUTAKI NI KABANI



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 iTaukei are prepared and groomed for business utilising the resources of its subsidiary companies.

E a tayavu 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 vakatototaki 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.

## FHL GROUP LEADERS

### Group Chief Executive Officer/ Head of the Group

1987 – 2008	Sitiveni Weileilakeba
2008 – 2011	Sereana Qoro
2011 – 2016	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

# THE YEAR IN REVIEW

## NA RAICI LESU NI YABAKI VAKAILAVO

This report provides our shareholders with highlights of the 2016 financial year. The year in review not only highlights our financial performance but also the market announcements made regarding significant activities that contributed to our positive results.

### July 2015

- Fiji TV signs a non-disclosure agreement with Digicel(Fiji) and 4 other companies for the partial divestment of Sky Pacific.
- Fiji TV confirms that the deal with Telikom PNG to sell Media Niuguni Limited is still intact.
- Fiji TV announces that they are ready to move to Digital platform and plans to launch Channel Two.
- An independent Director to be appointed for Fiji TV as per the SPSE listing rules
- A new upgraded paying system for Sky Pacific launched.
- RB Patel declares a final dividend of 10¢ per share to be paid on 27th August, 2015.

### August 2015

- Fijian Holdings Limited announces a 9% growth in consolidated revenue for the 12 months ended 30th June, 2015 with consolidated group revenue ended June 2015 amounting to \$276m compared to \$253m for the same period last year.
- Fiji TV announces audited financial statement for year ended 30th June with net profit of \$1.6mil representing a 20% increase from last financial year. The Holding Company recorded a revenue of \$23.4m for FY 2015.
- RB Patel releases its Annual Report for 2015.
- Fiji TV makes a public announcement regarding the sale of Media Niuguni stressing that the deal is intact and that while all conditions have been satisfied, a specific sporting right for PNG is being discussed.
- Fiji TV announces the appointment of two new Board Directors – Ulaiasi Taoti and Shane Hussein.
- FHL announces the appointment of 3 new Board Directors. The appointment made by the Minister of I Taukei Affairs sees Commander Viliame Naupoto, Aisea Vosailagi and John O'Connor became Directors.
- Fiji TV secures a non-exclusive broadcast rights to air the 2015/2016 Season of the English Premier League.

### September 2015

- FHL declares \$3.351m as the second interim dividend to be paid to company shareholders for the year ended June 30th, 2015.
- Fiji TV releases more information on the sale of Sky Pacific adding that after much consideration, Digicel was chosen and the sale was made at a cost of \$5.75m. The Company also clarifies that proceeds from the sale will be used to reduce outstanding creditors while a portion may be distributed among shareholders subject to Board approval.
- Fiji TV releases its 2015 Annual Report.
- Fiji TV signs a sale agreement with Digicel Fiji Ltd. The agreement will see Digicel take part of the divisional employees from Sky Pacific and ensure that Sky Pacific services will continue in Fiji and the Pacific.
- Fiji TV announces an organizational restructure. Whilst stressing that there will be no redundancy, any staff wishing to leave the Company will be assisted.
- FHL announces Annual General Meeting to be held on the 23rd of October, 2015.

### October 2015

- FHL announces as per the SPSE Listing Rule 6.21, resolutions from the 30th AGM were passed without objection. Part of the resolutions were the re-election of Iowane Naiveli and Col MSD (Retd) Sakiusa Raivoce as Directors, the appointment of Commander Viliame Naupoto, Ratu Aisea Vosailagi and John O'Connor as Directors. It was also resolved that the second interim dividends of \$0.11 per A Class share and \$0.11 per B Class shares to be paid out of the profit for the period ended 30th June, 2015.
- Fiji TV announces the passing of the 2015 AGM resolutions which also included the ratification of appointment of Directors Apakuki Kurusiga and Ulaiasi Taoti as well as the re-election of Ajay Punja and Nouzab Fareed.
- RB Patel announces the unanimous approval of their AGM resolutions. This included the re-election of Surendra Patel and Kaliopate Tavola as Company Directors.

### November 2015

- FHL's Group Awards Night was held at the Vodafone Arena with more than 1,000 guest. The guests included staff of subsidiary companies and their spouses.
- FHL announces the appointment of Napolioni Batimala as CEO for Merchant Finance Limited and Mosese Volavola as CEO for Basic Industries Limited.

### December 2015

- Following the reduction in VAT in the 2016 National Budget, Fiji TV announces the new prices for its pay per view television services.
- Fiji TV announces its new independent director – Naveen Lakshmaiy

### January 2016

- RB Patel declares an interim dividend of \$0.04 per share to be paid on 25th February, 2016. The company's revenue including other income increased by 3% to \$57m.
- FHL announces the appointment of Paradise Tabucala as Communications Officer.

### February 2016

- The FHL group donates \$10k towards TC Winston appeal. In addition to this, other subsidiaries also donated goods. Pacific Cement gave 50 tons of cement, Basic Industries donated 10,000 concrete blocks, and FHL Properties & Fund Management distributed 100 cartons of dry food rations. Fiji TV allocated \$20,000 advertisement slots for DISMAC and Red Cross. Standard Concrete distributed \$10,400 worth of food rations. RB Patel provided dry rations in partnership with the Salvation Army, South Sea Cruises brought in volunteers to assist in rehabilitation work and Merchant Finance Limited provided a Disaster relief Package to its customers.
- FHL records a 30% growth for the six months ending 31st December, 2015. Group pre-tax profits for six months stood at \$18.73m compared to \$14.40m achieved during the same period.
- Fiji TV releases unaudited financial results for the six months ended 31st December, 2015 with a revenue of \$5.1m for the first six months of FY16, a 29% increase compared to the same period last year.
- Fiji TV announces that it has secured permission to broadcast the first round of matches from the 2016 Super Rugby season on Sky Pacific.

### March 2016

- FHL declares \$3.66m as an interim dividend based on the Groups performance for the six months ended 31st December, 2015. More than 1,200 shareholders of FHL will receive their dividend on April 28th, 2016.
- FHL announces the resignation of Sales Dayal as General Manager Finance and also from the various subsidiary company boards where Mr. Dayal served as Director.
- Fiji TV announces that from 1st April, 2016 Sky Pacific will officially become part of Digicel Fiji Group.
- FHL subsidiary – Merchant Finance Limited launches four new products designed to assist small and medium enterprises.

### April 2016

- Fiji TV announces a special dividend of \$0.36 to be paid out to its shareholders following the successful sale of Sky Pacific and Media Niuguni.
- FHL announces the divestment of its wholly owned subsidiary in PNG, Basic Industries Limited PNG on March 31st, 2016 for a consideration of one million PGK to Pernix (PNG) Ltd. The move sees FHL making an additional 6 million PGK investment in Pernix (PNG) Ltd.

### May 2016

- FHL extends its Group CEO – Nouzab Fareed's contract by another 3 years until 2019. Under his leadership, FHL Group acquired Pernix (Fiji) Ltd, Fiji TV Ltd and South Sea Cruises Ltd and also divested loss making subsidiaries FHL Logistics Ltd and PNG based Basic Industries (PNG) Ltd.
- RB Patel Group Limited launches their newly revamped website ([www.rbpattel.com.fj](http://www.rbpattel.com.fj)) where people can also shop online from anywhere in the world using their credit card.
- FHL Group Sports day was held in Suva at the Veitoto School grounds. Staff and families enjoyed a day full of fun and team bonding.

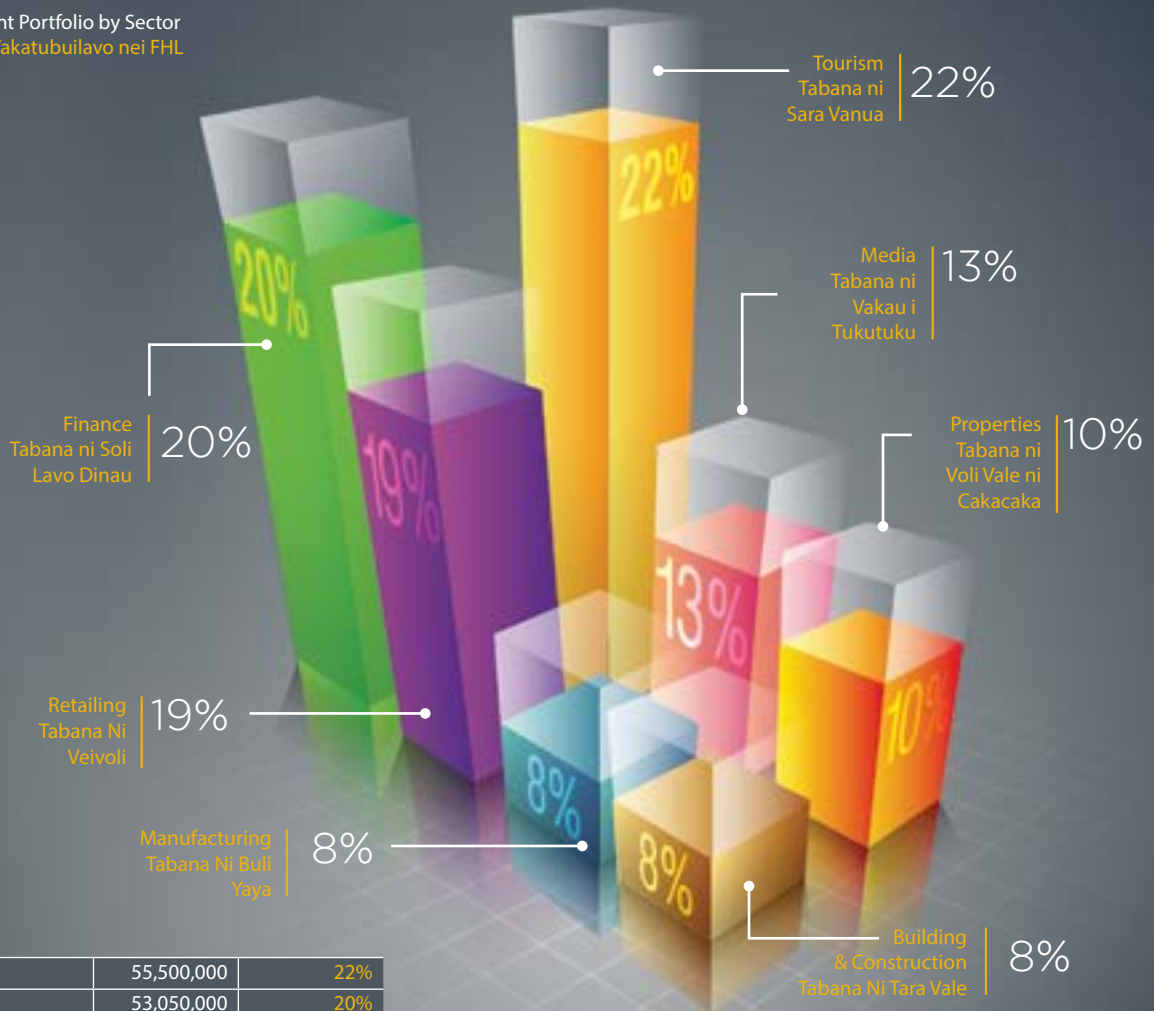
### June 2016

- Fiji TV staff temporarily locked inside their office by the landlord – FPSCU. This follows a dispute with regards to the sudden increase in rental. However, GCEO Nouzab Fareed along with the CEO for Fiji TV, Geoffrey Smith met with the landlords and came to an amicable solution.
- The Fijian Holdings Group of companies announces an incentive system whereby monetary prizes will be given to Gold, Silver and Bronze medal winners (both as teams and as individuals) at this year's Olympic Games in Rio de Janeiro as well as the chance to work within the Group.

# FINANCIAL HIGHLIGHTS

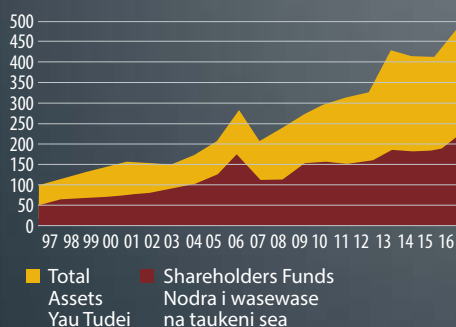
## USUTU NI RAWA KA

FHL Investment Portfolio by Sector  
Veitabana ni Vakatabuilaivo nei FHL

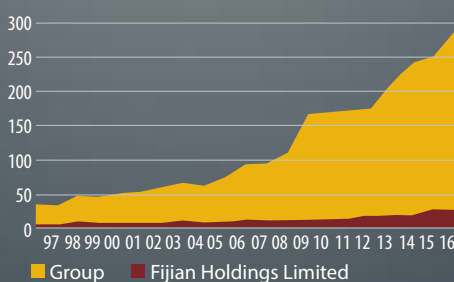


Tourism	55,500,000	22%
Finance	53,050,000	20%
Retailing	48,703,000	19%
Media	33,187,000	13%
Building & Construction	21,369,000	8%
Manufacturing	19,885,000	8%
Properties	25,770,000	10%
<b>Total</b>	<b>257,464,000</b>	<b>100%</b>

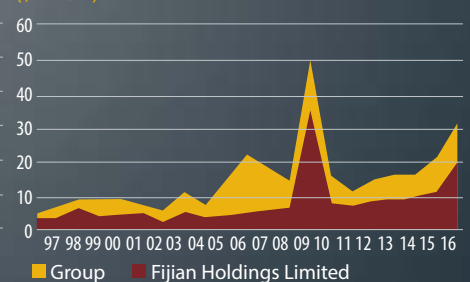
Total Group Assets and Shareholders Funds (\$M)  
Yau Tudei kei na Nodra i Wasewase na Taukeni Sea (\$Milioni)



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



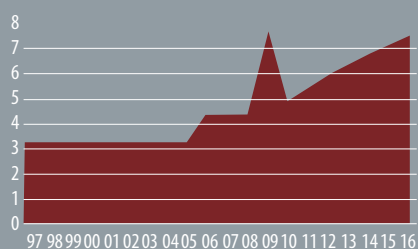
Profit Before Tax (\$M)  
Tubu ni kabani ni se bera ni musuki nai vakacavacava kei na veika sega ni namaki (\$Milioni)



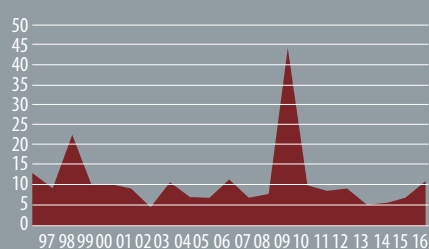
## FINANCIAL HIGHLIGHTS USUTU NI RAWA KA

YEAR END 30 JUNE	HOLDING COMPANY			GROUP		
	2016	2015	Change %	2016	2015-Restated	Change %
<b>Operating Results</b>						
Operating Revenue (\$, '000)	26,078	26,465	-1%	293,552	256,099	15%
EBITDA (\$, '000)	22,899	15,777	45%	53,998	40,626	33%
EBIT (\$, '000)	22,773	15,593	46%	43,104	29,948	44%
NPBT (\$, '000)	20,442	12,328	66%	32,853	23,904	37%
NPAT (\$, '000)	20,851	12,921	61%	25,880	18,485	40%
<b>Operating Ratios</b>						
EBIT / Total Revenue [%]	87%	59%	28%	15%	12%	3.0%
EBITDA / Total Revenue [%]	88%	60%	28%	18%	16%	2.5%
NPAT / Total Revenue [%]	80%	49%	31%	9%	7%	1.6%
<b>Financial Position</b>						
Total Assets (\$, '000)	284,169	257,896	10%	475,046	459,289	3%
Total Liabilities (\$, '000)	60,073	68,143	-12%	257,113	255,155	1%
<b>Financial Position Ratios</b>						
Gearing [%]	21%	26%	-5%	54%	56%	-1%
Net Debt to Equity [%]	27%	36%	-9%	118%	125%	-7%
EBIT interest cover [times]	11.8	5.8	103%	2.5	2.6	-4%
<b>Cash Flows</b>						
Net cash from operating (\$, '000)	19,614	13,376	47%	52,745	21,740	143%
Purchases of Investments (\$, '000)	-	3,764	-100%	100	3,944	-97%
<b>Shares</b>						
Earnings per share (EPS) [CENTS]	68	42	61%	45	35	29%
Dividends per share [CENTS]	23	22	5%	23	22	5%
Net Tangible Asset per share	7.36	6.23	18%	5.11	4.64	10%
<b>Key Measures</b>						
Return on Net Assets [%]	9.3%	6.8%	2.5%	11.9%	9.1%	2.8%

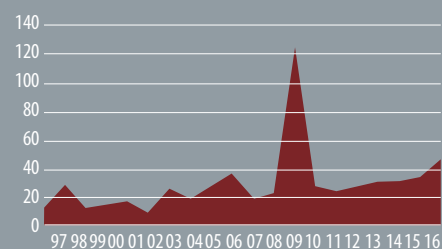
Dividend Payments (\$M)  
Tubu ni lave e wasei (\$Million)



FHL Return on Investment (% - at cost)  
Tubu ni lave 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	% Holdings
I-Taukei Land Trust Board	859,666	8.21
I-Taukei Affairs Board	760,977	7.27
Cicia Plantation Co-operative Society Ltd.	400,000	3.82
Cakaudrove Provincial Holdings Company Ltd.	400,000	3.82
Ratu Sir K Mara Education Trust Fund	300,000	2.87
Tailevu Dairy Farmers Co-Operative Association Ltd.	255,602	2.44
Macuata Provincial Council	203,614	1.95
Mavana Investment Ltd	200,000	1.91
Mualevu Tikina Holdings Ltd	200,000	1.91
Vanua Ko Lovoni Investment Ltd	179,805	1.72
Duavata Holdings Ltd	141,000	1.35
Bua Provincial Council	137,102	1.31
Mualevu Koro Investment Ltd	108,754	1.04
Moala Tikina Council	101,005	0.97
Dogotuki Tikina Council	100,000	0.96
Munia Holdings Ltd	100,000	0.96
Nabukebuke Holdings Ltd	100,000	0.96
Lomati Village Investment Ltd	100,000	0.96
Naqarani Holdings Ltd	100,000	0.96
Nasoqao Farming Enterprises Ltd	100,000	0.96
Kiri Verewale Richmond	100,000	0.96
Sakiusa & Anaseini Raivoce	100,000	0.96
Vatulele Island Holdings Ltd	97,990	0.94
Serua Provincial Council	97,102	0.93
Rewa Provincial Council	93,601	0.89
Vukicea Investment Ltd	90,000	0.86
Kadavu Provincial Council	89,791	0.86
Mataqali Natabutale	84,743	0.81
Tukula Holdings Ltd	80,000	0.76
Isireli & Salote Dugu	70,004	0.67
Lau Provincial Council	67,501	0.65
Nadroga/Navosa Provincial Council	67,500	0.65
Inoke & Tiko Fatafehi Luveni	67,263	0.64
Baravi & Associates Ltd	66,767	0.64
Marica Koroitanoa	66,127	0.63
Walena White	60,844	0.58
Mataqali Nacokocokobalavu	60,603	0.58
Ra Provincil Council	58,800	0.56
Lomaiviti Provincil Council	55,100	0.53
<b>TOTAL</b>	<b>6,321,258</b>	<b>60.45</b>



# 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 the best practice in corporate governance and transparency in reporting. During the reporting period, Fijian Holdings Limited has been compliant with all RBF guidelines. ”

### Principle 1

#### Establish clear Responsibilities for Board Oversight

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 and Memorandum of Association and approving his/her terms of engagement.
- 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 and 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 accounts 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 Memorandum and Articles specifies 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 eight Directors.

Iowane Naiveli	Appointed 2011 (Chairman)
Sakiusa Raivoce	Appointed 2013
Isikeli Tuituku	Appointed 2014
Ulaiasi Taoi	Appointed 2014
Viliame Cegumalua	Appointed 2014
Viliame Naupoto	Appointed 2015
Ratu Aisea Waka Vosailagi	Appointed 2015
John O’Connor	Appointed 2015

## 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 for iTaukei 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 his/her judgment. All Directors have no substantial interest in the shares or Group business.

## Board Sub-Committees

The Board carries out a number of its 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 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 Committee reports at FHL board meetings.

## Independent Advice

The Board, an individual Director or a Committee, may engage an independent external adviser in relation to any Board matter, at the expense of the Company. Before the external 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 FHL. The qualification and criteria of the Group CEO shall be at the discretion of the People and Leadership 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 that 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 Ms Mereoni Rasovo - Matavou.

## Principle 5

### Timely and Balanced Disclosure

FHL complies with its disclosure obligations under the SPSE Listing Rules and the Companies Act, and has in place well-developed procedures for dealing with compliance. FHL 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

FHL 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 Sub-Committee discussions nor vote on the matter unless permitted under specific circumstances in accordance with the Companies Act 2015.

### **Political Donations**

FHL 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**

FHL 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. FHL 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. FHL 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 Sub-Committee consists of 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's needs;
- Assess the management processes and internal control systems supporting external reporting;
- Liaise with the external auditors and ensure the annual statutory audit and half year review are conducted in an effective manner;
- Make recommendations for the appointment or removal of the external and internal auditors;
- On an annual basis, assess the performance and independence of the external and internal auditors; and
- Monitor the co-ordination of the internal and external audits.

The lead external audit partner is required to rotate off the audit after a maximum of five years. The Internal Audit function shall not be performed by the external auditors of the company. The Audit Committee has unlimited access to both internal and external auditors.

## Principle 10

### Recognise and Manage Risk

The Board has approved a Risk and Assurance Framework and supporting processes to oversee and manage risk. FHL 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 treated as an integrated ingredient in the way employees work.

Internal audit monitors the internal control framework Group wide. The Audit Sub-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 on 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 employees 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



As our Company and shareholders expectations evolve, we at Fijian Holdings Limited (FHL) continue to develop and refine our approaches to managing key environmental, social and governance issues.

FHL integrates corporate social responsibility (CSR) into all its business activities with the belief that success is measured by more than just financial results. It is customer satisfaction, employee engagement, stringent governance practices and support for shareholders and the communities the Company serves.

This 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.

### Shareholders Workshop

At FHL, we aim to build shareholders confidence and expectations in their investments through a dedicated team focused at improving relationship with our shareholders.

For the past nine years, FHL has been holding interactive half day workshops. The workshop allows shareholders to interact with FHL and learn more about their investments, legal requirements for

business, understanding the economy and updates on subsidiaries performances.

### Information Disclosure

As a listed company, FHL is guided by the disclosure requirements of the South Pacific Stock Exchange which allows us to release information that promotes better shareholder understanding of management policies and business activities.

### Community Involvement

FHL is committed to strengthening the communities in which we operate and we continuously aim to make our economy a better place to live and work in. Our approach mainly involves supporting non profitable organizations such as the Salvation Army and other projects which are not limited to charitable work only.

#### • TC Winston Rehabilitation donation

The FHL Group contributed \$10,000 towards Cyclone Relief and in addition to this, Basic Industries donated 10,000 concrete blocks, 50tons of cement were also contributed by Pacific Cement, Fiji TV contributed \$20,000 worth of advertisement slots to telecast announcements from DISMAC and Red Cross. FHL Properties and Fund Management provided 100 cartons of dry rations whilst Standard Concrete donated approximately \$10,400 worth of dry food rations to affected villagers in Wailotua, Lodon and Dawasamu.

Apart from these efforts, FHL staff held a clothes drive with the proceeds donated to the Salvation Army and bound for Taveuni and Vanua Levu, FHL owned RB Patel provided dry rations in conjunction with Salvation Army and the Rotary Club of Suva. Blue Lagoon Cruises through its flagship program "Vinaka Fiji" brought in volunteers to assist those badly affected in the communities they operate in.

- **National Blood Drive**

This year saw Fijian Holdings take part once again in the life saving initiative of donating blood. The event held in partnership with the National Blood Services, saw staff from the FHL Group and Directors donate. FHL is always keen to host the Blood Drive donation as it is viewed as an important way to support a lifesaving cause and ensure that our families have access to it when and where it is needed most.

- **Stationery Drive**

FHL staff collected stationery for the 43 students of Gospel School of the deaf. The school caters for students from around the region and outer lying islands. Headmistress, Mrs. Nirmal Mudaliar says the school focuses providing education and support for the deaf in the South Pacific with the youngest student is a 3 year old boy from Lau. FHL staff donated basic stationery to the school which will be used by the students.

- **FHL to Reward Winners**

As corporate citizens of Fiji, FHL has also announced a reward scheme for medal winners in Team Fiji who take part in the Rio Olympics 2016. FHL will be offering a cash reward of \$2,500 for each player in the team which wins a Gold medal and Units worth \$500.

### **Environmental Sustainability**

- **Clean Up Campaign**

FHL organized the event which was held in partnership with the Suva City Council and close to 100 staff from the various subsidiaries turned up to clean the Suva City Foreshore. The

stretch of land starting from the Suva Bowling Club to My Suva Park covered over 4.7km and the early morning event saw staff along with family pick up debris both on the walk way and along the beach front. FHL is passionate about improving our relations with stakeholders and the community we operate in.

### **Employee Involvement**

The FHL Group is an employer of more than 1,600 employees. Our employees are our most valued asset and we actively support and reward their efforts to pursue their passions in the workplace, at home and in the community. We know that each person's ideas, personal and professional well-being, and enthusiastic involvement are essential to the continued success of the Group.

- **Health and Wellness**

The Health and wellbeing of our employees is essential to achieving the desired productivity that FHL requires. As such, this year staff took part in a fun run organized in Suva which also included a free Health Checkup. Staff also took part in a team building exercise and trekked up the highest point in Suva – Mount Korobaba. These activities ensure that the staff continue to remain physically compatible with their daily task.

### **Social Activities**

Every year, the FHL Group hosts an annual sports day with the main objective of promoting team work and creating a jovial environment. This event sees staff and family from the West and North combine to enjoy a fun filled day of sports. This is followed by an Awards night which recognizes the achievements made by the FHL Group during the year and outstanding staff are rewarded for their valuable contribution towards the year's results.

In conclusion, our corporate social responsibility programmes play a major role in the nurturing of positive environment we are building for our shareholders, stakeholders, employees and the community at large.



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 Sub-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 three board members of which all are newly appointed committee members and Directors. In addition to these members, Group CEO and members of Senior Management Team attends the Sub-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 four times.

During the year, the Sub-Committee approved the divestment of 2 companies – Media Niuguni Limited to Telikom PNG as well as the divestment of Basic Industries (PNG) Ltd. The financial year 2016 also saw the sale of Sky Pacific which was a part of Fiji TV Ltd.

At the moment, the Sub-Committee is in the preliminary stages of restructuring Merchant Finance Ltd and Basic Industries (Fiji) Ltd, looking at the opportunity of making them public listed Companies. A numbers of investment opportunities are still being monitored.

As part of fulfilling their duties the Investment and Strategy Sub-Committee received reports and held discussions with Management on the proposed and current investments. The Sub-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.

### COMMITTEE MEMBERS

Name	Capacity	Status	No of Meetings Entitled to Attend	No of Meetings Attended
Mr. Viliame Naupoto	Chairman	Appointed (10/8/2015)	4	2
Mr. Iowane Naiveli	Member	Existing	4	3
Mr. Isikeli Tuituku	Member	Existing	4	4
Mr. Surendra Patel	Member	Appointed (10/8/2015)	4	1





## AUDIT & RISK SUB-COMMITTEE KOMITI KA QARAVA NA RIRIKO

The Audit and 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 of FHL and management letters (client service report) issued by the External Auditors.

The members of the Audit and 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. In addition to these members, the Group CEO and members of the Senior Management Team, attend the committee meetings to ensure that Group companies are maintaining proper control and managing risk appropriately.

Meetings of the Audit and Risk Sub-Committee are held once every quarter, however, frequent meetings may be called if necessary. During the 2016 - financial year, the audit committee met four times.

During the year, the Audit and Risk Sub-Committee received reports from Internal & 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, procedures, 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;
- The projects or programs to ascertain whether results are consistent with established objectives and goals, and whether the projects or programs are being carried out as planned;
- Reporting of any materials misuse of funds, misappropriation or acts of fraud.

### COMMITTEE MEMBERS

Name	Capacity	Status	No of Meetings Entitled to Attend	No. of Meetings Attended
Mr. Ulaiasi Taoi	Chairman	Existing	4	4
Mr. Viliame Cegumalua	Member	Existing	4	4
Mr. Isikeli Tuituku	Member	Appointed (10/8/15)	4	2
Mrs. Fay Yee	Member	Appointed (10/8/15)	4	2



# BOARD NOMINATION & REMUNERATION SUB-COMMITTEE

## KOMITI KA QARAVA NA VEIDIGITAKI KEI NAI SAU NI DAIREKITA

The Board Nomination & Remuneration Sub-Committee is to assist the Board in fulfilling its duties by providing advice, independent and objective review to the Board on matters concerning nomination and remuneration related issues within the FHL Group.

The primary function of the Board 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.

Board Nomination & Remuneration Sub-Committee meets at least twice a year and more frequently as required. In the year under review the committee met three times.

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

- 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 FHL 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

### COMMITTEE MEMBERS

Name	Capacity	Status	No of Meetings Entitled to Attend	No of Meetings Attended
Mr. Emitai Boladuadua	Chairman	Existing	3	3
Mr. Iowane Naiveli	Member	Existing	3	2
Mr. Robin Yarrow	Member	Appointed (10/8/15)	3	2
Mr. Viliame Naupoto	Member	Appointed (10/8/15)	3	1



## PEOPLE & LEADERSHIP SUB-COMMITTEE KOMITI KA QARAVA NA TAMATA CAKACAKA

The role of the Sub-Committee is to advise remuneration and issues relevant to remuneration policies and practices so as 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 resource 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 calibre Executives, Management and staff, so as to encourage enhanced performance of the Company;
- Are consistent with the Company's Human Resource needs;
- Motivate management to pursue a long term growth and success of the Company within an appropriate control framework; and
- Demonstrate a clear relationship between executive performance and remuneration.
- Ensures that the Company undertake the appropriate performance management, succession planning and development activities and program.

The committee consists of a minimum of two Directors and the Group Chief Executive Officer with the Chairman of the Committee selected by the FHL Sub Committee for Board Nomination & Remuneration.

The meetings of the committee are held at least twice per annum and the committee met five times in the year under review. Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the Committee.

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

- The FHL Performance Review Policy
- The staff transfers within the FHL Group
- Other related Human Resources issues.

### COMMITTEE MEMBERS

Name	Capacity	Status	No of Meetings Entitled to Attend	No of Meetings Attended
Mr. Sakiusa Raivoce	Chairman	Existing	5	5
Mr. John O'Connor	Member	Appointed (10/8/2015)	5	5
Mr. Ratu Aisea Vosailagi	Member	Appointed (10/8/2015)	5	5
Mr. Nesbitt Hazelman	Member	Appointed (10/8/2015)	5	2



## BOARD OF DIRECTORS LEWE NI MATABOSE



**IOWANE NAIVELI**  
Chairman

Is a Chartered Accountant and a business consultant by profession. He is the sole partner of I.Naiveli & Company. He holds a Bachelor of Arts Degree in Accounting and was previously the president of Fiji Institute of Accountants. Mr. Naiveli is the Chairman for FHL, RB Patel Group Ltd, FHL Media Ltd and FHL Retailing Ltd. He is a Board member for Fiji Television Limited and Life Cinema. He is a former Board member of the Reserve Bank of Fiji and is a member of the Australian Institute of Directors. He is the former Financial Advisor to the iTaukei Affairs Board and is a Trustee for the Unit Trust of Fiji. He is a member of the USP Council and Chairman of its Audit & Risk Committee. He is a former Chairman and member of the External Audit Committee of the International Monetary Fund (IMF), Washington DC.

**REAR ADMIRAL VILIAME NAUPOTO**  
Deputy Chairman

Is a military officer by profession and currently the Commander of the Republic of Fiji Military Forces. He served in Government from 2007 to 2014 as Director Immigration, Permanent Secretary for Fisheries and Forests and as Minister for Youth and Sports. He also served previously as Chairman of Fiji Trade And Investment Board. Chairman of Fiji Pine Group and Board Member for Film Fiji. He is currently the Chairman for South Sea Cruises and Board member for Merchant Finance Limited.

**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. He is currently the Chairman of FHL Properties Limited, FHL People & Leadership Sub Committee, Director of Basic Industries Limited (BIL) and member of BIL Audit Committee.

**RATU AISEA WAKA VOSILAGI**  
Director

Is a former Naval Officer and holds a Bachelor Degree in Engineering (Maritime & Naval Architecture). He is the Company Secretary and Chief Executive Officer of Na Hina Limited. He holds directorship positions for Fiji Resorts Limited (owners of Yanuca Island Limited, 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, Pacific Cement Limited and Director of South Sea Cruises.



**ISIKELI TUITUKU**  
Director

Is a businessman by profession and holds a Bachelor Degree in Civil Engineering. He has more than 20 years' experience in executive management in two multi-national companies BP and ANZ and has worked in Australia, New Zealand and Pacific for the last 35 years. He is currently the Chairman of Merchant Finance Limited and serves as a Director in Pacific Cement Limited and in FHL Sub Committee on Investment & Strategy. Mr. Tuituku is also a board member of Telecom Fiji Limited and board member of Harvest Group of Companies.

**ULAIASITAOI**  
Director

Is Managing Director of UTech Systems Limited and holds a Bachelor of Arts Degree from the University of the South Pacific. He is currently Chairman for FHL Fund Management as well as the FHL Audit and Risk Committee and by appointment is a board member of Fiji Television Limited. He serves as Director of Fiji Indigenous Business Council and member of Australian Institute of Company Directors. He was former board member of Fiji Trade & Investments Board, Fiji Labour Advisory Council, Fijian Education Board, National Economic Development Council and Monitorial Committee on Affirmative Program.

**VILIAME CEGUMALUA**  
Director

Is a business man by profession and holds a Bachelor Degree in Applied Science, Rural Technology and Masters in Business Administration. He is currently the Chairman of FHL Stockbrokers Limited and Basic Industries Limited. He also serves as Director in Pacific Cement Limited. He also serves as Chairman on the Board of Cakaudrove Provincial Holding Company Limited and Fiji National Dairy Council. Other Directorships include Fiji National Crop & Livestock Council and Fiji Cooperative Dairy Company Limited.

**JOHN O'CONNOR**  
Director

Is the Chief Executive Officer for Fiji Rugby Union. Previously, he was the Chief Executive Officer for National Fire Authority, General Manager – Human Resources with Fiji Electricity and had held various senior roles in the Authority. He holds a Masters of Business Administration and a Masters of Arts in Governance and Leadership from the University of the South Pacific. He has also received an Order of Merit from the Australian Institute of Company Directors and a member of the institute. He also serves as a director on the FHL Board, and FHL Properties Limited.

## FHL GROUP MANAGEMENT TEAM

### MANIDIA LIU NI KABANI COKOVATA E FHL

Nouzab Fareed joined FHL in 2004 and is a Chartered Accountant, Chartered Certified Accountant (UK), Chartered Management Accountant (UK), Chartered Marketer (UK) and a Fellow of CPA (Australia).

He has an MBA in Banking & Marketing and a Masters of Arts in International Economics. He is a Licensed Investment Advisor (Fiji) and a Certified Fraud Examiner of USA. He is a fellow of Financial Services Association of Australasia (FINSIA) and also a Graduate of Australian Institute of Company Directors (GAICD).

Fareed is a Board Director for all FHL Group companies. In addition, he is also a Board Director for Marsh Insurance Ltd, Golden Manufacturing Ltd, Goodman Fielder International Ltd and South Pacific Stock Exchange. Prior to joining FHL, he was the Director Business Development with Mercantile Merchant Bank Ltd in Sri Lanka and was also a Board Director for FedEx, NIIT and Western Union in Sri Lanka. He has more than 24 years of Corporate Finance and Investment Banking experience.

He is the founding President of Australian Institute of Company Directors - Fiji Chapter and also the current President of Fiji - PNG Business Council. He is the past President of Fiji Institute of Accountants (FIA) as well as the Vice President of Suva Chamber of Commerce and industry. He is a council member for CPA Fiji Branch and Fiji Export Council. In addition, he sits on MBA Advisory Committee of University of the South Pacific.

Fareed has received Executive Training from Harvard Business School University of Oxford, Australian Graduate School of Management (AGSM), Graduate Business School of Auckland, Asian Productivity Organization (APO) and Association of Overseas Technical Scholarship of Japan. Fareed is the only Distinguished Toastmaster (DTM) in South Pacific.

A portrait of Nouzab Fareed, a man with dark hair, wearing a grey checkered suit jacket, a black shirt, and a tie with a cartoon bear pattern. He is looking slightly to the right of the camera with a neutral expression.

**NOUZAB FAREED**  
GROUP CHIEF EXECUTIVE OFFICER

**FHL GROUP MANAGEMENT TEAM**  
**MANIDIA LIU NI KABANI COKOVATA E FHL**



**SOWANI TUIDROLA**  
Chief Executive Officer  
Pacific Cement Limited



**NAPOLIONI BATIMALA**  
Chief Executive Officer  
Merchant Finance Limited



**PETER DUNCAN**  
Chief Executive Officer  
South Sea Cruises Limited



**ROWENA FONG**  
Chief Executive Officer  
FHL Properties Limited



**GEOFFREY SMITH**  
Chief Executive Officer  
Fiji Television Limited



**ELENOA VUNIWA**  
General Manager  
FHL Fund Management Limited &  
FHL Stockbrokers Limited



**DEEPAK RATHOD**  
Chief Operating Officer  
RB Patel Group Limited



**MOSESE VOLAVOLA**  
Chief Executive Officer  
Basic Industries Limited



**HAMISH MCGUIRE**  
General Manager  
Life Cinema Limited

# FHL MANAGEMENT TEAM

## MANIDIA VEILIUTAKI E FHL



**NOUZAB FAREED**  
Group Chief Executive Officer



**MEREONI MATAVOU**  
Manager Legal  
& Company Secretary



**ABILASH RAM**  
Group Manager Finance  
& Investment



**CATHERINE GREY**  
Manager Human Resources



**ASISH KUMAR**  
Manager Information  
Technology



**SALESHNI WARRAN**  
Manager Internal  
Audit & Risk



**LAIISA LEQEIWAI**  
Executive Personal Assistant



**SIMIONE VITIARAI**  
Executive Assistant



**PARADISE TABUCALA**  
Communications Officer



## CHAIRMAN'S REPORT TUKUTUKU NI LIULIU NI MATABOSE

“ NA I LAVO BULA NI  
KABANI COKOVATA E TUBU TIKOGA  
ENA 7 NA PACEDE NI VAKATAUVATANI  
ENA 2015 NI I LAVO BULA  
E \$218 NA MILIONI. ”

IOWANE NAIVELI  
CHAIRMAN

### DEAR SHAREHOLDERS,

First of all, I would like to congratulate our heroic seven teams for winning the first ever gold medal for the nation. They have lifted Fiji to the top of the world as the Olympic champion.

Secondly, I would like to congratulate the Board, Management and staff of the Group for the best operation result for Fijian Holdings Company this year. It has achieved beyond our expectation.

This year like the previous years, FHL has faced many challenges in the business environment. What has not changed however, is the unique ability of the organisation to continue to adapt to an environment that remains volatile and challenging and respond in a manner that reflects our qualities and experience.

I hope that the report will provide an in-depth information on the operation of FHL and the Group companies. The Board has performed well in ensuring that the planned strategies were implemented to maximise shareholder returns.

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

All our Group companies are competitive and dynamic in their specialised field of operation and offer high end service to its customers keeping in mind the demand of quality service.

### VEIKEMUNI NA ITAUKEI NI SEA,

Taumada au via cavuta na vakavinavinaka vei iratou na noda toa ni vala ni rakavi le ya vitu ena kena rawati mai na isevu ni metali koula ni noda vanua. Eratou sa vakarogorogoi Viti kina veiyasai vuravura ni ratou jabenii ena sotasota ni Olympic.

Au via vakavinavinakataka talega na matabose e cake, tamata cakacaka kei na kabani cokovata ena uasivi ni rawa kã. E sa rawati kina na veika e sega tũ ni namaki.

Ena yabaki qo, tautauvata kei na veiyabaki sa oti yani, a sotava na FHL e vuqa na bolebole vakacakacaka. Na tikina e sega ni se bau veisau; oya, ni rawa vua na kabani me levea na dredre kei na bolebole. Qo, e dusia tũ na ivakarau kei na kila vakacakacaka mai na veikabani.

Au vakabauta ni ripote oqo, ena vakarautaka vei kemuni na i vakamacala titobu e veiqaravi kina na FHL kei na kena veikabani. E sa veiqaravi vinaka sara na Matabose ena nona raica me cakacakataki na i tuvatuva me rawa ni ra rawata na tubu uasivi o ira na taukei ni sea.

Na matabose kei ira na veiliutaki era raica tiko vakamatau me veiqaravi na kabani ena kena i naki, na rai ni kabani kei na veika era tũ me vaqacacotaki kina na nodra vakaitavi na kawa iTaukei ena vuravura ni bisinisi.

O ira na noda kabani era veiqati vinaka tiko, ka ra sasaga mera kena dau ena i voli era vakarautaka ka solia na veiqaravi uasivi duadua vei ira na lewenivanua.

## CHAIRMAN'S REPORT

### TUKUTUKU NI LIULIU NI MATABOSE

The drastic effects of Cyclone Winston did not deter the group from regrouping and getting back to business to deliver what it does best. The group also donated more than 100,000 in cash and kind towards the relief efforts of the disaster as part of its social responsibility and being a good corporate citizen.

With the recent developments and Governments focus on infrastructure improvement throughout Fiji has given the much needed multiplier effect to the economy as a whole and the FHL Group has benefited significantly on this mostly through the subsidiary companies; Basic Industries and Pacific Cement.

#### FINANCIAL REVIEW

FHL has successfully completed another exciting year with remarkable performance reflecting the team work and dedication of the FHL family.

Total Revenue for the Group was up by 14% compared to last year finishing at \$298m. Net Profit After tax also increased as a result of increased sale finishing the year at \$23m compared to \$17m in 2015.

There was substantial growth of 61% in profit after tax for the holding company while the Group profits grew by 29%.

The major contributors to the revenue were RB Patel, MFL, BIL, PCL and SSC. The larger margin contributors were RB Patel, FHLP, and BIL. FHL Group and the holding company embraces a very strong financial position recording total assets of \$284m for the holding company while the Group recorded total assets of \$475m compared to \$459m in 2015.

The equity holdings of the FHL Group continues to grow with increase of 7% compared to 2015 finishing at \$218m. This is highly reflective of the positive performance of the subsidiary companies together with the performance of minor investment and associate companies.

#### DIVIDEND

The improved performance in the current year and the considerable achievement from the operation in previous years has seen FHL increase its dividend payout to shareholders from 21 cents in 2014 to 22 cents in 2015 and further increase by 1 cent finishing FY16 with 23 cents/share. The Board and the Management ultimate duty lies with the shareholders hence the results of the high operational efficiency and the increased margins has to be reflected in the dividend payout to the owners of the company.

FHL as a Group has paid approximately \$24 million to Government in the form of taxes which equates to an estimate \$15,000 per capita over a staff roll of 1,600.

The competitive nature of FHL has been lucrative in the stock market evident by the ever increasing demand for its shares in the stock market. The price of FHL share at the time of this report was recorded at \$4.08.

#### CORPORATE GOVERNANCE

The introduction of the new Companies Act 2015 has put in more responsibilities on the directors to be accountable to the shareholders at all times. The act comes with heavy penalties and disclosure requirement of the Directors.

Na vakacaca ni cagilaba o Winston e sega ni lokuyara kina na nodra tuvatuva kã vakavinaka na veikabani ka vakuria na veiqaravi ena veika era kena dau kina. Ea solia talega vakailoloma na kabani e rauta toka e sivia na dua na drau na udolu na dola na i wiliwili ni kece ni veika vakai lavo kei na i yaya ni veivuke kina loloma ni cagilaba me nona cau vei ira era vakaleqai me tiki ni nona veiqaravi raraba.

Na rai vou ni matanitu me vakadaumakataka na veivakatoroicaketaki, qo esa vukea sara vakalevu na bula vakailavo ni noda vanua qai kena ikuri ni tokona vakalevu na nodra veiqaravi e rua na noda tabana oya; na Basic Industries kei na Pacific Cement.

#### VEIKA VAKA I LAVO

E sa mai vakacavara tale na FHL e dua na yabaki lagilagi vakailavo ka tukuna tũ na gugumatua ni veiqaravi, na lomavata kei na nodra yalo dina na lewenivuale ena FHL.

Na levu ni yau e rawata na kabani cokovata e \$298 na milioni qo e tubu ena 14% ni vakatauvatani ena yabaki sa oti. Na tubu (ni lavaki oti na vakaicavacava) e yacova sara na \$23 na milioni ni vakatauvatani kei 17 na milioni ena yabaki 2015.

E 61 na pacede na tubu (ni lavaki oti na ivakacavacava) ena veikabani e taukena na FHL ka toso cake na tubu ena 29 na pacede ena kabani cokovata. Na levu ni veika vakailavo e rawati e vakaitavi mai kina o RB Patel, MFL, BIL, PCL kei na SSC. Qo e cau vakalevu mai kina o RB Patel, FHLP kei BIL.

Na kabani cokovata na FHL kei na veikabani e taukena e vakadeitaka toka na nona rawati koya vakailavo ni \$284 na milioni e rawata mai na veikabani e taukena ka \$475 na milioni mai na kabani cokovata ni vakatauvatani kei \$459 na milioni ena yabaki 2015.

Na i lavo bula ni kabani cokovata e tubu tikoga ena 7 na pacede ni vakatauvatani ena 2015 ni i lavo bula e \$218 na milioni. Qo, e sa tukuna tũ na gugumatua ni veiqaravi mai na veikabani vakarurugi ena FHL, ira na veikabani lalai kei na kabani veiwekani.

#### TUBU VAKA I LAVO

Na kena vinaka cake mai na rawa kã ena yabaki qo kei na veika sa dau rawati voli mai ena veiyabaki sa oti e vakavuna me toso cake tikoga na tubu keitou dau wasea mai na 21 na sede ena 2014 kina 22 na sede ena 2015, qai toso cake tale ena 1 na sede ena yabaki vakailavo ni 2016 me 23 na sede/sea. E tavi ni matabose kei ira na kena manidia mera qaravi vakavinaka na taukei ni sea koya gona na daumaka ni veiqaravi kei na rawa kã vakailavo ena lai matanataka ena tubu era wasea na taukei ni kabani.

Na kabani cokovata ni FHL e sa sauma oti, vakacaca e rauta ni \$24 na milioni kina matanitu me ivakacavacava qo e tautauvata ni \$15,000 dua na tamata cakacaka mai na 1,600 na levu kece ni tamata cakacaka.

Na nona veiqati vinaka na FHL ena veivanua ni bisinisi e vakilai vakalevu ena makete ni volitaki sea, me vaka ni dau gadrevi vakalevu. Na isau ni sea ni FHL ena gauna e vakarautaki kina na ivola qo e tiko ena \$4.08.

#### VAKARAU NI CAKACAKA

Na kena mai taurivaki na lawa vou me baleti ira na kabani (Companies Act 2015) e sa solia vei ira na dairekitã na itavi bibi ni nodra veiqaravi vakadodonu ena veigauna kece. E sivia sara na iyalayala ni totogi e lavaki kina, okati kina na nodra vakatakila na veika e gadrevi vei ira.

I am pleased to inform the shareholders that we have at all times acted in the best interest of the shareholders and I can proudly say that all directors within the FHL Group have obtained formal training on the roles and responsibilities of directors and are members of internationally recognised Australian Institute of Company Directors.

Governance remains a high priority and the Board continuously engages in debate on how we can improve performance and effectiveness. While we have strengthened our process for evaluating the Boards as a whole, we also have feedback and support mechanism for each Directors aimed at improving individual performance.

We also advertised for Independent Directors during the year, recruited few more young directors to subsidiary boards. The company ensures that directors take part in training organised by bodies like FIA, CPA and AICD to ensure that the directors are well informed on the latest developments for business opportunities as well as their responsibilities.

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

#### **REWARD FOR OLYMPIC GOLD MEDAL**

As a good corporate citizen we had promised various rewards for Team Fiji participating at the 2016 Olympics games. The entire Fiji was thrilled to witness the historic occasion of Fiji winning the first gold medal. As we announced in June 2016, FHL will offer a cash reward of \$2,500 and units worth \$500 for each player of the Fiji Rugby Team. The winning of the gold medal will certainly affect our tourism industry for the betterment.

#### **MOVING FORWARD**

We are now entering the era of digitalization and there are now more emphasis on the effect of climate change in our environment. The effects of these two phenomena will certainly affect how our people behave and react. We have to put in place proper risk management policies and strategies that will ensure sustainability in our business ventures. These have to be reviewed annually because the world economy is changing rapidly.

We expect some of the challenges faced last year to continue into FY2017 as uncertainty continues to beleague the world economy. However, we are confident that the Group will be able to navigate the choppy waters and acquit itself. With a strong investment in diversified portfolio and our deep experience in the ever-changing business environment, the Group has significant strengths to withstand any turbulence ahead.

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.

FHL has prospective investment and strategic plans in place to ensure that the shareholder returns is maximised with every transaction we do. Few plans that are in the pipeline include investment in the Government Printery, Solar Energy, FEA whilst the strategically focussed plans is to publically list MFL and BIL on the South Pacific Stock Exchange.

E ka dokai vei au meu vakaraitaka vei ira na taukei ni sea ni keitou vei qaravi voli ga ena vukudra, era sa goleva oti tale ga na veitabana ni vuli o ira na nomuni dairekitā me veiganiti kei na itavi era vakacolati kina. E vuqa vei ira era lewena na Australian Institute of Company Directors.

Na veiqaravi vakaivakarau e dau vakabibitaki ka sa nodratou itavi na lewe ni matabose ena kena veivosakitaki na veika me vakadaumakataka na ivakarau ni cacacaka kei na kena mana. Mai na kena vakaukauwataki na ivakarau era ilovi kina na lewe ni matabose, e tu talega na neitou ciqoma na ivakasala mai taudaku kei na veitokoni me baleti ira na neitou dairekita ena kena vakadaumakataka na nodra rawa ka yadudua.

Keitou sa dau veisureti talega vei ira na 'dairekitā tu galala, kei na nodra taurivaki eso na dairekitā gone mera veiqaravi ena veitabana era vakarurugi ena FHL. E sa dau sasagataka na kabani mera lewena na vuli era vakarautaka na veisoqosoqo me vaka na FIA, CPA kei AICD me rawa ni ra vakatoroicaketaka na nodra kila kā me baleta na bisinisi kei na nodra itavi.

Esa mai taura talega na kabani na ivola vakadinadina mai na SPSE nidatou sa dau rokova tiko na veika vakalawa kece e gadrevi mai vei ratou.

#### **VAKAVINAVINAKA NI RAWA METALI KOULA ENA OYLMPIC.**

Me vaka ga na noda itavi ni veiqaravi raraba eda a yalataka eso na icocovi vei ira na matataki Viti kina sotasota ni Oylmpic, 2016. E kuruseti Viti na qaqa vakairogorogo ka rawati kina na isevu ni noda metali koula. Me vaka ga na neitou kacivaka ena Jiune ni 2016, ni FHL ena solia na iloloma lavo qaqa rauta ni \$2500 kei na \$500 na sau ni uniti me dola se vakuri kina nodratou akaude ni vakatubuilavo o ratou na lewe ni timi ni rakavi ya vitu ni Viti. Sa dina sara, ni kena rawati na metali koula sa na vukeya na tabana ni saravanua ena noda vanua.

#### **VEIKA MEDA VAKANAMATA KINA**

Eda sa curuma yani qo na gauna vou ni veika vakalivaliva, ka vaka me vakabibitaki talega na veika e baleta na revurevu ni draki veisau. Na revurevu ni veika ruarua qo ena rawa ni veisautaka na nodra ivakarau kei na nodra vakatulewā na noda lewenivanua. E sa dodonu gona kina meda vakarautaka tu eso na yavu ni kena raici na ririko oqo me kua ni na vakaleqa na toso ni bisinisi. Qo mena qai dau raici lesu ena veiyabaki me vaka ni sega ni tudei rawa na rawa kā vakailavo ni vuravura raraba.

Keitou sa namaka tiko ni so na bolebole e sotavi ena yabaki sa oti me na basika tale ena yabaki vakailavo ni 2017, e vaka kina na kena sega ni vakataudei rawa na rawa kā vakailavo ni vuravura raraba. Ia, keitou yalo dei tū ni na rawa vua na noda kabani cokovata me soko levea na wasawasa voravora qo, ni yavutaki na veiqaravi ena rabailevu ni vanua keitou vakatubuilavo voli kina kei na neitou sa ciciva oti na cere ena vuravura ni bisinisi ka dau veiveisau wasoma.

Ni da sega ni lewā rawa na i drē mai na taudaku ni noda kabani, sa na rawa meda lewa vakamatau na noda Jeruisalemi, ena noda veiqaravi vakamatau kei na noda umana vata na veika eda kaukauwa kina me tosoi keda eliu.

Na FHL esa vakatubuilavo tū ka salavata kei na lalawa kā me rawa ni ra rawata na tubu uasivi duadua o ira na taukei ni sea ena veivoli kece keitou vakayacora. Era okati tiko ena ituvatuva vou qo na vakatubuilavo kina veitabana me vaka; Tabana ni Tabaivola ni matanitu, Vakavure Kaukauwa (Solar Engery), Tabana ni Livaliva (FEA) kei na neitou sa vakanamata me okati kina South Pacific Stock Exchange na kabani erua na MFL kei na BIL.

## CHAIRMAN'S REPORT

### TUKUTUKU NI LIULIU NI MATABOSE

FY2017 will be another challenging year and with the efforts of our dynamic staff and Board Members of the Group, I believe that we can overcome any difficulties ahead and report a much stronger, healthier and sustainable performance in years to come.

#### ACKNOWLEDGEMENTS

I wish to thank particularly my fellow colleagues on the Board of FHL for their invaluable advice and counsel in the time they have been on the Board. Equally, my deep appreciation also goes to the staff and management who have pressed on with unflinching dedication and hard work.

To all our stakeholders and shareholders, we record our deep appreciation for their continued support all these years

Since we always ask God through prayer at the beginning of all FHL Board meetings and all our annual general meetings, it is also proper that we thank God for the work being done for the past years.

Na yabaki vakailavo 2017 e dua tale na yabaki ni bolebole, ia ena nodra gugumatua na vakaisilesi kei ira na lewe ni matabose ni kabani cokovata, au vakabauta ni rawa me keimami na ulabaleta na vei bolebole oqori ka vakatakila edua na yabaki ni veiqaravi, qaqa, bulabula ka tudei ena gauna qo kei na veiyabaki muri mai.

#### VAKAVINAVINAKA

Au via vakaraitaka na noqu vakavinavinaka veiratou na noqu itokani ena loma ni matabose ena ivakasala momona kei na veivakadeitaki ena gauna kece eratou lewena voli kina na matabose. E vakā talega kina vei ira kece na vakaisilesi kei ira na manidia kara tosoya tikoga na veiqaravi ena yalodina kei na gugumatua.

Vei ira kece sara talega na taukei ni sea kei ira na kabani veiwekani, sa cavuti na vakavinavinaka levu ena nomuni veitokoni ena veiyabaki kece sara.

Me vaka nida dau kerea na Turaga ena masu me tekivu kina na noda bose na matabose ni FHL se na qaravi ni noda bose vakayabaki ena ganita vinaka meda vakalesuya talega vua na Kalou na vakavinavinaka ena veika sa veivakarautaki voli kina ena veiyabaki eda sa vakanadakuya.

Vinaka vakalevu



**Iowane Naiveli**

Chairman

20th August, 2016

## GROUP CEO'S REPORT TUKUTUKU NI KABANI COKOVATA

“THE GROUP EXPERIENCED A HEALTHY NET CASH FLOW OPERATING ACTIVITIES OF \$ 52.74 MILLION FOR THE CURRENT PERIOD, AN INCREASE OF 143% COMPARED TO PREVIOUS 12 MONTHS.”

**NOUZAB FAREED**  
GROUP CEO

It is a pleasure to write to you at the end of yet another exciting year of strong performance in our journey towards achieving our vision. I think the theme of our annual report, “Broadening the horizon for growth” captures well of our current key initiatives which illustrates the importance of the multifaceted nature of business today. We need a great and healthy team to deliver strong results, the capital to enable us to take bold steps and to ensure we are having a positive impact on our society and environment.

As a conglomerate with exposure to different sectors of the economy, diversity has always been one of our greatest strengths, especially in the face of challenges posed by external environment. The period under review witnessed growth across the sectors we operate, while we focused on disposing loss-making strategic business units.

Profits and success depends on value, but our understanding of value often takes too much for granted, failing to recognise what it is and the changing context within which its created and preserved. This is why it is important to consciously relook at what we are doing and what we are planning to do. When we reach a potential optimum points, it is wise to divest investments in the same way to acquire investments when it has potential to grow.

FHL has long been recognized as one of the most successful and dynamic conglomerates in Fiji having regional presence. Since its humble beginning in 1984, it has been evolving and setting new benchmarks and opening new frontiers. Last year, FHL became the first listed entity in Fiji to recruit Independent Directors for subsidiaries through public advertisements. It was followed by first

E ka ni marau meu volavola yani vei kemuni ena mua ni dua tale na yabaki ni rawa tubu ka vakavotukanataki kina na rai ni kabani. Na uto ni tukutuku vakayabaki “Vakarabailevutaki na Tatadra ni Rawaka” me sota kei na veika keitou gadreva me keitou rawata ena bula vakabisinisi. Keitou vinakata edua na timi bulabula me rawata na tubu vinaka, na i lavo me vukei keitou ena cavu ikalawa ena neitou kakavaki ki liu me ra vakila na lewenivanua na uasivi ni veiqaravi.

Ni vinakati me laurai na rawa ka ena kabani cokovata, na duavata ni veitabana duidui e sa i vurevure ni kaukauwa, vakabibi ena kena sotavi na bolebole ni veika mai taudaku. Na yabaki vakailavo qo e vakadeitaka na tubu e rawata na veitabana, ia keitou raica yani vakabalavu me na kau tani na lusi ni veitabana duidui ni kabani ka sega ni kauta mai na rawa ka vakailavo.

Na tubu kei na rawa ka e vakatau ena veika keitou vakabibitaka ia e dau tauri tu ga vakamamada ka sega ni laurai rawa kina na kena i balebale kei na veiveisau e kauta mai, kei koya e dodonu me da maroroya. Sa bibi kina me laurai tale mada vakavinaka na veika sa qaravi tiko kei na i tuvatuva e nanumi me vakayacori. Ni yacovi na vanua eda sa mai rawata sa dodonu me vakalailaitaki e so na tabana ka sega ni rawa tubu vakalevu ka vakalevutaki na veitabana sa rawa tubu vakavinaka tiko.

Na FHL sa kilai tu main a nona sa rawati koya tu vakavinaka ka vaka kina na kena veitabana duidui ka sat u ena Pasifika. Me tekivu mai ena 1984, sa toso na nona veiqaravi, cavuti e so na i sausau ka dolavi eso na tabana ni veiqaravi vou. Ena yabaki sa oti, na FHL e matai ni kabani ka tabaki ena Stock Exchange me vakacakacakataki ira na Daireketa tu vakataki ira ena veitabana lalai ni oti na kena tabaki raraba me kilai. E tarava sara na kena dikevi na ka vaka i lavo ena

to do six-month Audit review by independent external auditors. We hope to continue the trend. We will continue to lead where it matters.

### **GROUP PERFORMANCE**

Fijian Holdings Group recorded a consolidated operating revenue of \$293 million reflecting growth of 15% over the preceding 12 months. If discontinued operations are included, this could have been more than \$314 million. Consolidated post-tax profit reached \$25.88 million for the 12 months ended 30 June 2016, compared to \$18.48 million achieved in the previous year. This represents a growth of 40%.

Total group assets grew by only 3% to reach \$475 million while total liabilities grew marginally by 1% to \$257 million. The Group experienced a healthy net cash flow from operating activities of \$52.74 million for the current period, an increase of 143% compared to previous 12 months. The Group recorded a commendable Return on Net assets of 9.3% for the current period. It is also important to note, the group paid \$24.17 million to the Government in the form of tax, duties and other dues compared to \$25.46 million paid during the previous year.

FHL as the holding company recorded a marginal decline in revenue but post-tax profit for 12 months ended 30 June 2016, rose by 61% to \$20.85 million. While gearing levels has improved from 26% to 21%, net cash from operating activities has increased from \$13.37 million in the previous year to \$19.61 million in the current period. Overall return on net assets (RONA) has improved from 6.8% to 9.3% during the 12 months.

### **PERFORMANCE OF GROUP COMPANIES**

FHL Group serves as an investment house which offers investors variety, in terms of exposure to asset classes based on their preference and risk appetite. To this end, the group offers, fixed term deposit products through Merchant Finance Ltd, a licensed credit institution while Fijian Holding Unit Trust offers long-term portfolio based units. In addition, FHL Stock Brokers Ltd offers an opportunity to invest in listed equities in Fiji as well as overseas.

Merchant Finance Ltd recorded a pre-tax profit of \$9.39 million based on a revenue of \$21.42 million for the 12 months ended 30th June 2016 compared to a pre-tax profit of \$10.02 million on a revenue of \$19.75 million achieved in the previous year. Increased competition coupled with depositor sophistication was the leading factor that contributed towards marginal decline in profitability. During the period under review, an increase of \$28 million was recorded in Total loans and advances to reach \$129 million while customer deposits increased by same amount to reach \$118 million.

FHL Fund Management Ltd, which manages the Fijian Holdings Unit Trust (FHUT) has recorded a 6% growth in pre-tax profit to reach \$1.08 million whereas FHL Stockbrokers Ltd reported a pre-tax profit of \$0.04 million. Fijian Holding Unit Trust has become a flagship savings institution for the country by attracting more than \$34 million investments from 4,253 unit holders during past 24 months. As at 30 July 2016, the total fund has reached \$90 million with more than 8,700 unit holders.

loma ni ono na vula mai vei ira na daunifika mai tuba. Keitou na raica me keitou na liu tikoga ena kena sagai na toso ki liu ni kabani.

### **RAWA TUBU NI KABANI COKOVATA**

A rawata na Kabani Cokovata na Fijian Holdings edua na i lavo bula e \$293 na milioni mei vakaraitaki ni tubu e 15 na pacede ena loma ni 12 na vula sa oti. Kevaka e oka kina na cakacaka sa mai tarovi na kedra cici, a dodonu me levu cake ena \$314 na milioni. Na tubu ni sa musu oti na ivakacavacava a yacova na \$25.88 na milioni ena loma ni 12 na vula ka mai cava ena 30 ni June 2016, ni raici vata kei na \$18.48 na milioni a rawa ena 12 na vula sa oti, qo e vakadeitaka na tubu e 40 na pacede.

Na levu taucoko ni lavo taukeni ni kabani cokovata e tubu walega ena 3 na pacede me yacova na \$475 na milioni, ia ka tubu ni dinau ena 1 na pacede me yacova na \$257 na milioni. E rawata na kabani edua na tubu vinaka mai na i lavo ni cakacaka e rauta ni \$52.74 na milioni me veudutaitakivata mai na tubu e 143 pacede ena 12 na vula sa oti. A rawata na Kabani Cokovata edua na tubu ena i yau taukeni e 9.3 na pacede me baleta na yabaki qo. E dodonu talega me kilai ni a sauma na Kabani Cokovata e \$24.17 na milioni ki na matanitu me i sau ni vakacavacava kei na so tale na i lavo lavaki ka veidutaitakivata kei na \$25.46 ka saumi ena yabaki yani e liu.

Me vaka ni kabani liuliu na FHL, e vakaraitaka, edua na lutu lailai ni lavo e rawati, ia na tubu ka rawati ni oti na kena musu na ivakacavacava ni 12 na vula mai cava ena 30 June 2016, e tubu cake ena 61% kina \$20.85 na milioni. Na toso ni sasaga e laveti cake kina 26 na pacede mai na 21 na pacede, e rawati kina na tubu mai na \$13.37 na milioni ena yabaki yani eliu kina \$19.61 milioni ena loma ni yabaki qo. Na i lavo kece e rawa mai na iyau bula taukeni na RONA e toso cake mai na 6.8 na pacede kina 9.3 na pacede ena loma ni 12 na vula.

### **VEIKA RA RAWATA NA VEIKABANI NI FHL**

Na kabani cokovata na FHL e okati me kabani ni vakatubu bisinisi ka dolava ki vei ira na dau ni vakatubu bisinisi na veisala eso ka okati kina na kalasi ni yau taukeni ka vakatau ga ena kena era digitaka. Eke, e solia tu na kabani na vakatubu i lavo vakataudeitaki (fixed term) ena i voli ena Merchants Finance Limited, na tabana e vakailieseni me solia na dinau, kei na Fijian Holding Unit Trust e solia talega na voli uniti (unit) ka rawa ni taukeni vakabalavu. Na FHL Stock Brokers talega, e solia na galala me vakatubu i lavo ena veikabani e volai tu ena Stock Exchange e Viti ka vaka kina mai vavalagi.

E rawata na Merchant Finance Limited na tubu e \$9.39 na milioni ni bera ni musu na ivakacavacava ka vu mai na rawa i lavo ni kabani ka rauta e \$21.42 na milioni ena loma ni 12 na vula ka mai cava ena i ka 30 ni June 2016 me vakadutaitakivata kei na \$10.02 na milioni nib era ni musu na i vakacavacava main a rawa i lavo ni kabani ka rauta ni \$19.75 na milioni na veiyabaki yani e liu. Na tubu cake ni veiqati sala vata kei na nodra kila na dau ni vakatubu i lavo e mai vakavuna kina e dua na lutu lailai ni tubu e rawati. Ena loma ni yabaki vakailavo e rauta ni \$28 na milioni na tubu e rawati main a dinau kei na i lavo soli e liu (advance) e yacova yani e \$129 na milioni, kei na nodra vakaicuru i lavo na meba e tubu cake ena uma i lavo vata koya me yacova na \$118 na milioni.

Na FHL Fund Management Ltd ka cicivaka tiko na Fijian Holdings Unit Trust (FHUT) e rawata na 6 na pacede na tubu ni se bera ni musu na ivakacavacava me yacova yani na \$1.08 na milioni kei na FHL Stockbrokers Ltd (dau volia ka volitaka na sea) e rawata na tubu e \$0.04 na milioni ni sa musu oti na ivakacavacava. Na Fijian Holdings

At FHL Group, we cannot follow 'One format fits all' approach. Each of our subsidiaries is developed with critical success factors of the industry in mind. This reflects in its offerings and pricing as well. We offer and encourage investments in Units for those who wish to save small on a medium to long term basis whereas investors who has capacity to take moderate risk will be looking for equity investments.

Real Estate business of the group is emerging as a significant platform for the future. The wholly owned subsidiary FHL Properties Ltd has four commercial buildings with 132,000 sq. ft. of space in Suva City with 45 tenants. In the near future, the fifth commercial property, a 17-storey building FHL Tower will fill the Suva sky. This would be the biggest property investment done to date by FHL Group. During the year, FHLP achieved 100% occupancy of its space and recorded a pre-tax profit of \$1.06 million on a revenue of \$3.90 million. This represents a growth of 2.5% and 24.8 % respectively for revenue and profits,

Star performer of the group for the period under review is Basic Industries Ltd (BIL). The company made a pre-tax profit of \$9.20 million representing a growth of 158% from the previous year. During the same period, revenue grew by 32% to reach \$ 67.35 million, second highest in the group. This growth was mainly due to increase in budget allocation by the Government of Fiji for road improvement together with increased demand for ready-mix concrete, blocks and aggregates. In addition, the demand for same products from Pacific Island countries were major booster during the period under review.

Pacific Cement Ltd (PCL), the pioneering cement company in the country was instrumental in achieving historical record sales of 150,543 tonnes. PCL has never sold this quantity in its 60 year old history. Revenue grew by 20% to reach \$38.09 million for the year ended June 2016 while pre-tax profit reached \$2.63 million, representing a 97% growth.

Due to challenges faced and continuing losses incurred, FHL decided to divest its concrete batching operations in PNG. Overall, FHL has lost more than \$7 million from operating a concrete batching plant in Port Moresby. We still do see the brighter side of PNG, the largest country among Pacific Islands in terms of GDP. Following our disposal, we also invested a further six million PGK in Pernix PNG Ltd, which will focus on Construction and Power sector in PNG. In spite of difficulties encountered, we remain focussed on the Pacific region as a whole.

The performance of two listed companies in the group RB Patel Group Ltd (RBG) and Fiji Television Ltd (FTV) have exceeded expectation. RBG reached a revenue of \$118 million, highest ever in its history while post-tax profit has grown by 24% to reach \$8.20 million. Continuing operations of FTV which is free-to-air have performed remarkably well for the period under review. If discontinued operations of Sky Pacific and Media Niugini Ltd are included, the FTV group would have made a post-tax loss of \$0.67 million for the financial year. The same justifies the decisions taken by the Board to divest both operations.

Performance of South Sea Cruises Ltd (SSC) and Blue Lagoon Cruises Ltd for the period under review is commendable. Despite encountering Tropical Cyclone Winston and temporary closure of few resorts, the Cruise Company managed to exceed its budgets by providing services to more than 225,000 tourists during the year. SSC recorded a pre-tax profit of \$5.69 million for the period, a growth of

Unit Trust e vaka tiko e dua na waqa ni maroroi i lavo ni noda vanua ka sa tekivu drete rawa e rauta ni \$34 na milioni mai vei ira na 4253 na itaukei ni Uniti ena loma ni 24 na vula sa oti. Ni mai yacova tiko na 30 ni Julai 2016 sa yacova sara e \$90 na milioni na i lavo e maroroi rawa mai vei ira e 8700 na i taukei ni uniti.

Ena kabani cokovata na FHL, keitou sega ni rawa ni vakamuraia tiko n aka e dau tukuni tu me'e dua na i vakarau e rauti keda kece". O ira kece na neitou veitabana yadua era a tauyavutaki ena rai ni rawa tubu kei na vakasama ni veivakatorocaketaki. E vakaraitaki qo ena veika e solia na kabani kei na kena i sau. Keitou solia ka vakaukauwataka talega na vakatubuilavo ena uniti vei ira era gadreva me ra maroroi lavo vakalailai ena dua na gauna lekaleka se kina dua na gauna balavu, ia o ira na dauvakatubuilavo ka rawata me ra taura na ririko , era na vakasaqara na vakatubuilavo ena kena era na rawa ilavo kina vakavinaka.

E na taba ni bisinisi ni volitaki vale kei na qele ena kabani e laurai ni rawa me na dua na taba ni bisinisi kaukauwa ena veigauna mai muri. Na noda kabani taukeni vakadua na FHL Properties Ltd, e taukena e van a vale redetaki ka 132,000 na fiti vakaviriviri na kena levu ena loma ni siti o Suva ka 45 era rede tiko kina. Ena dua na gauna lekaleka mai qo, na i ka lima ni vale redetaki, na vale taba 17 na yacana na FHL Towerka na dua na i sakisaki ena loma I Suva. Oqo san a vale levu taudua ni vakatubu I lavo me na tara na FHL me yacova mai qo. Ena yabaki qo, e rawata na FHLP na 100% na kena vakatawani na vale ka rawa Sa tubu tiko vakavinaka na tabana ni volitaki vale kei na qele ka na rawa me sala ni rawa kina na i lavo ni bera ni musu na kena ivakacavacava e\$1.06m ena i lavo e \$3.90m. E vakaraitaka oqo e vakaraitaka na tubu e 2.5% kei na 24.8% baleta na i lavo bula kei na tubu.

Ena loma ni yabaki oqo e cecehia kina na veiqaravi ni Basic Industries Ltd(BIL). E rawata na kabani na tubu e \$9.20 na milioni nib era ni musu na I vakacavacava ka vakaraitaka na tubu e 158% mai na veiyabaki sa oti. Ena gauna vata talega oqori e rawati kina na tubu vakailavo ena 32% ka rawati kina e \$67.35m, na i karua ni lavo levu ena kabani. Na tubu ka rawati oqo e rawati ena nona solia na matanitu na I votavota ni kena vakavinakataki na gaunisala kei na kena gadrevi vakalevu na simede sa qaqi oti, buloko kei na vatu ni caka sala. Na kena i kuri sa i koya na kena gadrevi vakalevu na i voli vata oqo main a veiyanyanu ena Pasifika ka vukea vakalevu na rawa tubu oqo.

Na Pacific Cement Ltd ( PCL ), a i matai ni kabani ni buli simede ena noda vanua ka vakaitavi ena kena rawati na i sausau levu ni kena volitaki na simede ka rauta ni 150,543 na tani. Ena loma ni 60 na yabaki ni kena cici tiko na kabani, esa bera vakadua ni bau yacova na PCL na i sausau oqo. E tubu cake na raw aka vakailavo ena 20% ka yacova na na \$38.09 na milioni ena 12 na vula ka mani cava ena June 2016 ka yacova na \$2.63 na milioni nib era ni musu na I vakacavacava ka vakaraitaka na tubu e 97%.

Ena vuku ni kena sotavi na bolebole kei na lusi veitaravi a yaco, a vakatulewa kina na FHL me sa volitaka na nona cakacaka ni buli simede mai PNG. Ea vakalusia kina na FHL e sivia na \$7 na milioni mai na nona buli simede tiko mai Port Moresby. Ia, keitou sa raica tikoga nay asana rarama kei PNG ka ni matanitu levu mai vei ira na matanitu ena wasa Pasifika ena vuku ni kena GDP. Ni oti na neitou biuta na bisinisi oqo, keitou mani vakatubu i lavo, me sivia e 6 na milioni Pernix PNG Ltd ka vakanamata kina taravale kei na vakasucu livaliva e PNG. E dina ga ni sotavi tiko na dredre, keitou na vakanamata tikoga kina i wase ni Pasifika raraba.

7.5%. This includes a provision for fall in value of Mystique Princess. As a group, we continue to be bullish about the Leisure sector and are investing more than \$10 million in acquiring two more vessels to service increasing demand from Port Denarau.

Life Cinema Ltd, our newest investment in the entertainment industry, made a loss during the financial year but this was within our projections. Within next 12 – 18 months, two Cinemas in Lautoka and three in Nakasi will be added to the existing four in Nadi. Within this expansion, we expect the company to become profitable from 2017.

### **CHALLENGES**

Overall the Investment portfolio of FHL stood at \$257 million on 30 June 2016, reflecting a 11.3% growth. More importantly, shareholders' equity has grown from \$189 million in 2015 to \$224 million as at 30 June 2016. Shareholder's equity was only \$38 million in 1996. Within a period of 20 years, the shareholder value has increased by \$186 million or on average \$9.3 million every year.

In the process of Portfolio Diversification, FHL has invested in different asset class and in different securities in an attempt to reduce overall number of investments. Since inception in 1984, FHL has invested in 49 companies. As at 30th June 2016, FHL has investments in 29 companies. While we do monitor, follow and take corrective actions, there is a possibility of fall in value of investments.

During this year, the impairment and fall in value of investments have been contained. But we had to provide for the continuous deterioration of the status of Mystique Princess, for which we have been searching for a buyer. Refurbishing the 20-year old vessel may not be feasible at this stage. In addition, we also made an impairment on our investments in Pernix Fiji Ltd, which is due to a one-time loss, the company made in 2015 as a result of Kinoya Power plant construction.

As a result of restructuring of short to medium term debts, we have managed to reduce anomalies in the balance sheet especially between Current Assets and Current Liabilities. Being an investment company, we do not keep cash or cash equivalent within the holding company but rather reduce our debt on a monthly basis, while every new investments or acquisitions will attract further debt.

### **ACQUISITIONS AND DIVESTMENTS**

It was a very challenging year with three key divestments within the group companies. Yet as always, your company remains confident of its ability to strategically expand its business interests to deliver consistent value back to the many stakeholders we partner today, domestically and regionally.

It is a pleasure to share with you that all our loss making subsidiaries in the group have been divested within the past few years. During the year, we managed to divest our loss making operations in Papua New Guinea (PNG). We did not leave PNG, rather we made a decision to divest the company to a more capable operator, Pernix PNG Ltd and to acquire a stake in the acquiring company. We are certain in the years to come, this investment will pay dividends to recoup all losses made in PNG to date.

Na nodrau rawa ka na kabana e rua ka rau dau kacivaki ena Stock Exchange na RB Patel Group Ltd (RBG) kei na Fiji Television Ltd (FTV) e tiko e cake mai na veika e namaki. E yacova na RBG na i lavo bula e \$118 na milioni, na kena ka levu taudua ena kena i vola tukutuku, ka tubu ena 24 na pacede ni sa musu oti na ivakacavacava me yacova na \$8.20 na milioni. E toso vinaka tikoga na veiqaravi ni FTV ena yabaki vakailavo ka okati kina na raitio yaloyalo sega ni saumi (Sky Pacific). Kevaka e okati vakailavo na nodrau sa mai vakacegui na Sky Pacific kei na Media Niugini Ltd, ke a yaco yani na lusi vakailavo e \$0.67 na milioni ni sa musu oti na i vakacavacava. Qo e vakadeitaka na nodratou vakatulewa na Matabose me sa volitaki kina na kabana ruarua oqo.

E vakacautaki vakalevu ena yabaki vakailavo na nodrau veiqaravi na South Sea Cruises Ltd (SSC) kei na Blue Lagoon Cruises Ltd. E dina ga ni a sogo e vica na otela ni oti na vakacaca ni Cagilaba o Winston, e rawata na kabana me ulubaletaka na nona i tuvatuva vakailavo mai na nona usana rawa e sivia 225,000 na saravanua ena yabaki vakailavo. A rawata na SSC na tubu vakailavo e \$5.69 na milioni ka tubu ena 7.5 na pacede ni bera ni musu na i vakacavacava. Qo e okati kina na lutu ni sau vakailavo ni Mystique Princess. Me vaka ni Kabani Cokovata, keitou na kacivaka tikoga na sasaga ni rawa ka vakailavo main a tabana ni saravanua, ka me na vakayagataki kina nai lavo e levu cake mai na \$10 na milioni me voli tale kina e rua na waqa me sotava ua na gagadre ena i kelekele ni waqa e Denarau.

Na kabani na Life Cinema Limited, e dua na tabana vou ni vakatubu i lavo ni kabani cokovata ka goleva yani na tabana ni veivakamarautaki, e a sega ni rawa tubu nea yabaki vakailavo, ia a sa kilai rawa tiko na tikina oya. Ena loma ni 12- 18 na vula mai oqo, e rua na vale ni yaloyalo ena vakaduri mai Lautoka ka tolu mai Nakasi ena vukeya saran a veiqaravi me tomama yani na vaka sa tiko rawa mai Nadi. Ena toso oqo, e namaki tiko me sa na rawa ni vakatubuilavo na kabani oqo ena yabaki vakailavo 2017.

### **NA BOLEBOLE**

Na tabana ni vakatubuilavo taucoko ni FHL e tu vua e \$257 milioni ena 30 ni June 2016, vakaraitaka na tubu e 11.3%. E bibi taudua na nodra i lavo bula na itaukei ni sea e tubu mai na \$189 milioni ena 2015 ki na \$224milioni ena 30 ni June 2016. A se levu ni nodra ilavo na itaukei ni sea e\$38milioni ena1996. Ena loma ni 20 na yabaki, sa toso cake na ndra kaukauwa vkailavo na itaukei ni sea e\$186 milioni, tautauvata ni \$9.3 milioni ena veiyabaki.

Na cakacaka ni veibiuyaki ni vakatubuilavo,sa vakatubuilavo kina na FHL ena dui kalasi ni yau taukeni kei na dui sea ena kena tovolei me toroi sobu e vuqa na vakatubuilavo. Tekivu mai na tekivutaki ena 1984, sa vakatubuilavo na FHL ena 49 na kabani. Mai nai ka 30 ni June 2016, sa vakatubuilavo na FHL ena 30na kabani. Ni keitou vakaraica tiko, vakamuraia ka veivakadodonutaka na veika e cala, sa rawa me lutu na isau ni vakatubuilavo. .

Ena loma ni yabaki qo, na leqa kei na lutu ni sau ni vakatubuilavo sa tarovi,ila e dodonu me keitou solia na lutu sobu tikoga ni tuvaki ni Mystique Princess ka keitou sa vaqara tiko edua me volia. Na vakavinakataki ni waqa sa yabaki 22na dede ni nona cici ena sega soti ni dodonu ena gauna qo. Kena ikuri, keitou a cala ena neitou vakatubuilavo ena Pernix Fiji Ltd ka a lusi ena 2015 ena vuku ni tara ni Kinoya Power Plant.

Ena vuku ni kena tuvai tale na dinau ena gauna lekaleka kei na gauna balavu, keitou sa rawata me keitou vakalailaitaka na veika sega ni



During the year the Group divested two PNG based group companies. Media Niugini Ltd, the most popular free-to-air television in PNG was divested as it had reached its optimum point of performance prior to competition. Whereas Port Moresby based Basic Industries (PNG) Ltd, a concrete batching plant was divested as it is no longer feasible to continue without further infusion of capital. In addition, Sky Pacific, which was a division within FTV was sold as a division within the year. All three divestments had positive impact on the group in terms of future potential.

Our planned joint venture with an Israel company in the field of agriculture and dairy did not eventuate to date. But our quest for opportunities in agriculture continues. We are in discussion with Chinese investors to revisit this sector.

### **PEOPLE CAPITAL**

Our results are made possible as we have a strong team in place in various Strategic Business Units (SBU) who combine entrepreneurship with professionalism to deliver consistent results. The people we recruit, the talent we manage and the business leaders we develop are the lifeblood of any organization.

Plans are made and executed with people. It's the people who run the businesses and at the end consumer services offered by the business. Within this context, we consider people as the most important asset in our business. The 1,600 plus employees in the group are most important customers for us.

We continue to thrive in achieving excellence. For all our employees, an important Key Performance Indicator (KPI) is to attend a minimum of 3-days of training during the year. This applies from the head of the company to front office staff. During the year, at least six of our employees completed their MBA programs, accumulating total MBAs in the group to over 30. In addition, within Fijian Holdings group, there are more than 50 who have received overseas training.

Success is determined not just by developing great and strong teams, but wellness of our employees is a big part of what we believe in at FHL. We continue to focus upon employee wellness and leadership development. All recent contract renewals within the group have included membership of fitness clubs for both the employee and their spouse.

### **FUTURE OUTLOOK**

At Fijian Holdings Group, we celebrate a spirit of progress and transformation as we explore and engage with the many business opportunities that we identify each year. Our journey has been a dynamic one, as our group tirelessly seeks to launch and develop into new and profitable industry sectors.

Over the years, your company has seen exponential growth by the exploration of new opportunities and strong customer engagement. We dominate the local cement, ready mix concrete and concrete products, television, cruising, retail, unit trust, cinema and properties sectors through our continued commitment to maintain strong engagement with our loyal customers. The group has been well positioned for growth with investments by expansion of key business areas to enhance capacity and operational efficiency of existing businesses.

dodonu ena I tukutuku ni lavo, vakabibi na iyau taukeni ena gauna qo ka vaka kina na dinau. Ni keitou kabani ni vakatubuilavo, keitou dau sega ni maroroi lavo qaga se dua n aka e tautauvata na kena isau vakailavo, ia keitou dau vakalailaitaka sobu na neitou dinau ena veivula,ia na veivakatubuilavo vou se voli bisinisi mai ena kauta tale mai eso na dinau.

### **VOLI MAI KEI NA VOLITAKI**

A dua na yabaki e veibolei ni tolu na volivolitaki a yaco ena loma ni kabani cokovata. Na nomuni kabani e yalo dei ni tu vua na kila me vakarabailevutaka na nona ituvatuva ni bisinisi me rawa ni kauta mai na ilavo vei ira na bisinisi ka da veiwekani tu ni kua e Viti kei na veiyasai vuravura.

E ka ni marau meu tukuna kei kemuni ni o ira na noda kabani ka ra sega ni rawa tubu vinaka era sa volitaki ena loma ni vica na yabaki sa oti. Ena loma ni yabaki, keitou sa rawata me keitou volitaki ira na taba ni kabana e lusi tiko vakailavo e papuaNew Guinea(PNG).Keitou sega ni biuti PNG, ia keitou nanuma me volitaki na kabani veiira na bisinisi era rawa ni cicivaka vakavinaka, Pernix (PNG Ltd ka me tiki ni kabana ka vakayacora na volivoli. Keitou kila ni veiyabaki mai qo, na vakatubuilavo qo ena sauma na ka e vinakati me veisautaka na lusi ka yaco mai PNG ena gauna qo.

Ena loma ni yabaki, a volitaka na Kabani Cokovata e rua na kabani e veiqaravi tiko mai PNG. Na Media Niugini Ltd na tabana ni television e PNG sa volitaki ni sa yacova na delana ni nona veiqaravi. Ia na Basic Industries Ltd e qarava na qaqi simele (PNG) Ltd ka tiko e Port Moresby a volitaki ni laurai ni sa sega ni ganita me veiqaravi tiko ni sega ni vakani ena ilavo me toso tiko kina. Me kena ikuri, na Sky Pacific, edua na iwase ni FTV sa volitaki ena loma ni yabaki. Nodratou volitaki tolutolu e vinaka kina kabani baleta na gauna mai muri.

Na neitou I tuvatuva ni cakacaka vata kei na dua na kabani mai Isireli baleta na teitei kei na susu bulumakau, a sega ni vakavatukana me yacova mai ni kua. Se tu ga na neitou gadreva na teitei. Keitou sa veitalanoa tiko kei ira na dauvakatubuilavo mai Jaina me raica tale na tikina qo.

### **TAMATA CAKACAKA**

Na veika keitou rawata e rawa ena vuku ni neitou timi kaukauwa era tu ena dua na tabana na Strategic Business Units (SBU) e tu kina na kila vakacakacaka kei na taledi keitou lewa kei na iliului vakabisinisi keitou vakavulica era dra bula nidua na isoqosoqo.

E buli na ituvatuva ka cakacakataka na tamata. Na tamata ga era cicivaka na bisinisi, ia na bisinisi qai qaravi ira na lewenivanua. Oya na vuna keitou okata kina na tamata me iyau bula ni neitou bisibisi. Na 1,600 ka sivia na tamata cakacaka era tiko ena kabani era bibi taudua veikeitou.

Keitou sasaga me rawa na veika vivinaka. Vei ira taucoko na neitou tamata cakacaka na tikina bibi duadua na nodra vuli siga tolu ena loma ni yabaki. Qo e tekivu mai cake vei ira na iliului ni kabani me yaco kina dauveiqaravi e katuba. Ena loma ni yabaki, e ono vei ira na neitou tamata cakacaka era rawata na lesoni na MBA ena I lala sa sivia na 30. Sa sivia e lewe 40 era a vuli oti mai vavalagi.

Cici vakavinaka ni bisinisi e sega walega me baleta na tuberi ni timi kaukauwa ni cakacaka, e baleta na tu vinaka ni nodra bula edua na ka levu keitou vakabauta ena FHL. Keitou raica matua me vinaka na nodra bula na tamata cakacaka kei na veituberi ni veiliutaki. Na

Based on prevailing economic trends, especially global the year ahead too is likely to be fraught with challenges. Whilst strategically aligning resources to address any potential shocks, the primary focus of the sectors will be on achieving long-term business objectives.

Our history shapes the way we think about the future, as we continue to grow, invested and to deliver value to our stakeholders. We remain focus on best practices and confident that our outlook on growth and long term value creation will keep us successful in the years ahead.

#### APPRECIATION

Before concluding I wish to place on record my sincere appreciation to all employees of the Group. Without their hard work and commitment, this journey would not be possible. Further, I take this opportunity to convey my gratitude to Group Chairman, FHL Board Directors as well as Board Directors of subsidiary companies. In fact, they played an important role in growing the business and aligning our business to long term objectives. It is also important to convey our gratitude to policy makers and regulatory authorities in Fiji for their support extended at all times.

Certainly, it is with pleasure I wish to place my appreciation to all our shareholders for their unwavering trust and belief placed in the company. I have no doubt this partnership will propel the company to reach greater heights in time to come.

I would like to thank all who have contributed in making FHL Group successful in 2015/16. Great results come from having great business partners, a team driven by strong desire to win and a constantly encouraging and vigilant Board. I am privileged to play a leadership role within this team.

vakavoutaki ni konitaraki ni tamata cakacaka ena kabani sa raici talega kina na ituvaki vinaka ni yagodra kei ira na watidra.

#### RAI KI LIU

Ena loma ni Kabani Cokovata keitou marautaka na yalo ni toso iliu kei na yalo ni veisau baleta na raici kei na sasaga ni cakacaka vata kei na so tale na bisinisi keitou raica ena loma ni yabaki. Na neitou toso sa kunei kina na igu, na yalo dina kei na vinakati ni qaqa me rawa vakalevu na tubu.

Ena veiyabaki sa oti, a sa raica na nomuni kabani na tubu kei na sasagataki ni so tale na bisinisi. Keitou sa liu ena buli simede kei na simede qaqi oti kei na veika era buli ena simede, Television, soko e wai, Volivolitaki Unit Trust, Vale ni Yaloyalo kei na volitaki vale. Sa tu vinaka na kabani me rawa tubu mai na vakatubuilavo kina veibisinisi lelevu me vakalevutaka na veiqaravi ni bisinisi sa tu rawa.

Ni raici na toso ni bula vakailavo ena veiyasai vuravura, na yabaki sa tu ki kiu era vuqa kina na bolebole. Dina ni sa tuvai na iyau bula sa tu me sotava na dredre, e laurai ni veika me vakayacori, oya na kena vakadeitaki tiko na inaki ni qaravi bisinisi.

E vakatau na ka sa tu mai liu mai na veika eda sa sotava oti mai, qo ni keitou toso ks vakayubuilavo me ra kila na kena yaga na I taukei ni sea. Keitou vakadeitaka me raici na tubu baleta na gauna mai muri.

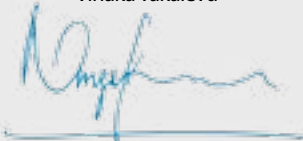
#### VAKAVINAVINAKA

Ni bera niu mai cava au gadreva meu vakaraitaka na noqu vakavinavinaka vei ira na tamata cakacaka ena Kabani Cokovata. Kevaka a sega na nodra cakacaka kaukauwa kei na dina ke a sega ni cava vakavinaka na ilakolako ena yabaki qo. Au taura talega na gauna qo meu solia na noqu vakavinavinaka vei ira na I Liuliu ni Veitabana, na lewe ni Matabose ni Daireketa ni FHL kei ira talega na Board of Directors ni vitaba ni kabani era vakaitavi ena vakatuburi cake ni bisinisi kei na kena raici me mua donu tiko na waqa. E bibi talega me vakaraitaki na noqu marau vei ira na dau lewa na ivakarau nibisinisi kei na kena lawa e Viti ena nodra veitokoni ena veigauna taucoko..

Au vakaraitaka na noqu marau kei na vakavinavinaka vei ira taucoko na noda era itaukei ni sea ena nodra veivakabauti era solia kina kabani. Au sega ni kurabui ni cakacaka vata qo ena kauta na kabani kina vanua cecere ena veigauna mai muri.

Au via vakavinavinaka vei ira era vakaitavi ena buli cake ni FHL Group me yabaki vinaka na 2015/16 A rawa na tubu vinaka nira tu na itokani vinaka vakabisinisi, na timi ka gadrevi kina na qaqa ka tomani tikoga mai na matabose dau qaqarauni. Au dokadokai au niu vakaitavi ena liutaki ni timi.

Vinaka vakalevu



**Nouzab Fareed**

Group Chief Executive Officer  
20th August, 2016

# OPERATIONAL REPORT OF SUBSIDIARY COMPANIES

## TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



### RB PATEL GROUP LIMITED

The company has had an exceptional year with total revenue including other income this year increased by 9.5% to almost \$118 million. This increase reflects the improving consumption spending and incorporates the additional input into the economy from the FNPF funds released after TC Winston.

Profit after tax for the year increased by just over 24% and was \$7.4 million compared to \$5.9 million last year. This is an extremely pleasing result for the company and its shareholders.

Construction works at the company's residential property in Suva has commenced and the apartment complex is expected to be completed early next year. The JetPoint car park development is also in progress and is expected to be completed later this year.

The Board is considering further developments of our HarbourPoint property in Lami soon. We continue to search for new sites for stores keeping in mind that these should add value for our shareholders.

### RB PATEL GROUP LIMITED

A sotava na kabani edua na yabaki vinaka ena kena rawa na ilavo bula curu mai, e oka kina eso tale nai lavo bula curu mai e 9.5% kina volekata e \$118 milioni. Na tubu e vakaraitaka na levu ni volivoli mai na a ilavo ka soli mai na FNPF ni oti na TC Winston.

Na tubu ni musu oti na ivakacavacava me baleta na yabaki vakailavo e sivia e 24% e \$7.4 milioni ni raici vata kei na \$5.9 milioni ena yabaki sa oti. Qo edua na itukutuku taleitaki vei ira na itaukei ni sea kei na kabani.

Na cakacaka ni taravale ena vale ni kabani e Suva sa tekivu, na vale ni moce sa nanumi me vakacavari ena yabaki mai oqo. Na cakacaka ena I kelekele ni motoka mai na JetPoint mai Nadi sa toso vinaka tiko ka nanumi me vakaoti ena mua ni yabaki qo.

Sa nauma tiko na Board me qaravi eso na cakacaka ena sitoa na HarbourPoint mai Lami. Keitou se tomana tikoga na vaqarara qele me tara kina eso na sitoa vou me rawa ni uasivi na levu ni lavo mera taura na itaukei ni sea.

**53.50%**

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

#### Company Directors:

Iowane Naiveli (Chairman)  
Nouzab Fareed  
Kaliopate Tavola  
Malakai Naiyaga  
Surendra Patel



### FHL STOCKBROKERS LIMITED

FHL Stockbrokers Limited, recorded a positive result for the financial year ended 30th June 2016 with NPAT of \$33,090 as compared to \$2,611 for same period last year. This achievement is mainly attributed to the listing of Vision Investment Limited, of which FHLS was the broker of choice in the private placement process. In addition, the other main contributors to the positive results were the trading of reinvestment for FHL shares and the expansion of service provider business which contributed positively towards FHLS revenue of \$108,953. The most active stock traded by FHLS for FY16, included ATH, RBG, FHL and VIL.

Operations of the company continued efficiently under the restructure done in FY15. Active market activities, dense competition had impacted performance, but a positive outlook was approached at all times. Moving forward, FHLS anticipates another challenging year ahead, however we are enthusiastic about the opportunities available in the stock market and new business growth to further complement the positive results.

### FHL STOCKBROKERS LIMITED

A rawata na FHL Stockbrokers Limited e edua na tubu vinaka me baleta na yabaki vakailavo ka mai cava ena 30 ni June 2016 kei na tubu me wasei ni sa musu oti na ivakacavacava e \$33,090 ni raici vata kei na \$2,611 me baleta na gauna vata qo ena yabaki sa oti. E rawa na tubu qo e vakavu mai na kena kacivaki ena Vision investment Limited ka tiko e loma na FHL me kena dau ni veivosakitaka na veivoli ni vakatubuilavo kei ira tale eso na daunivakatubuilavo ka lavaka kina nai vakacavacava ena vuku ni cakacaka oya. E rawata mai kina na I lavo curu mai e \$108,953. Na veivoli uasivi taudua e vakayacora na FHLS ena vuku ni FY16 ka bau kina na ATH, RBG, FHL kei na VIL.

A uasivi na cicivaki ni kabana ena vuku ni veisau eso a vakayacori ena 2015. E bulabula na veivoli, levu ni veiqati ni veivoli e vakavuna me vuqa na ka e rawa mai, ka tovolei me toso ki liu na sasaga.

**100%**

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

#### Company Directors:

Emitai Boladuadua (Chairman)  
Nouzab Fareed  
Catherine Grey

## OPERATIONAL REPORT OF SUBSIDIARY COMPANIES

### TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



100%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

#### Company Directors:

Ulaiasi Taoti (Chairman)  
Robin Yarrow  
Sakeasi Seru  
Craig Strong  
Nouzab Fareed  
Catherine Grey

#### FHL FUND MANAGEMENT LIMITED

FHL Fund Management Limited, the Fund Manager for Fijian Holdings Unit Trust, recorded a NPAT of \$0.85m, as compared to \$0.84m for the same period last year. During the year, the FHUT Prospectus Issue No. 5, valid till 2018, was approved by the Reserve Bank of Fiji which entails new and revised features of the FHUT product. The total investment portfolio for the Fund has grown to \$90.21m since inception in 2001.

Against a backdrop of a challenging operating environment, FHL FML will continue to explore and review investment opportunities for the Fund to ensure that our competitiveness is maintained. FHL FML is dedicated to ensuring that the FHUT product is accessible throughout the country as it continues to strengthen our marketing activities in the various divisions including the Northern and Western part of Fiji.

#### FHL FUND MANAGEMENT LIMITED

Na FHL Fund Management Limited, na minidia ni lavo ni Fijian Holdings Unit Trust a vakaraitaka ni rawata na tubu ni sa musu oti na ivakacavacava e \$0.85milioni ni vakatauvatani kei na \$0.84 na milioni ena gauna vata ni yabaki sa oti. Ena loma ni yabaki, e vakaraitaka na ivola vakamacala ni FHUT No. 5 ka vakamuri tiko me yacova na 2018 ni sa vaadonia na Reserve Bank of Fiji ka vakaraitaki tu kina na veisau eso ni product ni FHUT. Sa tubu cake na vakatubuilavo ni tabana qo ena \$90.21 milioni me tekivu mai kena tauyavu ena 2001.

Ena sotavi ni dredre, ena tomana tiko na FHL FML me vakasaqara ka vakaraica eso na sala ni vakatubuilavo baleta na Fund me tomani tikoga na sasaga. E solia na nona igu na FHL FML me raica ni tarai Viti na ivoli ni FHUT ka na vakadeitaka tiko na kena maketetaki ni kena ivoli e Viti raraba.



FijiTV 61.60%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

#### Company Directors:

Col. Apakuki Kurusiga (Chairman)  
Iowane Naiveli  
Nouzab Fareed  
Deepak Rathod  
Naveen Laksmaya  
Ajay Punja  
Ulaiasi Taoti

#### FIJI TELEVISION LIMITED

The last twelve months has seen the Television Company undergo major changes but despite this, the Company has ensured that it acts consistently within its Corporate Statements reflecting its Vision, Mission, Values and core business.

The year in review saw the pay television service division, Sky Pacific, officially become a part of Digicel Fiji Group. The Company had undergone a complete review and the sale of Sky Pacific business was a strategic decision which was done in order to ensure that the company focuses on its core business of Free-to-Air television business. Early January 2016, Fiji TV confirmed that it had received a deposit of PGK2 million from Telikom (PNG) Ltd (TPNG) locking the proposed transaction to acquire 100% of Media Niugini Ltd (MNL). This was sealed later in the month when Fiji TV announced its full divestment of shares in MNL to TPNG after signing off on the sale agreement.

At this time of reporting, Fiji TV Strategic Plan is currently being reviewed and will be aligned to the FHL Group of Companies.

In early June 2016, Fiji TV has began the process of looking for a new home. This will see the country's first commercial television station moving out of its current 20 Gorrie Street location which it has used as its headquarters since its establishment in 1994.

#### FIJI TELEVISION LIMITED

E na 12 na vula sa oti, e raica na kabana na Fiji Television Limited (Fiji TV) na veiveisau lelevu, ia sa cakacaka tikoga vakaukauwa na kabani me vakaraitaka tiko na bibi ni nona "Rai ki Liu" kei na nona "Yalayala" me vakavotukanataki kina na i tovo ni nona veiqaravi vakabisinisi.

Ena loma ni yabaki vakailavo qo, sa yaco na Sky Pacific me sa tiki ni kabani levu na Digicel (Fiji) Group. Sa veisautaki saraga na Fiji TV ena kena volitaki na bisinisi ni Sky Pacific, ka vakayacori oqo me rawa kina vua na kabani me vakanamata kina nona i tavi taumada sa i koya me vakaraitaka na i yaloyalo sega ni saumi. Ena Janueri 2016, sa vakadeitaka kina o Fiji TV ni sa taura e dua na i lavo ni vakadei ni veivoli e PGK2 na milioni mai na TPNG me baleta na gagadre ni kena voli 100% na MNL. Sa qai vakadeitaki na veivoli oqo ena mua ni vula ena nona sa kacivaka raraba na Fiji TV na kena sa volitaka na nona i votavota ena MNL kina TPNG ni sa sainitaki oti na veiyalayalati ni veivoli.

Ena gauna e volai kina na i tukutuku oqo, ea vakadikeva tiko na kabani na Fiji TV na nona Strategic Plan me salavata kei na kena ena kabani cokovata na FHL.

Ena vula ko June 2016, sa tekivu o Fiji TV me vakasaqara e dua na nona vale ni volavola vou. Oqo me sa qai toki tani kina na i matai ni siteseni ni retio yaloyalo ena noda vanua mai na 20 Gorrie Street ka dau vakatawana tu me kena vale ni volavola liu mai na 1994 me yacova mai nikua.



69.10%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

**Company Directors:**

Iowane Naiveli (Chairman)  
Nouzab Fareed  
Surendra Patel

**LIFE CINEMA LTD**

The 2016 financial year has provided many challenges for the cinema to overcome, with our local team still getting to know the local market and the demographics of the West in the early part of the year. We have learnt a great deal and have started to see much more successes and positive growth.

We have spent a lot of time during the year fine tuning our customer experience, film selection and product range to provide a movie experience far greater than what has been considered the norm in Fiji. We are continually seeing more and more customers from all over Fiji travelling to experience our innovative cinema. The year has released many spectacular movies with some amazing results at the box office.

We plan to open two multiplexes in the next year located in Lautoka with 2 cinema screens and Nakasi with 3 cinema screens. This should improve our overall performance and provide a greater coverage for Life Cinemas.

With our committed local team we are optimistic to see continued growth at the cinemas in the year ahead.

**LIFE CINEMA LTD**

E solia na yabaki vakailavo ni 2016 e vuqa na bolebole kina vale ni yaloyalo me valuta, ni ratou se sega ni kila vinaka tiko na nodatou timi ni cakacaka na makete eke kei na lewenivanua main a yasayasa vakara ena irekivu ni yabaki qo. Keitou sa kila e vuqa n aka keitou sa tekivu raica naka vinaka kei na tubu.

Keitou sa taura e vuqa na gauna ena loma ni yabaki me raici vakavoleka o ira era na vakayagataka na l yaloyalo, mataqali yaloyalo me digitaki kei na kena veimataqali meganiti na nodra kila o ira era na sarasara. Keitou sa raici ira vakawasoma na dau sara iyalo main a veiyasai Viti, keitou lako me keitou vakila na neitou vale ni yaloyalo keitou nanuma tiko. Sa vuqa sara iyalo vou era sa kau mai Viti ka sa vakasakiti na ilavo e rawa kina.

Keitou nanuma me dola e rua na vale ni yaloyalo ena yabaki mai qo mai Lautoka ka rua na kena screen. Qo ena vakavinakataka na neitou veiqaravi ka tara na Life Cinema e vuqa na vanua.

Keitou nuidei ni ratou na qarava na neitou timi veiqaravi na tubu vakailavo ena vale ni yaloyalo ena veiyabaki ka tu mai.



50.10%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

**Company Directors:**

Ratu Aisea Waka Vosailagi (Chairman)  
Nouzab Fareed  
Pravin Patel  
Veeral Patel  
Rahul Amin  
Isikeli Tuituku

**PACIFIC CEMENT LIMITED**

The company recorded total revenue of \$38 million, increase of 20.6% compared to FY15 and directly contributed by high sales through local activities and export volumes. The Profit before Income tax was \$2.63 million, which is a significant increase by 97% compared to FY15. In FY16 total cement sold was 150,544 tonnes compared to 126,642 tonnes in FY15, increase of 18.89%. FY16 was highest sales tonnage in the history of PCL.

PCL will continue to control cost, be innovative in the production of cement and aggressively grow its business in the export market and achieve 90% local market share. PCL is a world class cement producer in the Pacific region and has geared up with a strong strategic plan to compete within the Pacific Islands.

**PACIFIC CEMENT LIMITED**

Na levu ni lavo curu mai a rawata na kabani e \$38 milioni, e tubu ena 20.6% ni raici vata kei na FY 15 e vakavu mai na uasivi ni volivoliotaki, na veicakacaka e qaravi e Viti, kei na levu ni kena vakau l vanua tani. Na levu ni tubu ni bera ni musu na ivakacavacava e \$2.63milioni, e tubu vinaka ena 97% ni raici vata kei na FY15. Na levu ni simede e volitaki ena FY16 e 150,544 na tani ni raici vata kei na 126,642 na tani ena FY15, e tubu ena 18.89%. Na volivolitaki ena FY16 na tani simede levu taudua ena itukutuku ni bula ni PCL.

Ena tomana tiko na PCL na nona musuka na isau ni cicivaki ni cakacaka, yalo matuataki na buli ni simede ka qaravi vakavinaka na kabani ena vakauti ki vanua tani ni simede kei na rawati e 90% na levu ni simede volitaki e Viti. Na PCL edua na kalasi ni simede ka tiko sara e cake ena Pasifika ka tosoya cake na nona kalasi ni buli simede me dei ena itutu e toka kina.



Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

**Company Directors:**

Sakiusa Raivoce (Chairman)  
John O'Connor  
Nouzab Fareed  
Arun Narsey  
Surendra Patel

### FHL PROPERTIES LIMITED

The financials for the 2016 financial year had two significant impacts which resulted in FHL having to restate its 2015 accounts. The most significant was the Company's change of method of accounting for land and building classified as investment properties from cost model to the revaluation model. Under the revaluation model, after initial recognition, the investment properties will be measured at fair value at the date of the revaluation. The latest valuation recorded the FHL Portfolio at \$36.18m (2015:\$33.32m) which had a positive increase of \$2.86m. During the year, the Company declared dividends totaling \$500,000 for the year (2015: nil).

The second most significant change was the increase in authorized capital of the company from \$5million to \$9million this was a direct result of the conversion of the \$4m loan from Fijian Holdings Limited. The loan was initially given by the parent company in 2012 for the purchase of Ra Marama House from Fijian Holdings Property Trust Fund. The \$4m loan was converted to 4 million ordinary shares.

The overall stronger operating performance of the Company in the current financial year was attributed to maintaining a consistent high occupancy rate (averaging at 98%) throughout the year and renewals of existing leases for a further term for all our properties.

During the year, FHL undertook some significant upgrading works for all our properties totaling over \$0.5m in electrical and plumbing upgrades. Our upgrading program will continue into the next financial year for all our properties.

There has also been significant progress with the FHL Tower Project with the appointment of our design team and the continuous consultation with regulatory authorities for the necessary approvals on our proposed design. The Tower is expected to be a state of the art 15 storey commercial office building with a few retail shops on the Ground Floor and three levels of parking.

The 2017 financial year looks to be exciting yet challenging with the anticipation of the FHL Tower project to commence construction and the continuation of the upgrading projects for all the buildings. We continue to remain optimistic of the economic environment and have implemented strategies to maintain a competitive return to our shareholders.

### FHL PROPERTIES LIMITED

Na daunilavo ni yabaki vakailavo ni 2016 era sotava e rua na ka ka vakavuna me raica tale vakarua na nona i tikutuku ni lavo ni 2015. Na kena ka bibi taudua na veisau ni vakarau ni maroroi ilavo me baleta na gele kei na vale me rau okati me l yau ni vakatubuilavo mai n a cost model kina revaluation model. Ena revaluation model, na l sau vakailavo ni yau ka vakatubuilavotaki ena raici na kena isau ena gauna ni revaluation. Na kena isau ena gauna qo ena FHP Portfolio na tubu vakailavo e \$36.18 na milioni (2015:\$33.32m) ka a tubu cake ena \$2.86 na milioni. Qo e vakaraitaka edua na veisau levu ena tubu a rawa b era ni musu na ivakacavacava e\$3.93 milioni mai na \$1.75 na milioni ena 2015. A vakaraitaka na kabani ena loma ni yabaki ni na saumi na tubu me wasei e \$500,000 me baleta na yabaki (2015:nil)

Na ikarua ni veisau levu oya na levu ni kabani era vakadonui ena loma ni kabani mai na \$5milioni kina \$9 na milioni, qo e vakavu mai na veisau dinau e \$4 na milioni mai na Fijian Holdings Limited. Na loan qo a solia taumada mai na tama ni kabani ena 2012 baleta na voli ni Ra Marama mai na Fijian Holdings Property Trust Fund. Na \$4 na milioni a kerei mai sa veisautaki kina 4 milioni na sea.

Na cici vinaka ni Kabani ena yabaki vakailavo FY16 a vakavu mai ena kedra tawani tiko vakalevu, rauta e 98% ena loma ni yabaki kei na vakavoutaki ni lisi ena veivale taucoko.

E dua talega na toso vinaka ni FHL Tower project ena kena digitaki edua na timi vinaka ni droini ka dau vakasala ka ra kila vakavinaka na veika e dau vinakati. Na vale na Tower ena taba 15 me vale ni volavola kei na so na sitoa ni volivolitaki ena taba e ra sara.

Na yabaki vakailavo ni 2017 e nanumi me dua na yabaki e veibolei me sa tekivu tara na Tower kei na kedra vakavinakataki na veivale ni kabani. Keitou nuitaka ni na uasivi cake na cakacaka me vukei ira na taukeni sea ena kabani.



80.00%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

**Company Directors:**  
Isikeli Tuituku (Chairman)  
Emitai Boladuadua  
Nouzab Fareed  
Robin Yarrow  
Joe Taoti  
Arun Narsey  
Viliame Naupoto

## MERCHANT FINANCE LIMITED

Despite a challenging year for Fiji, Merchant Finance Limited recorded a healthy interest income of \$20.2 million for Financial Year 2016 (FY16) compared to \$18.9 million last year. This 7% increase in interest income was due to the rise in customer confidence in our loan products which resulted in the increase in loan book by 27% compared to prior year. The increase was also driven by competition where we had to offer competitive interest to keep our customers, attract new customers and support their growing demands.

To fund our increasing loan book, we had to offer competitive term deposit rates to attract more customers. This resulted in the increase in interest expense by 24% in FY16 compared to prior year. Half way through the year we also improved our provision methodology by increasing our security discounting factor, which in turn raised our loan impairment expense by 103% from prior year. The end result was a profit of \$9.39 million this year compared to \$10.02 million previous year.

Earlier this year the country experienced devastating effects of two (2) Tropical Cyclones Winston and Zena. The cyclones tremendously affected customer repayment ability and slowed down business activities. These conditions challenged the economy as a whole and more specifically the company in terms of management of arrears. To assist the Government in the Cyclone Relief Merchant Finance did the following:

- Offered customers 3 months' repayment holiday
- Donated school stationeries, school bags to affected schools in Ra
- Donated food, clothes, and financial assistance to our affected staffs

To counteract the negative impact of tropical cyclones; we introduced four (4) new lending products under Trade Finance namely Agri Trade, Trade Export, Trade Local and Trade Import in March 2016. The products were launched together with our new company name changing from Merchant Finance & Investment Company Limited to Merchant Finance Limited with a new logo and official colors of wealth green and gold. We were prompted to introduce the new loan products as we wanted to provide as much financial assistance to support our customers, the general public and assist the economy recover as a whole. With 4 new products and a fresh image of the company our aim is to champion recovery and new beginnings for our customers.

Looking ahead Merchant Finance's strategic direction is well on-track. We will continue to roll out our 4 new loan products in the market adding to our current Trade Finance portfolio that is currently valued at \$7m as at June 2016. We also plan to open new branches in Sigatoka and Rakiraki to bring our services closer to our customers. The upcoming financial year is highly anticipated to be a good year for Merchant Finance. Our drive is to keep delivering exceptional service and we will continue to improve our competitive edge to satisfy the evolving financial needs of the public.

## MERCHANT FINANCE LIMITED

Edua na yabaki dredre vei Viti na yabaki qo , ia na Merchant Finance Limited a rawata edua na tubu kei na ivakacavacava ni dinau e \$20.2milioni ena yabaki vakailavo ni 2016 ni raici vata kei na \$18.9 milioni ena yabaki sa oti. Na tubu ena 7% ni lavo curu mai kei na ivakacavacava a vakavu ena tubu cake ni nodra yalo dei na neitou dauvolivoli ka ra taleitaka na veika e dinautaki ka vakavuna me toso cake ni vakacavacava ni dinau ena 27% ni raici vata kei na yabaki yani e liu.

Me vakailavotaki na neitou I vola ni dinau, keitou nanuma me keitou solia edua na ivakacavacava vinaka ni " term deposit " ka na drete mai e vuqa na dauvolivoli. Qo e vakavuna na tubu ni lavo kerei mai na 24% ena FY16 ni raici vata kei na kena ena yabaki yani e liu. Veimama ena loma ni yabaki keitou sa vakavinakataka na kena qaravi me tosocake na ilavo ra solia mai na dauvakatubuilavo ka na tosoya cake na qaravi vinaka ni lavo dinautaki mai ena 103% mai na yabaki yani e liu. Qai yaco me rawa ena tubu e \$9.39milioni ena yabaki qo ni vakatauvatani kei na \$10.02 milioni ena yabaki yani eliu.

A sotava o Viti ena I tekivu ni yabaki qo na vakacaca ni rua na Cagilaba, o Winston kei Zena. Vakaleqa vakalevu na sala ni nodra sausaumi o ira era dinautaki ilavo kai vakavuna na bula gogo ni bisinisi. Na veika qori vakaleqa na bula vakailavo na leqa ka vakabibi ki na kabani ena qaravi ni dinau sega ni saumi. Ena kena vukei na matanitu ena veivuke ni cagilaba, a solia na Merchant Finance:

- vei ira keitou qaravi ira me soli e tolu na vula me ra cegu vakalailai na sausaumi
- vakailoloma na I vola; ni vuli ena veikoronivuli mai Ra
- vakailoloma, na kakana, I sulu, kei na veivuke vakailavo vei ira na cakacaka ena kabani e tarai ira na leqa.

Me wali na leqa ka kauta mai na vakacaca ni cagilaba; keitou tekivuna e va na sala ni veivuke vakailavo ni cakacaka ka yacana na Agri Trade, Trade Export, Trade Local kei na Trade Import. Era soli vakadinou nai voli vata kei na yaca vou ni neitou kabani me veisau mai na Merchant Finance & Investment Company Limited kina Merchant Finance Limited vata kei na kena I vakatakilakila vou kei na kena roka me kilai tani kina.

Ni da rai ki liu, keitou na tomana na tekivutaki ni neitou 4 na ivoli soli vakadinou ena makete me oka vata kei na tabana ni Trade Finance ka kena isau ena \$7m ena Jiune 2016. Na neitou ituvatuva me dola erua na tabana vou mai Sigatoka kei Rakiraki me rawa ni kau yani vakavoleka na neitou veiqaravi vei ira keitou qaravi ira.



51.10%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

**Company Directors:**

Viliame Cegumalua (Chairman)  
Sakiusa Raivoce  
Nouzab Fareed  
Pravin Patel  
Veeral Patel

## BASIC INDUSTRIES LIMITED

FY16 was a record year for BIL in terms of both Revenue and Profit. Revenue was up 35% from FY15 and more than double the annual revenue recorded 3 years ago. FY16 Net Profit after Tax was up 36% on our best previous result recorded way back in 2006.

The successful year was attributed to favorable market conditions, major capital injection into improving production capacity & capability approved by the Board, and an exceptional performance by our management team & employees during the year.

Activity in the local building & construction industry is currently at an all-time high since the last peak in 2006, the major driver being substantial capital investment by Government into Roads & Infrastructure over the last 3 years. However, capitalizing on the favorable market conditions has not been straight forward because of a significant number of new competitors that have entered the market, especially from overseas. While this has reduced our traditional market share over the last few years, BIL has managed to maintain a steady growth in its business through focusing on the high-quality-high-value end of the market as well as venturing into new markets e.g. exports. In FY16, BIL posted a record \$15million revenue in export of its locally manufactured construction materials to neighboring Pacific Island countries. The bulk of this exports went to the Major Road Upgrading project in Kiribati and the upgrading of the Tarawa and Funafuti Airport Runway Projects.

In FY16 BIL injected around \$7million in capital investments into replacement of old plant & equipment, increasing production capacity and establishing new products & services. Similar levels of capital investments are planned for FY17. This is a key component of the company's survival and growth in the long term and we acknowledge our Board of Directors for their strong confidence and great vision for the business.

Without the exceptional effort and sacrifice of the BIL Management Team and all of its employees, the 30% above budget performance recorded in FY16 would not have been possible. Our 300 plus member strong, fully local team have proven its capabilities in performing at the highest level competing against international companies both locally and in the Pacific.

BIL's forecast for FY17 is budgeted around a 10% growth from FY16, anticipating a continuing buoyant local building and construction industry but at the same time mindful of a possible saturation point at any time soon.

## BASIC INDUSTRIES LIMITED

E dua na yabaki ni cavu I sausau ena rawa tubu na yabaki vakailavo FY16- oya ena ilavo curu mai kei na tubu. Levu cake na ilavo curu mai ena 35% mai na yabaki vakailavo FY15, e sivia ke vakaruataki na ilavo curu mai ena tolu na yabaki sa oti. Na tubu ni sa musu na ivakacavacava ena FY16 e 36% ena yabaki ni neitou rawaka vinaka ena 2006.

Na rawa na tubu vinaka a vakavu mai ena I tuvaki vinaka ni makete, vakavinakataki na iyaya ni cakacaka, na veitokoni ni Board kei na uasivi ni nodra duavata na vakailaisilesi kei ira na tamata cakacaka.

Ena tabana ni taravale, e tu saraga e cake na kena levu ni veika e qaravi me vaka a yaco ena 2006, e vakavuna o qo na uasivi ni nona vakatubuilavo na matanitu ena caka gaunisala ena loma ni tolu na yabaki sa oti. Sega soti sara ni vinaka na vakanuinui ena ituvaki ni makete ena gauna qo, baleta ni sa tu talega e vuqa na veiqati ena makete ni taravale vakabibi na kena mai vanua tani. Dina ni sa mai toroya sobu qo na iwiliwili ni sea ena makete ena loma ni vica na yabaki sa oti, sa rawata na BIL me vakadeitaka tiko na nona tubu ena nona bisinisi ena nona taica matua tiko na makete erawa tubu tiko vakalevu, toso tikoga na nona sasaga ena so na makete vou me vaka na vakau I voli ki vanua tani. Ena FY16, a cavu isausau kina o BIL ena nona rawata e \$15 milioni nai lavo bula curu mai ena volitaki ni veika e caka ga e Viti ki na veimatanitu ena Pasifika. Levu taudua nai yaya qo e vakau ki Kiribati me baleta na cakacaka ni gaunisala kei na vakavinakataki ni rara ni waqavuka mai Funafuti.

Ena FY16, a cakacakataka o BIL e \$15milioni ena veivakatorocaketaki vou ni kedra vakaisosomitaki na misini makawa kei na voli mai ni ledra i sosomi. Ena vakatalega qo na levu ni cakacaka ni vakatubuilavo me na vakayacori ena FY17 qo na sala ena rawa ni bula ka rawa tubu kina na kabani ena gauna sa tu mai liu. Keitou va kila na uasivi ni nodratou lewa na Matabose ni Daireketa ena nodratou dei ena vakataulewa kei na rai yawa baleta na bisinisi. Kevaka e sega na cakacaka vakauakauwa na timi ni veiliutaki ni BIL kei ira na nona tamata cakacaka ke a sega ni rawa e 30% na tubu a rawa ena FY16. E ra vakadinadinataki na lewe 300 ka sivia na neitou tamata cakacaka dina ena ka era rawata ka rawa kina ni ra veiqati kei ira na veikabani mai vanua tani era tiko e Viti kei na Pasifika.

Na rai nei BIL ena FY17 e takete taki tiko me rawa e 30% na tubu ena FY16 ena kena nanumi ni na cici vakavinaka tiko na cakacaka ni taravale, ia ena raici tale tikoga de na mani vutu coqa na cakacaka ni taravale.





100%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

**Company Directors:**

Viliame Naupoto (Chairman)  
Aisea Waka Vosailagi  
Nouzab Fareed  
Roger Dold  
Chris Jacobs  
Dixon Seeto

### SOUTH SEA CRUISES LTD

2015/16 was a year of 2 distinct halves for South Sea Cruises. Trading was very strong for the July 2015 to January 2016 period with solid growth in passenger numbers for our South Sea Cruises branded resort connection services & day cruise products operated throughout the Mamanuca group of Islands. Tropical Cyclone Winston on 20th February followed up by Tropical Cyclone Zena in early April caused a significant decline in our passenger numbers due to the closure of the 3 largest resorts we service in the Mamanucas. All 3 resorts closed immediately post TC Winston. Castaway Island Resort reopened 1st June 2016, Mana Island Resort reopened 18th July 2016 & Sheraton Tokoriki is scheduled to reopen on 1st February 2017. The Mana Island Resort closure was triggered by TC Winston. Normalised trading conditions throughout the Mamanucas will only return once Sheraton Tokoriki reopens in February 2017.

Our Awesome Adventures Independent traveller & Backpacker market products operating throughout the Yasawa Islands were less affected by resort closures post TC Winston.

Our Blue Lagoon Cruises products operated aboard Fiji Princess were also impacted by the weather events of earlier this year but we still managed to increase occupied cabin nights by 14% in 2015/16 over what was achieved for 2014/15. We are forecasting that this will increase further for 2016/17.

South Sea Cruises and Blue Lagoon Cruises achieved a combined total sales of \$47.3m (\$45.2m in 2015) for the year ended 30 June 2016 resulting in a net profit after tax of \$4.6m (\$5.3m in 2015). Our 2016 result includes impairment on the value of Mystique Princess of \$2.2m.

The outlook for 2016/17 remains very positive with the new Malamala Beach Club project anticipated to be completed in early 2017 followed by the delivery of 2 new ferries, the first in March 2017 & the second in June 2017.

### SOUTH SEA CRUISES LTD

Na yabaki 2015/16 sa dua na yabaki duatani kina na South Sea Cruses. Cici kaukauwa na bisinisi baleta na Jiulai 2015 kina Janueri 2016 e levu kina na iwiliwili ni pasidia kina veivanua ni saravanua sa macala oti tu kei na soko siga dua ena yatu Mamanuca. Rau veimuri mai na cagilaba o Winston kei Zena ka rau vakalailaitaka na iwiliwili ni pasidia e na vuku ni kedratou sogo e tolu na otela lelevu. Na Mana Island Resort a qai dola tale ena 18th July 2016; na Sheraton Tokoriki ena qai dola ena 1 ni Veveueri 2017. Sa na qai cici vakavinaka na waqa kina Mamanuca ena gauna sa dola kina na Sheraton Tokoriki ena yabaki tu mai.

A sega soti ni leqa na neitou Awesome Adventures Independent Traveller & Backpacker baleta na neitou makete ni saravanua e veiqaravi ena Yatu Yasawa e sega ni leqa vakalevu.

Na neitou saravanua ena Blue Lagoon Cruises e qaravi ena waqa na Fiji Princess a leqa talega ena vuku ni draki ca ena itekivu ni yabaki, ia keitou rawata me keitou vakalevutaka o ira mera vakatawana na cabin ena bogi ena 14% ena 2015/16.

Rau rawata na South Sea Cruises kei na Blue Lagoon Cruises na nodrau volivolitaki ruarua \$47.3 na milioni (\$45.2milioni ena 2015) ena yabaki e mai cava ena 30 ni June 2016 ka rawa kina na tubu ni musu oti na ivakacavacava e \$4.6 milioni (\$5.3m ena 2015). Na veika keitou rawata ena 2016 e oka kina na lutu sobu ni sau ni Mistique Princess en \$2.2m.

Na veika e laurai ena 2016/17 ni na daumaka kevaka ni sa na oti enai tekivu ni 2017 na Malamala Beach Club project kei na rua na waqa ni vakalele vou ena March 2017 kei na kenai karua ena June 2017.

## COMMUNITY FEEDBACK



With only a piece of land, no money and pocketful of dreams, 56 year old Pita Seutinaviti started his very own backpacking resort which today is part of an island hopping programme.

Seutinaviti and his wife own and run White Sandy Beach Dive Resort which is situated in the District of Naviti in the Yasawa Islands and takes over 3 hours to reach by boat. Awesome Adventures through its island hopping package allows tourists to travel through the Yasawa Islands and the Mamanuca Islands, visiting a total of 27 islands within the two groups

White Sandy Beach Resort started in 2004 with only a traditional Fijian bure. Pita reveals that they only had a machete which they used to clear the land which was the site for a traditional bure with the basic amenities.

"We did not have any money at all. We started to clear the land and build a traditional Fijian bure and after it was completed, we called Elenoa Nimacere (Awesome Adventure community rep) to come and have a look at it and decide whether tourists could start visiting. And our long relationship with Awesome Adventures began."

Awesome Adventures started in 2004 and through partnerships with local hoteliers started to offer various packages to tourists. Today this partnership has seen many local landowners open up their own businesses and also see employment of many in the villagers.

Through money earned from the Resort, Pita has been able to send his wife and daughter to attend catering classes at Fiji National University, purchase 8 acres of land in Lautoka where he grazes cattle and grows vegetables which are then sent back to the island to be used in the Resort menu.

"Apart from this, my wife and I employ youths from the village (Kese) and surrounding areas. We put them through all the departments in the Resort and thus they learn how to manage their time, their finances and also how to attend to guests. This is our way of giving back."

Awesome Adventures Cruises is a branch of South Sea Cruises which operates from Denarau Marina and offers packages such as island hopping, transfers between resorts as well as 3 day cruises around the Group.

South Sea Cruises is wholly owned by Fijian Holdings Limited which operates with the main purpose of accelerating the participation of indigenous Fijians in the commercial sector and in doing so, enhance their socio economic standing.

E dua walega na tiki ni qele, sega na ilavo ka vuqa na ka e tadrai, a tekivutaka o Pita Seutinaviti na nona itikotiko lailai ni sara vanua (backpacking resort) ka sa tiki ni porokaramu ni saravanua ni kua.

Rau taukena ka cicivaka o Seutinaviti kei na watina edua na Baravi Nuku Vula Dive Resort tiko ena Tikina o Naviti ena Yatu Yasawa ka taura e tolu na aua me da yaco kina ena waqa. E solia vei ira na Awesome Adventures na dausaravanua ena nodra dewa yanuyanu ena yatu Yasawa kei na yatu Mamanuca e 27 na yanuyanu mera raica.

A tekivu vei qaravi na White Sandy Beach Resort ena 2004 ena rua ga na bure vakaviti. Tukuna o Pita ni tiko ga veirau e dua na matau me rau taya kina na kau ena vanua oya me tara kina na bure kei na iyaya e vica wale.

"E tekivu ga ena neirau sasaga vakaveiwatini. E sega ni tu vei kerou na lavo e neirau sasaga ga. Tekivu me dua na bure. Na ka ga e tiko veiwakoti keirau, e vakayagataki. Keirau sa cakava sara ga me tiko vata na vale vata kei na valenisili, keirau tara ga dua na bure vakaviti. Keirau sureti Elenoa me mai raica na bure. Na gauna vata ga oya sa tekivu talega kina na Awesome Adventures."

"A sega ni tu veikeirau edua na ilavo. Keirau sa tekivu samaka na vanua ka tara edua na bure vakaviti. Ni sa tara oti keirau kacivi Elenoa Nimacere (Mata ni Awesome Adventure) me lako mai ka mai raica ka lewa se rawa me ra sa tekivu curuma na dausaravanua. Sa tekivu mai keya na neirau veiwakani vakacakacaka kei Awesome Adventures." A tekivu na Awesome Adventures ena 2004 kei na neitou veiwakani kei ira na itaukei na otela e Viti sa tekivu me soli eso na veidinadinati kei ira na saravanua. Na cakacakavata qo sa tekivu kina na kena dola eso na noda bisinisi na itaukei ni qele ka ra vakacakacakataki kina eso na lewe ni koro.

Mai na ilavo e e rawa mai na resort, sa rawa kina vei Pita me vakauti rau o na watina kei na luvedrau yalewa kina koronivuli ni vuli vakasaqa ena Fiji National University, volia e 8 na eka na qele e Lautoka ka vakana bulumakau ka teitei kina, tei kakana draudrau ka dau vakau me laki vakayagataki ena resort ena vakasaqa.

Me kena ikuri, o au kei na watiq keirau vakacakacakataki ira eso na itabagone mai Kese kei na koro voleka. Keirau biuti ira ena veitabana taucoko ena resort me rawa ni ra vulica mera lewa vakamatau na nodra gauna, nodra ilavo kei na nodra qaravi na vulagi. Qo na ivakarau ni veisolisoli." Na Awesome adventure Cruises edua na taba ni South Sea Cruises ka vei qaravi ena l kekeleke ni waqa mai Denarau ka qarava na soko yacana na lade yanuyanu (island hopping) dewa kina veiyanyanu ena vanua era tiko kina na resorts kei na soko siga tolu kina Yatu Yasawa.

Na South Sea Cruises e nona vakatabakidua na Fijian Holdings Limited ka vei qaravi ena vuku ni kena vinakati me ra vakaitavi totolo na itaukei ena bisinisi ka vakadeitaka na nodra itutu ni bula vakailavo.



# REPORT ON ASSOCIATE COMPANIES AND OTHER INVESTMENTS TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



15.40%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

## NEWWORLD LIMITED

The financial year 2016 was challenging for the company.

The competitiveness and other challenges of retail industry are ever increasing in Fiji and the company is making all out efforts to outperform them which are reflected in the results achieved by the Company. The Company posted an increase in sales of 15.19% and a post tax net profit of \$3.91m. The management is confident of posting a better performance in terms of sales and profits in FY17 based on its current business plans and strategies.

Taking into account the impressive performance of IGA Stores, Savusavu Store was opened as an IGA Express Store in July 2015. In addition, the Company is to open another IGA store in Greig St, Suva in November 2016. These new stores are expected to attract more customers by offering width and depth in product range besides unmatched customer services and also contribute in a major way to the Company's top line and bottom line.

The Company will close its Labasa store in the present premises; however it is vigorously looking for alternative suitable location to re-start afresh at the earliest in Labasa.

In addition to pursuing other investment and growth opportunities, the management continues to invest into systems and processes improvement measures, together with skill upgrading of its human capital by continuing to hire experienced and professionals, to optimize its operational efficiency so as to provide good returns to all stakeholders. As a strategy, the Newworld Management has strategically retained and ploughed back, a portion of its profits, into the business by investing in new projects and initiatives. These new projects and initiatives are expected to turn up higher returns for the shareholders in the near future. The management is likely to continue to adopt such measures in future as and when such opportunities arise.

## NEWWORLD LIMITED

A sotava na kabani edua na bula dredre ena yabaki vakailavo ni 2016.

Na bula ni veiqati kei na so tale na bolebole ena bisinisi ni volivolitaki e toso cake sara e Viti ka tovolea vakalevu na kabani me tubu siviti ira na nona sasaga. A vakaraitaka na kabani ni toso cake na nona volivolitaki ena 15.19% ka rawata na tubu e \$3.91m ni musu oti na ivakacavacava. Ratou vakaraitaka na veiliutaki ni na rawata edua na tubu vinaka ena volivolitaki kei na tubu ena yabaki vaka ilavo 2017 raici mai na lalawa ni tuvatuva ni bisinisi.

Ni raici na uasivi ni rawa tubu ni IGA sitoa, na sitoa a dolavi mai Nasavusavu a dola me vaka edua na IGA Express store ena Jiulai 2015. Ena dolava na kabani e dua tale me kena ikuri ni IGA ena Greig St, Suva ena Noveba 2016. E nuidei na iliuliu ni na vakatolutaki na uasivi ni nona rawa ka e keya.

Na veisitoa vou qo era nuitaki ni ra na dreti ira mai vakalevu na dauvolivoli ena vuku ni vuqa na ka volitaki kina ka na rogo ka rawa tubu kina na kabani. Ena sogota na nona sitoa mai Labasa na kabani ka sa vakasaqara tale edua na vanua vou ena dua na gauna totolo duadua.

Me ikuri ni nona vakasaqara eso na gaunisala ni vakatubuilavo, ra vakavulici vakavinaka na tamata cakacaka, tauri tale eso mai tuba, me vukea na cici vinaka ni rawa tubu. Sa nanuma na veilutaki ena New World me vakayagataka eso na nona tubu me vakatubuilavo ena so na projects vou. Na sasaga vou ena rawata mai na tubu levu me baleti ira era sea ena kabani. Sa nanuma na kabani me tomana na vakasama oya ena gauna mai muri.



goodman fielder 

10%

Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

### GOODMAN FIELDER (FIJI) LIMITED

Fijian Holdings Limited is a shareholder in Goodman Fielder (Fiji) Limited, which is the holding company of Goodman Fielder International (Fiji) Limited (Goodman Fielder).

Goodman Fielder is one of Fiji's leading food manufacturers with a portfolio of iconic and trusted brands, specializing in quality poultry, ice-cream, snack foods, stock feed and consumer food products. The Company is proud to have been producing "Fijian Made and Grown" products for over four decades. Goodman Fielder's key brands are household names including Crest, Tuckers, Twisties, Meadow Lea, Meadow Fresh and Praise.

Poultry remains the biggest revenue driver for the business followed by ice-cream and snacks. The Company continues to enjoy the number one brand position with excellent growth in these key categories over the last 12 months.

As part of our ongoing commitment to growth and development, Goodman Fielder has also 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 Health and Sports supplements like whey protein, breakfast cereals and frozen yoghurt products, to name but 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 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 (FIJI) LIMITED

Na Fijian Holdings Limited e tauri sea ena Goodman Fielder International (Fiji) Limited (Goodman Fielder) ka kena i liuliu na Goodman Fielder International (Fiji) Limited.

Na Goodman Fielder e liu duadua vei ira na dau buli kakana e Viti ka vakayagataka na ivakatakilakila kilai levu ka volitaka na ice-cream, toa, kakana kilai na snacks, kedra kakana na manumanu, kei na kakana e baleta na tamata. E dokai na kabani ena nona volitaka na ivoli e buli ga e Viti ena 40 na yabaki sa oti. E kilai ena veivale na ivoli nei Goodman Fielder me vaka na Crest, Tuckers, Twisties, Meadow Lea, Meadow Fresh kei na Praise.

E ivoli rawa i lavo levu taudua kina bisinisi na toa ka tarava yani na ice-cream kei na snacks. Tomana tiko na nona marautaka na kabani na nona i voli naba dua kei na tubu levu mai vei ira na nona ivoli ena loma ni 12 na vula sa oti. Na Goodman Fielder e dauveivakacacakakataki vakalevu ena vakayagataki ni neitou "GF Way" ka raica talega na maroroi ni kakana kenai tuvaki uasivi, OH & S. Sa dede na nona kilai na kabani ena nona buli na kakana vinaka kei na kena maroroi, vakadeitaka ena nona taura tu na ISO 9001:2008 kei na HCCP.

Me tiki ni neitou veiqaravi kina bula kei na veivakatorocaketaki, sa vakatubuilavo talega vakalevu na Goodman Fielder ena kau mai kei na buli ni so na ivoli vou ebuli me sivia yani na kakana eke ka solia me kena ikuri na veika era taleitaka e Viti. Kakana vou eso e okati kina na veika me vakaukaua taki ira na dauqito vaka na breakfast cereal, frozen yoghurt me vukea na protein.



Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

### MARSH LIMITED

Marsh Limited remains the largest and leading risk consulting and insurance broking firm in Fiji and is part of the global Marsh & McLennan Companies (MMC) which is listed on the New York Stock Exchange. It comprises of over 60,000 colleagues globally with presence in over 130 countries.

Marsh creates tailored risk and insurance solutions for its clients and goes beyond the traditional insurance program design and placement and use the most effective blend of risk mitigation, risk transfer and advanced risk financing that can help to increase our clients revenue growth, enhance net income and strengthen their balance sheet. We provide risk management advice, risk consulting and insurance program management services to a wide range of businesses, government entities and professional service organizations around the country. Despite a very competitive environment Marsh continued with its strong financial performance. Behind this success and our enviable client base is our investment in our highly talented and experienced Fiji staff.

We had experienced a very soft insurance market in 2015, however following Cyclone Winston, insurers are looking more closely at Material Damage/Business Interruption programs. Rate reductions are still achievable for clients with good claims experience. Marsh will continue to help our clients thrive and reap the benefits of the current environment as well as protect the interests of our shareholders.

### GOLDEN MANUFACTURERS LTD

Golden Manufacturers Limited continues to maintain its position as market leader in corrugated packaging solutions in Fiji and South Pacific Region. The Company services a wide variety of multi-national and local businesses with state of the art equipment. Manufacturing facilities have equipment for the manufacture of corrugated board and conversion into paperboard products.

Company is in the process of strengthening its organization structure, market share and revenue while ensuring that existing customer base is maintained. Companies have successfully achieved its budget in year 2015 and also intend to achieve their projected forecast for the current financial year ending December 2016. The Company is continually working on innovative ways to raise the standard of their service and improve their packaging to ensure the success of customers' brands.

The Company is currently about to introduce a 11 colour label manufacturing press in the last quarter of the year. The proposed introduction of this label printing operation will allow GML to offer a wider range of services to its current customer base as well as creating new export opportunities in the region including Australia and New Zealand.

### MARSH LIMITED

E dei tiko o Marsh Limited na nona itutu ni tabana levu ka liu taudua ena veiqaravi ni ririko mai na qaravi ni inisua e Viti, ka tiki talega ni Marsh & McLennan Companies (MMC) e vuravura ka tekivutaki mai Amerika ka tabaki ena New York Stock Exchange. Era oka vata kei na sivia e 60,000 era cakacaka vata ena veiyasai vuravura ena loma ni 130 na matanitu.

E vakarautaka o Marsh na iwali ni ririko vivinaka me baleti ira e qaravi ira ka sega walega ni qarava na veika baleta na inisua, e vakarautaka na iwali ni vakalailaitaki ni ririko, kena tokitaki kei na kena vakarabailevutaki me vukea na tubu ni nodra i lavo bula curu mai ka vakadeitaka na nodra i tutu ni lavo. E tu vei keitou na ivakasala me valuta na ririko, na ivakasala ni veiqaravi ena vuqa na taba ni bisinisi kei na veitabana ni matanitu ka ra tu e Viti. Ena vuku ni kila vakacacacaka era tu ena veitabana e rawa vei Marsh me taura mai na kila era tu ena veitabana mai na veiyasai vuravura.

Keitou a vakila edua na makete ni inisua vinaka ena 2016, ka raica vakavoleka na vakacaca ni veivale kei na bisinisi a vakayacora na Cagilaba o Winston. Ena tomana tiko o Marsh me vukei ira na itaukei ni sea me ra toso.

Sa tekivutaka o Marsh eso na bisinisi lalai me vukei ira eso ka ra via tekivutaka na nodra bisinisi. Na nodra i curucuru e rawarawa me baleta na nodra bisinisi lalai.

### GOLDEN MANUFACTURERS LTD

E tomana dei tiko na Golden Manufacturing Ltd na nona i tutu ena makete ni volitaki kateni buli ena pepa e Viti kei na Pasifika. E veiqaravi na kabani kei ira na i taukei ni bisinisi e Viti ka totoka na mawe ni ligadra ena i yaya ni cakacaka vinaka e bulia. E tu talega ena kabani eso na i yaragi ni buli kateni. (Corrugated).

Sa vakaukauwataka tiko na Golden Manufacturing na nona ituvatuva ni veiliutaki ena makete ni volitaki sea kei na ilavo bula curu mai, ka vakadeitaka tiko na nodra maroro'i o ira era dau volivoli tudei tu kina. E rawata vavinaka na nona ituvatuva vakailavo ena 2015, ka tu me rawata na nona lalawa ena yabaki vakailavo mai cava ena Tisaba 2016. Sa sasaga tiko na kabana me kunea tale eso na sala vou me vueti cake kina na ituvaki ni nona veiqaravi kei na buli yaya me vakadeitaka na totoka ni noda i vakatakilakila ni dauveivoli.

Sa vakarautaka tiko na kabani me tekivutaka e 11 na roka i vola tabaki ena i otioti ni va na vula ni yabaki oqo. Na kena vakarautaki tiko na 11 na roka oqo ena rawa kina vei GML me solia e vuqa na mataqali veiqaravi vei ira nona dau volivoli ena gauna qo ka vakatalega na buli ni so na ivoli vou me volitaki ena Pacifika vaka talega kina ko Niusiladi Kei Ositerelia.



Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL



Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

### PERNIX (FIJI) LIMITED

Since the addition of Pernix (Fiji) Ltd to the Fijian Holdings family in November 2014, our relationship continues to grow not only in Fiji but throughout the Pacific Rim. The latest Pacific Rim expansion is in Papua New Guinea, where Pernix Pacific has taken over the management and operation of Basic Industries (PNG) Limited Batch Plant in Baruni, Port Moresby.

Pernix will also embark on the development of thirteen acres of land where the batch plant is based. Pernix is also actively involved in tendering for a number of power generation opportunities with the national grid, PNG Power, and with other several private entities. Pernix set to grow significantly in Papua New Guinea and we have no doubt it will provide excellent returns to FHL. After making losses for several years, FHL is confident of recouping these losses and realize profits within a very short period of time.

Pernix Fiji continues to grow and will embark on other opportunities in construction, power generation and facilities management.

### PERNIX (FIJI) LIMITED

Mai na gauna e a vakacurumi kina o Pernix Fiji Limited ena Noveba 2014 me lewe ni vuvale ni kabani cokovata na Fijian Holdings, e a daumaka cake tikoga na neitou veiwekani sega walega e Viti ia e teteva talega na wasa Pasifika. Na i ototi ni vakatubu bisinisi ni Pernix ena wasa Pasifika e tarai Papua New Guinea, sa laki taura sara na na veiliutaki kei na cicivaki ni Basic Industries Limited Batch Plant mai Baruni, Port Moresby.

Ena tosoya yani na Pernix na kena vakatorocaketaki ni 13 na eka na qele me vakaduri kina edua na misini ni qaqi simede. Na Pernix e vakaitavi talega ena kena dau tedataki e so na veikavakalivaliva ena veiwekani vakamatanitu, na PNG Power kei na so tale na kabani tu galala. Sa vakarau tu me na tubu vakalevu ena loma i Papua New Guinea o Pernix ia ka keitou sega ni vakataratututaka ni na solia lesu mai vei FHL na tubu daumaka. Ni oti e vica na yabaki ni kena lusi na tubu vakailavo, e nuidei o FHL ni na vakasukai lesu tale na lusi ni tubu vakailavo ena dua na gauna lekaleka ga qo.

Ena tosoya tikoga ko Pernix Fiji me tubu vakavinaka ka na sasaga yani kina veika tale eso me vaka na taravale, na cakacakataki ni livaliva kei na veiliutaki.



Fijian Holding's Shareholding  
Wase ni Sea ena Kabani qo a  
taukena na FHL

### FIJIAN HOLDINGS UNIT TRUST

Fijian Holdings Unit Trust is an Income and Growth Fund, managed by FHL Fund Management Limited, a wholly owned subsidiary of FHL. During the year, FHUT portfolio grew by 17% from \$77.07 million to \$90.21 million and the total number of units on issue, surpassed 116million correspondingly by 30th June 2016. Additionally, the Reserve Bank of Fiji approved the FHUT Prospectus Issue No. 5 which entailed the changes to the product, such as the change of dividend payout period to three times a year, as compared to twice a year since inception. The minimum entry requirement was also reduced to 50 units, positioning the FHUT product as a relatively affordable investment product to open.

For FY2016, FHUT paid out a total dividend of \$3.4m. The outlook for the new financial year for the Fund remains challenging as we anticipate competition to intensify with new entrants and new products from other financial institutions. However, the Fund Manager will continue to explore sustainable opportunities to maximise competitive returns to our unitholders.

### FIJIAN HOLDINGS UNIT TRUST

Na Fijian Holdings Unit Trust edua na tabana ni ciqoma na ilavo e curu mai kei na kedra vakatuburi ka qarava na FHL Fund Management Limited, ka nona vakatabakidua na tabana qo na FHL. Ena loma ni yabaki, a tubu na FHUT ena 17% mai n a \$77.07 milioni kina \$90.21 milioni kei na levu taucoko ni uniti volitaki sa sivia e 116 na milioni ena 30 June 2016. Kena ikuri, sa vakadonia na Reserve Bank of Fiji na ivola vakamacala FHUT Prospectus No. 5 ka tu e loma na veisau eso me vaka na saumi ni lavo me wasei vakatolu ena veiyabaki me vakatauvatani ena sausaumi vakarua e liu. Na iwiliwili lailai taudua e gadrevi me curu kina e dua oya me sauma e 50 na units.

Ena FY2016 a sauma na FHUT na ilavo me wasei e \$3.4 milioni. Na rai kina yabaki vou vakailavo ena vebotei ka keitou nuitaka edua na veiqati mai vei ira na kabana ni lavo. Ia ena vakaraica na Fund Manager eso na sala vou me rawa kina vakalevu na ilavo era taura na itaukei ni units.

## Fijian Holdings Limited and Subsidiary Companies FINANCIAL STATEMENTS

Directors' Report Tukutuku Ni Daireketa	46
Statement By Directors Nodratou Rai Na Daireketa	48
Independent Audit Report Tukutuku Ni Dau Ni Fika	49
Statements of Profit or Loss and Other Comprehensive Income Tukutuku Ni Rawa Ka Vakailavo	50
Statements of Financial Position Tukutuku Ni Yau ni Kabani	51
Statements of Cash Flows Tukutuku Ni Lavo Qaqai	52
Statements of Changes in Equity Tukutuku Ni Veisau Ena Akaude Ni Taukei Ni Kabani	53
Notes to and Forming Part of the Financial Statements Vakamacala Ka Lewe Talega Ni Tukutuku Vakailavo	55
Listing requirements of the South Pacific Stock Exchange Tukutuku E Vinakati Mai Na South Pacific Stock Exchange	100
Proxy Form	103



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 Company and the Fijian Holdings Limited Group ("the Group") being the Company, its controlled entities and associates for the year ended 30 June 2016.

**1. DIRECTORS**

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

Iowane Naiveli	Chairman	Viliame Cegumalua	
Ulaiasi Taoi		Viliame Naupoto	appointed on 11 August 2015
Sakiusa Raivoce		Aisea Waka Vosailagi	appointed on 11 August 2015
Isikeli Tuituku		John O'Connor	appointed on 11 August 2015

**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, trade, 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, 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 2016 was \$13.656 million (2015: \$10.652 million) and for the Company was \$20.851 million (2015: \$12.921 million).

**4. RESERVES**

The directors recommend that no amounts be transferred to reserves within the meaning of the seventh schedule of the Companies Act 1983.

**5. DIVIDENDS**

The directors declared a final dividend of \$3.351 million (2015: \$3.351 million) for "A" class and "B" class shareholders from the profits for the year ended 30 June 2015. The Company paid an interim dividend of \$3.656 million (2015: \$3.351 million) for "A" class and "B" class shareholders during the year.

Total dividends paid for the year ended 30 June 2016 amounted to \$7.007 million (2015: \$6.702 million).

**6. BAD AND DOUBTFUL DEBTS**

The directors took reasonable steps before the Company's and 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.

**7. CURRENT ASSETS**

The directors took reasonable steps before the Company's and the Group's financial statements were made out to ascertain that the current assets of the Company and 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 current assets in the financial statements misleading.

**8. SIGNIFICANT EVENTS**

- i. During the year Fijian Holdings Limited sold its 100% shareholding in Basic Industries (PNG) Limited for a cash consideration of \$0.758 million.
- ii. During the year Fiji Television Limited sold its 100% shareholding in Media Niugini Limited for a cash consideration of \$13.679 million.



### 8. SIGNIFICANT EVENTS - cont'd

iii. During the year Fiji Television Limited sold its pay television service division, Sky Pacific, for a cash consideration of \$3.383 million.

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.

### 9. RELATED PARTIES TRANSACTIONS

In the opinion of the directors all related parties transactions have been adequately recorded in the books of the Company and its subsidiaries and reflected in the attached financial statements.

### 10. 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.

### 11. UNUSUAL TRANSACTIONS

The results of the Company's and 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.

### 12. 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 Company and the Group, the results of those operations, or the state of affairs of the Company and the Group, in subsequent financial years.

### 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:

	Beneficially		Non-beneficially	
	Additions	Holding	Additions	Holding
Sakiusa Raivoce	-	100,000	-	-
Ulaiasi Taoi	-	2,311	-	-
Isikeli Tuituku	-	-	-	20,767,688
Viliame Cegumalua	-	-	-	21,160,977
Viliame Naupoto – appointed 11 August 2015	-	-	-	20,760,977
Aisea Waka Vosailagi – appointed 11 August 2015	-	-	-	20,760,977
John O'Connor – appointed 11 August 2015	-	-	-	20,760,977

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 he is a member, or with a Company in which he has a substantial financial interest.

For and on behalf of the Board of Directors

Dated this 18th day of August 2016.

Chairperson

Director

In the opinion of the directors:

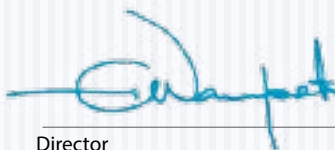
- (a) the accompanying statements of profit or loss and other comprehensive income of the Company and of the Group are drawn up so as to give a true and fair view of the results of the Company and of the Group for the year ended 30 June 2016,
- (b) the accompanying statements of financial position of the Company and of the Group are drawn up so as to give a true and fair view of the state of the affairs of the Company and of the Group as at 30 June 2016,
- (c) the accompanying statements of changes in equity of the Company and of the Group are drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2016,
- (d) the accompanying statements of cash flows of the Company and of the Group are drawn up so as to give a true and fair view of the cash flows of the Company and of the Group for the year ended 30 June 2016,
- (e) at the date of this statement, there are reasonable grounds to believe that the Company and its subsidiaries will be able to pay their debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the Company and the Group and reflected in the attached financial statements.

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

Dated this 18th day of August 2016.



Chairperson



Director

**TO THE MEMBERS OF FIJIAN HOLDINGS LIMITED****Report on the Company and Consolidated Financial Statements**

We have audited the accompanying financial statements of Fijian Holdings Limited (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprise the statements of financial position as at 30 June 2016, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes 1 to 36.

**Directors' and Management's Responsibility for the Financial Statements**

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors and management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Company and Group financial statements give a true and fair view, in all material respects, of the financial position of Fijian Holdings Limited and the Group as at 30 June 2016, and their financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

**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, so far as it appears from our examination of those books;
- ii) the financial statements are in agreement with the books of account; and
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Fiji Companies Act, 1983 in the manner so required.

18th August, 2016  
Suva, Fiji

KPMG  
Chartered Accountants

KPMG, a Fiji partnership, is part of the KPMG International Network. KPMG International Cooperative ("KPMG International") is a Swiss entity.

**STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
TUKUTUKU NI RAWA KA VAKAILAVO

Year Ended 30 June 2016

	Notes	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
			(Restated)*		
<b>Continuing operations</b>					
<b>Revenue</b>					
Operating revenue	35	293,552	256,099	26,078	26,465
Other income	5(a)	5,203	4,894	201	431
		298,755	260,993	26,279	26,896
<b>Expenses</b>					
Changes in inventories of finished goods and work in progress		(91,162)	(81,896)	-	-
Raw materials and consumables used		(51,885)	(44,120)	-	-
Direct operating expenses		(25,678)	(25,327)	-	-
Staff costs		(27,584)	(24,958)	(1,103)	(1,150)
Depreciation and amortisation		(10,894)	(10,678)	(126)	(184)
Provision for diminution in value of investments		(1,148)	-	(1,664)	(8,946)
Impairment loss on property, plant& equipment and contract assets		(2,158)	(271)	-	-
Provision for doubtful debts		(2,486)	(1,757)	-	(154)
Impairment loss on goodwill	19	-	(6,100)	-	-
Other operating expenses	5(b)	(44,662)	(38,580)	(1,700)	(1,977)
		(257,657)	(233,687)	(4,593)	(12,411)
<b>Operating profit</b>		41,098	27,306	21,686	14,485
Finance income		521	42	1,087	1,108
Finance costs		(10,251)	(6,044)	(2,331)	(3,265)
Net finance costs	6	(9,730)	(6,002)	(1,244)	(2,157)
Share of profit in associates, net of tax	23	1,485	2,600	-	-
<b>Profit before income tax</b>		32,853	23,904	20,442	12,328
Income tax (expense)/ benefit	7(a)	(6,973)	(5,419)	409	593
<b>Profit from continuing operations</b>		25,880	18,485	20,851	12,921
<b>Discontinued operation</b>					
(Loss) from discontinued operations, net of tax	8	(3,372)	(1,036)	-	-
<b>Profit for the year after tax</b>		22,508	17,449	20,851	12,921
<b>Other comprehensive income</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Net change in fair value of available-for-sale financial assets	29	1,323	(545)	20,499	13,899
Reclassification of foreign currency differences on disposal of foreign operations	29	5,717	-	-	-
Net change in foreign currency translation reserve	29	(47)	(1,334)	-	-
Total items that may be reclassified subsequently to profit or loss		6,993	(1,879)	20,499	13,899
<b>Other comprehensive income, net of tax</b>		6,993	(1,879)	20,499	13,899
<b>Total comprehensive income for the year</b>		29,501	15,570	41,350	26,820
Profit attributable to:					
Equity holders of the holding company		13,656	10,652		
Non-controlling interest	22	8,852	6,797		
Total comprehensive income attributable to:		22,508	17,449		
Equity holders of the holding company		20,649	8,773		
Non-controlling interest	22	8,852	6,797		
		29,501	15,570		
		Cents	Cents		
<b>Basic and diluted earnings per share</b>	31	45	35		
<b>Basic and diluted earnings per share-continuing operations</b>	31	56	38		

The statements of profit or loss and other comprehensive income are to be read in conjunction with the accompanying notes.

# STATEMENTS OF FINANCIAL POSITION

## TUKUTUKU NI YAU NI KABANI

As at 30 June 2016

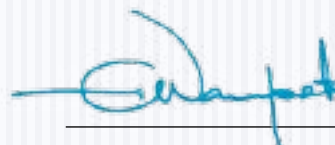
	Notes	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	10(a)	24,827	7,959	156	157
Held-to-maturity investments	11	-	10,510	-	-
Loans, advances and receivables	12	88,543	77,524	14,437	13,599
Available-for-sale financial assets	20(b)	9,263	-	-	-
Current tax asset	7(b)	-	-	587	155
Inventories	14	30,515	34,896	-	-
Assets held for sale	17(a)	1,416	21,031	-	-
		154,564	151,920	15,180	13,911
<b>Non-current assets</b>					
Held-to-maturity investments	11	-	10,254	-	-
Loans, advances and receivables	12	71,389	53,564	11,334	12,437
Available-for-sale financial assets	20(b)	29,599	19,437	257,464	231,244
Contract assets	16	325	2,080	-	-
Investments in associates	23	18,962	19,427	-	-
Investment properties	18	10,720	8,894	-	-
Property, plant and equipment	15	124,259	127,281	157	238
Deferred tax assets	7(c)	2,932	3,781	34	66
Intangible assets	19	62,296	62,651	-	-
		320,482	307,369	268,989	243,985
<b>Total assets</b>		475,046	459,289	284,169	257,896
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables	24	35,567	33,668	626	1,455
Borrowings	27	122,172	121,032	20,043	47,921
Dividends payable	26	747	1,192	-	-
Employee entitlements	25	1,545	1,575	373	381
Current tax liability	7(b)	952	163	-	-
Liabilities held for sale	17(b)	-	6,875	-	-
		160,983	164,505	21,042	49,757
<b>Non-current liabilities</b>					
Borrowings	27	89,670	84,902	39,031	18,386
Payables	24	649	-	-	-
Employee entitlements	25	497	144	-	-
Deferred tax liabilities	7(c)	5,314	5,604	-	-
		96,130	90,650	39,031	18,386
<b>Total liabilities</b>		257,113	255,155	60,073	68,143
<b>Net assets</b>		217,933	204,134	224,096	189,753
<b>SHAREHOLDERS EQUITY</b>					
Share capital	28	30,465	30,465	30,465	30,465
Reserves	29	20,824	13,952	88,470	67,971
Retained earnings		119,554	112,905	105,161	91,317
Attributable to members of the holding company		170,843	157,322	224,096	189,753
Non-controlling interest	22	47,090	46,812	-	-
<b>Total shareholders' equity</b>		217,933	204,134	224,096	189,753

These 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 statements of financial position are to be read in conjunction with the accompanying notes.

	Notes	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities:</b>					
Cash receipts from customers		294,425	280,324	-	-
Cash paid to suppliers and employees		(247,172)	(253,962)	(2,778)	(3,477)
Cash generated from/ (used in) operating activities		47,253	26,362	(2,778)	(3,477)
Dividends received		2,993	2,978	22,825	16,334
Management fees received		-	-	1,238	1,283
Management fees paid		(1,638)	(2,203)	-	-
Net customer loans granted		(29,515)	(956)	-	-
Net increase/ (decrease) in deposits		27,117	(10,722)	-	-
Interest received		20,570	19,366	1,079	1,087
Other income received		-	-	378	651
Interest paid		(8,352)	(7,675)	(3,128)	(2,420)
Income tax refunds		311	-	-	-
Income taxes paid		(5,994)	(5,410)	-	(82)
<b>Net cash from operating activities</b>		<b>52,745</b>	<b>21,740</b>	<b>19,614</b>	<b>13,376</b>
<b>Cash flows from investing activities:</b>					
Acquisition of property, plant and equipment		(11,472)	(15,339)	(58)	(19)
Acquisition of contract cost	16	(333)	(1,227)	-	-
Acquisition of investment property		(3,573)	(5,034)	-	-
Investment in held-to-maturity assets		-	(100)	-	-
Investment in available-for-sale financial assets		(100)	(3,944)	-	(3,764)
Loan repayments received		-	-	-	-
Deposit paid		(4,548)	-	(4,548)	-
Proceeds from disposal of available-for sale financial assets		11	-	-	-
Proceeds from disposal of property, plant and equipment and assets held for sale		1,360	559	35	-
Proceeds from held-to-maturity investment		-	500	-	-
Acquisition of intangible assets		(172)	(11)	-	-
Disposal of discontinued operation, net of cash disposed off	8	12,978	-	-	-
Net advances (to)/from subsidiaries		-	-	1,088	78
<b>Net cash (used in)/from investing activities</b>		<b>(5,849)</b>	<b>(24,596)</b>	<b>(3,483)</b>	<b>(3,705)</b>
<b>Cash flows from financing activities:</b>					
Dividends paid to the holding company's shareholders	9	(7,007)	(6,702)	(7,007)	(6,702)
(Payments)/ proceeds from sale of investment securities		2,001	(11,252)	-	-
Proceeds from issue of shares		330	220	-	-
Dividends paid to non-controlling interests	22	(9,476)	(4,047)	-	-
Net movement in loans		(13,157)	(5,818)	(8,296)	(8,758)
<b>Net cash used in financing activities</b>		<b>(27,309)</b>	<b>(27,599)</b>	<b>(15,303)</b>	<b>(15,460)</b>
Net increase/(decrease) in cash and cash equivalents		19,587	(30,455)	828	(5,789)
Cash and cash equivalents at the beginning of the year		(10,027)	20,426	(10,025)	(4,236)
Effect of exchange rate changes on cash		(1,058)	2	-	-
<b>Cash and cash equivalents at the end of the year</b>	10(a)	<b>8,502</b>	<b>(10,027)</b>	<b>(9,197)</b>	<b>(10,025)</b>

The statements of cash flows are to be read in conjunction with the accompanying notes.

# STATEMENTS OF CHANGES IN EQUITY

## TUKUTUKU NI VEISAU ENA AKAUDE NI TAUKEI NI KABANI

Year Ended 30 June 2016

Group	Attributable to owners of the Company				Non-controlling Interests \$'000	Total Equity \$'000
	Share Capital \$'000	Other Reserves <sup>(1)</sup> \$'000	Retained Earnings \$'000	Total \$'000		
Balance at 1 July 2014	30,465	14,705	109,576	154,746	45,384	200,130
<b>Total comprehensive income for the year</b>						
Profit	-	-	10,652	10,652	6,797	17,449
Other comprehensive income	-	(1,879)	-	(1,879)	-	(1,879)
Total comprehensive income for the year	-	(1,879)	10,652	8,773	6,797	15,570
<b>Transactions with owners of the Company</b>						
<b>Contributions and distributions</b>						
Transfer from retained earnings	-	621	(621)	-	-	-
Dividends paid to owners of the Company	-	-	(6,702)	(6,702)	(4,884)	(11,586)
Total contributions and distributions	-	621	(7,323)	(6,702)	(4,884)	(11,586)
<b>Changes in ownership interests</b>						
Acquisition of subsidiary with NCI	-	-	-	-	400	400
Decrease in non-controlling interest through acquisition	-	505	-	505	(885)	(380)
<b>Total changes in ownership interests</b>	-	505	-	505	(485)	20
<b>Total transactions with owners of the Company</b>	-	1,126	(7,323)	(6,197)	(5,369)	(11,566)
Balance at 30 June 2015	30,465	13,952	112,905	157,322	46,812	204,134
Balance at 1 July 2015	30,465	13,952	112,905	157,322	46,812	204,134
<b>Total comprehensive income for the year</b>						
Profit	-	-	13,656	13,656	8,852	22,508
Other comprehensive income	-	6,993	-	6,993	-	6,993
Total comprehensive income for the year	-	6,993	13,656	20,649	8,852	29,501
<b>Transactions with owners of the Company</b>						
<b>Contributions and distributions</b>						
Transfer from retained earnings	-	-	-	-	-	-
Dividends paid to owners of the Company	-	-	(7,007)	(7,007)	(8,912)	(15,919)
<b>Total contributions and distributions</b>	-	-	(7,007)	(7,007)	(8,912)	(15,919)
<b>Changes in ownership interests</b>						
Acquisition of subsidiary with NCI	-	-	-	-	461	461
Decrease in non-controlling interest through acquisition	-	(121)	-	(121)	(123)	(244)
<b>Total changes in ownership interests</b>	-	(121)	-	(121)	338	217
<b>Total transactions with owners of the Company</b>	-	(121)	(7,007)	(7,128)	(8,574)	(15,702)
Balance at 30 June 2016	30,465	20,824	119,554	170,843	47,090	217,933

(1) See note 29

The statements of changes in equity are to be read in conjunction with the accompanying notes.

# STATEMENTS OF CHANGES IN EQUITY

## TUKUTUKU NI VEISAU ENA AKAUDE NI TAUKEI NI KABANI

Year Ended 30 June 2016

Company	Attributable to owners of the Company				Non-controlling Interests \$'000	Total Equity \$'000
	Share Capital \$'000	Other Reserves <sup>(1)</sup> \$'000	Retained Earnings \$'000	Total \$'000		
Balance at 1 July 2014	30,465	54,072	85,098	169,635	-	169,635
<b>Total comprehensive income for the year</b>						
Profit	-	-	12,921	12,921	-	12,921
Other comprehensive income	-	13,899	-	13,899	-	13,899
<b>Total comprehensive income for the year</b>	-	13,899	12,921	26,820	-	26,820
<b>Transactions with owners of the Company</b>						
Contributions and distributions						
Dividends paid to owners of the Company	-	-	(6,702)	(6,702)	-	(6,702)
<b>Total contributions and distributions</b>	-	-	(6,702)	(6,702)	-	(6,702)
<b>Total transactions with owners of the Company</b>	-	-	(6,702)	(6,702)	-	(6,702)
Balance at 30 June 2015	30,465	67,971	91,317	189,753	-	189,753
Balance at 1 July 2015	30,465	67,971	91,317	189,753	-	189,753
<b>Total comprehensive income for the year</b>						
Profit	-	-	20,851	20,851	-	20,851
Other comprehensive income	-	20,499	-	20,499	-	20,499
<b>Total comprehensive income for the year</b>	-	20,499	20,851	41,350	-	41,350
Transactions with owners of the Company						
Contributions and distributions						
Dividends paid to owners of the Company	-	-	(7,007)	(7,007)	-	(7,007)
<b>Total contributions and distributions</b>	-	-	(7,007)	(7,007)	-	(7,007)
<b>Total transactions with owners of the Company</b>	-	-	(7,007)	(7,007)	-	(7,007)
Balance at 30 June 2016	30,465	88,470	105,161	224,096	-	224,096

(1) See note 29

The statements of changes in equity are to be read in conjunction with the accompanying notes.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

Year Ended 30 June 2016

### 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 2016 comprise the Company and its subsidiaries (together referred to as "the Group" and individually as "group entities") and the group's interest in associates. The Company and its subsidiaries are incorporated and domiciled in Fiji and Papua New Guinea.

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, 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 18th August 2016.

#### 1.1 Statement of compliance

The Company and 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 Fiji Companies Act 1983.

#### 1.2 Basis of accounting

These consolidated financial statements have been prepared under the historical cost basis, as modified by the revaluation of available-for-sale financial assets and except where otherwise noted.

Despite the deficiency in net current assets of \$5,862,000 (2015: \$35,846,000) in the Company, the financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to pay its debts as and when they fall due. The directors believe that this basis is appropriate as the Company has the ability to upstream dividends from its subsidiary companies, there are currently undrawn banking facilities totalling \$4,647,000 available, and an amount of \$6,953,000 is due to related parties which the directors believe is capable of being renegotiated as to payment date. The Company also has a positive cash flow from operating activities and can call upon related party receivables of \$6,095,000 (classified as non-current due to management's expectation of realisation) when the need arises.

The Group net current asset deficiency of \$6,419,000 (2015: \$12,585,000) is due to short term fixed term deposits totalling \$86,056,000 (2015: \$56,516,000) in respect of Merchant Finance Limited which the directors expect will be rolled over at maturity.

#### *Standards, amendments and interpretations issued but not yet effective*

The following standards, amendments and interpretations to existing standards have been published which are relevant to the Group and are mandatory for accounting periods beginning after 1 July 2015, but the Group does not plan to early adopt them. The impact of these standards and interpretations on the financial statements of the Company and the Group has not yet been fully determined.

Standard/ Interpretation	Content	Applicable for financial years beginning on/after
IFRS 9 Financial Instruments	IFRS 9, published in July 2014 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.	1 January 2018, with early adoption permitted

**1. GENERAL INFORMATION** *(continued)*

**1.2 Basis of accounting** *(continued)*

*Standards, amendments and interpretations issued but not yet effective* *(continued)*

Standard/ Interpretation	Content	Applicable for financial years beginning on/after
IFRS 15 Revenue from contracts with customers	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.	1 January 2018, with early adoption permitted
IFRS 16 Leases	<p>IFRS 16 removes the classification of leases as either operating leases or finance leases - for the lessee - effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements.</p> <p>There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual returns.</p> <p>Lessor accounting remains similar to current practice - i.e. lessors continue to classify leases as finance and operating leases.</p>	1 January 2019, with early adoption permitted

**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 - Available for sale financial assets      |
| Note 2.4.3 - Financial assets impairment    | Note 2.5 - Property, plant and equipment impairment |
| Note 2.6 - Investment properties impairment | Note 2.10 - 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 Company's and the Group's functional and presentation currency.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**2.1 Principles of consolidation** *(continued)*

*(i) Business combinations* *(continued)*

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.

*(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.

*(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.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

### **2.1 Principles of consolidation** *(continued)*

#### *(vi) Transactions and non-controlling interests*

The group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the group. Disposals to non-controlling interests result in gains and losses for the group and are recorded in the other comprehensive income. Purchases from non-controlling interests, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary, is recorded directly in equity.

#### *(vii) 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 recognized 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. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

### **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 statements 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 current liabilities on the statement of financial position.

### **2.4 Financial assets**

#### **2.4.1 Classification**

Financial assets are classified into the following categories: at fair value through profit or loss, held-to-maturity, available-for-sale, and loans and receivables. The classification is dependent on the purpose for which the financial assets are acquired. Management determines the classification of investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognised on the trade date, which is the date the group commits to purchase or sell the asset. Cost of purchase includes transaction costs.

#### *(a) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets.

#### *(b) Held-to-maturity investments*

Investments which management has the intent and ability to hold to maturity are classified as held-to-maturity and are carried at amortised cost.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

### **2.4 Financial assets** *(continued)*

#### **2.4.1 Classification** *(continued)*

*(c) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

*(d) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are classified as non-current. The group's loans and receivables comprise of 'cash and cash equivalents' and 'loans, advances and receivables'.

#### **2.4.2 Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity assets are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within 'fair value (losses)/gains' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in profit or loss as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### **2.4.3 Impairment**

The Group assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. The Group considers a decline of 20% to be significant and a period of twelve months to be prolonged. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

An allowance for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss as part of provision for doubtful debts. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against provision for doubtful debts in profit or loss.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**2.4 Financial assets** *(continued)*

**2.4.3 Impairment** *(continued)*

Loans and advances are recognised at recoverable amount, after assessing the required allowance for impairment. Impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans and estimation of expected losses in relation to loan portfolios where specific identification is impracticable. Bad debts are written off when identified. If an allowance for impairment has been recognised in relation to a loan, write-offs for bad debts are made against the allowance. If no allowance for impairment has previously been recognised, write-offs for bad debts are recognised as expenses in profit or loss.

**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.

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 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 company 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%

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

### **2.6 Investment properties**

Investment property is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Rental income from investment property is accounted for as described in accounting policy 2.16.

Investment property includes both land and buildings. Buildings are depreciated on a straight-line basis at an annual rate between 1.25% and 2.50%. Freehold land is not depreciated. Leasehold land is amortised on a straight line basis in accordance with the term of the lease.

When an item of plant and equipment (refer to accounting policy 2.5) becomes an investment property following a change in its use, such investment property is stated at its cost.

### **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 statements 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 Intangibles**

#### *(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 Ltd) 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.

**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**

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.

**2.14 Employee entitlements**

Liability for annual leave is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.



## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

### **2.14 Employee entitlements** *(continued)*

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 due.

### **2.15 Leases**

#### *A Group company is the lessee*

Assets acquired under finance leases are included as property, plant and equipment in the statement of financial position. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets. Where assets are acquired by means of finance leases, the lower of the asset's fair value or the present value of the minimum lease repayments is recognised as an asset at the beginning of the lease term and amortised on a straight line basis over the expected useful life of the leased asset. A corresponding liability is also established and each lease payment is allocated between the liability and interest expense.

Other leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to expense in the periods in which they are incurred.

#### *A Group company is the lessor*

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

### **2.16 Revenue recognition**

Revenue comprises the fair value for the sale of goods and services, net of value added tax, rebates and discounts and after eliminating sales within the group. Revenue is recognised as follows:

#### *Sales of goods*

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

#### *Sales of services*

Revenue is generally recognised when services are rendered. Fees such as brokerage income and commission arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

#### *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest or compound interest method which matches income earned to the funds employed on a constant basis.

#### *Dividend income*

Dividend income is recognised when the right to receive payment is established.

#### *Rental income*

Rental income is recognised when due. Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

### **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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**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.

**2.20 Rounding**

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

**2.21 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.

**2.22 Comparative figures**

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

**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.

In addition, the net assets of Basic Industries (PNG) Limited have been transferred to Pernix (PNG) Limited as part of this transaction (see Note 8).

**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 the Company and an outsourced internal audit team for 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.

**4. FINANCIAL RISK MANAGEMENT (continued)**

**4.1 Risk Management Framework (continued)**

(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.

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 responds 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)

Pacific Cement Ltd and Basic Industries Ltd operate in Fiji and procure 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 companies negotiate competitive rates with their 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 either as available-for-sale or at fair value through profit or loss. 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 investments in equity of 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 2016. 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.

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Impact on equity	533	567	304	290

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 Merchant Finance 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.

**4. FINANCIAL RISK MANAGEMENT** *(continued)*

**4.1 Risk Management Framework** *(continued)*

(iii) Interest rate risk *(continued)*

Interest rate risk is managed through: 1) investments; 2) loan pricing; and 3) deposit pricing. MFL always 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.

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Bank overdraft	16,325	24,924	9,353	10,182
Bank loans	70,174	82,505	30,523	35,220
Fixed term deposits and short term borrowings (unsecured)	125,343	98,505	19,198	20,905
<b>Total</b>	<b>211,842</b>	<b>205,934</b>	<b>59,074</b>	<b>66,307</b>

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Bank overdraft	16,325	24,924	9,353	10,182
Bank loans	62,629	74,551	30,523	41,810
<b>Total</b>	<b>78,954</b>	<b>99,475</b>	<b>39,876</b>	<b>51,992</b>

*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 2015.

	Group		Company	
	Equity \$'000	Profit or loss before tax \$'000	Equity \$'000	Profit or loss before tax \$'000
<b>30 June 2016</b>				
Variable rate instruments	790	790	40	40
<b>30 June 2015</b>				
Variable rate instruments	995	995	52	52

The Company nor the Group is 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 investees.

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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

Year Ended 30 June 2016

### 4. FINANCIAL RISK MANAGEMENT (continued)

#### 4.1 Risk Management Framework (continued)

(b) *Credit risk - continued*

The summary of the Group's exposure to credit risk is as follow:

	Group 2016 \$'000	Group 2015 \$'000
<b>Loans and advances</b>		
Neither past due nor impaired	130,663	94,531
Past due but not impaired	31,751	29,558
Individually impaired	2,434	9,122
<b>Gross loans and advances</b>	<b>164,848</b>	<b>133,211</b>
Less: unearned revenue	31,549	27,589
Less: allowance for impairment	4,071	4,247
<b>Net loans and advances</b>	<b>129,228</b>	<b>101,375</b>
<b>Other receivables</b>		
Neither past due nor impaired	30,704	29,713
Past due but not impaired	-	-
Individually impaired	7,333	9,096
<b>Gross other receivables</b>	<b>38,037</b>	<b>38,809</b>
Less: allowance for impairment	7,333	9,096
<b>Net other receivables</b>	<b>30,704</b>	<b>29,713</b>
Cash and cash equivalents	24,827	7,959
Held-to-maturity investments	-	20,764
Available for sale financial assets	19,563	-
<b>Total</b>	<b>204,322</b>	<b>159,811</b>

The details of impairment provisions for loans and receivables are provided in Notes 12 and 13.

Details relating to MFL are set out below:

Financial assets relating to MFL classified as neither past due nor impaired are fully operational loan facilities. Management reviews all accounts at balance date and where necessary makes a provision for impairment.

Financial assets classified as past due but not impaired are further classified as Standard or Special Mention with arrears below 60 days. These accounts 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.

Individually assessed loans are those that have arrears exceeding 60 days and/or those which in the view of management have a higher probability of failure in the near term beyond its control and where a loss is expected to arise.

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 secured by collateral.

MFL employs a range of policies and practices to mitigate credit risk with the most common practice being the taking of collateral with guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are:

**4. FINANCIAL RISK MANAGEMENT** *(continued)*

**4.1 Risk Management Framework** *(continued)*

*(b) Credit risk - continued*

- Mortgages over residential 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 will seek additional collateral from the counterparty once impairment indicators are identified for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument.

**Credit risk concentration**

The credit risk concentration for MFL is as follows:

	2016 %	2015 %
<b>Industry</b>		
Agriculture	7.58	8.59
Building and construction	17.75	17.96
Manufacturing	5.18	5.68
Mining and quarrying	0.90	0.98
Private individuals	11.18	12.37
Professional and business services	3.16	1.88
Transport, communication and storage	38.34	34.14
Wholesale, retail, hotels and restaurants	9.70	9.44
Others	6.21	8.96
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Credit concentration is determined based on the industry for which the loan is given.

*(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:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

Year Ended 30 June 2016

### 4. FINANCIAL RISK MANAGEMENT (continued)

#### 4.1 Risk Management Framework (continued)

(c) Liquidity risk - continued

Non- derivative financial liabilities	Contractual cash flows						
	Carrying amount \$'000	Total \$'000	On demand \$'000	Up to 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
<b>30 June 2016</b>							
Bank Overdrafts	16,325	16,325	16,325	-	-	-	-
Secured bank loans	70,174	81,690	-	14,371	12,541	28,704	26,074
Deposits from customers and short term borrowings	125,343	129,744	-	90,265	10,068	26,816	2,595
Creditors and accruals	36,216	36,216	-	36,216	-	-	-
	<b>248,058</b>	<b>263,975</b>	<b>16,325</b>	<b>140,852</b>	<b>22,609</b>	<b>55,520</b>	<b>28,669</b>
<b>30 June 2015</b>							
Bank Overdrafts	24,924	24,924	24,924	-	-	-	-
Secured bank loans	82,505	93,616	-	35,638	35,638	22,340	-
Deposits from customers and short term borrowings	98,505	106,102	-	62,506	16,946	25,418	1,232
Creditors and accruals	33,668	33,668	-	33,668	-	-	-
	<b>239,602</b>	<b>258,310</b>	<b>24,924</b>	<b>131,812</b>	<b>52,584</b>	<b>47,758</b>	<b>1,232</b>

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 the Company's liquidity position by reviewing the Net Liquidity Gap expressed as a percentage of liabilities:

	Less than 1 month	1 to <3 months	3 to <6 months	6 to <12 months	Over 12 months
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.

Ratio	Target	Tolerance Range
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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

Year Ended 30 June 2016

#### 4. FINANCIAL RISK MANAGEMENT *(continued)*

##### 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 (including 'current and non-current 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.

The gearing ratio of the Group at balance date is as follows:

	2016 \$'000	2015 \$'000
Total Borrowings (excluding deposits from customers)	96,709	115,921
Less: Cash and cash equivalents (Note10)	(8,502)	10,027
Net debt	88,207	125,948
Total capital	217,933	204,134
Gearing ratio	40%	62%

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 the company'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 (2015: \$621,000) to this reserve in compliance with Reserve Bank of Fiji guidelines.

#### 5. PROFIT

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000

The 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	254	97	22	-
Management fees	104	106	-	-
Rental income	2,520	2,442	-	-
Fee income	678	504	-	-
Other income	1,647	1,745	179	431
	5,203	4,894	201	431



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**5. PROFIT**

(a) **Crediting as other income - continued**

In the financial statements of the Company, dividends received from subsidiary and other companies amounting to \$ 24,780,000 (2015: \$25,159,000) are treated as part of operating revenue. See note 21 for further details.

(b) **Charging as expense**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Auditors' remuneration:				
- audit fees - KPMG	287	363	73	78
- other auditors	84	79	-	-
- other services - KPMG	10	7	-	-
- other auditors	76	117	30	73
Directors' emoluments				
- for services as directors	428	404	213	149
- for other services	38	63	38	62
Provision for impairment/write-off of inventories	147	8	-	-
FNPF contributions	2,397	2,015	101	107
Marketing and promotion expenses	4,251	3,767	15	17
Rent	2,058	2,638	226	223
Repairs and maintenance expense	5,443	3,623	-	-
Management fee	1,032	820	-	-

**6. NET FINANCE COSTS**

Exchange gain	465	42	-	-
Interest income	56	-	1,087	1,108
<b>Finance income</b>	<b>521</b>	<b>42</b>	<b>1,087</b>	<b>1,108</b>
Exchange loss	(648)	(22)	-	-
Reclassification of foreign currency differences on disposal of foreign operations	(5,717)	-	-	-
Interest expense	(3,886)	(6,022)	(2,331)	(3,265)
<b>Finance costs</b>	<b>(10,251)</b>	<b>(6,044)</b>	<b>(2,331)</b>	<b>(3,265)</b>
<b>Net finance costs recognised in profit or loss</b>	<b>(9,730)</b>	<b>(6,002)</b>	<b>(1,244)</b>	<b>(2,157)</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**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:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Profit before tax	32,853	23,904	20,442	12,328
Prima facie tax payable at 10% (2015: 10%)	3,285	2,390	2,044	1,233
<i>Add/(deduct)</i>				
Impact of difference in tax rate	3,524	4,388	-	-
Dividends received	(144)	(460)	(2,478)	(2,516)
Exempt income	(372)	(151)	-	-
Other permanent differences	1,461	1,750	220	1,363
Impact of equity accounted profit	(149)	(260)	-	-
Other	96	(46)	-	(46)
Change in tax losses and timing differences not previously brought to account	(670)	(1,646)	-	-
2014 and 2015 transitional dividend tax at 1%	336	-	-	-
(Over) / under provision in prior year	(394)	(546)	(195)	(627)
<b>Income tax expense/ (benefit) attributable to profit</b>	<b>6,973</b>	<b>5,419</b>	<b>(409)</b>	<b>(593)</b>
Total income tax expense is made up of:				
Current income tax expense/(benefit)	6,472	5,761	(246)	82
Transfer to liabilities held for sale	-	272	-	-
Deferred tax	559	(68)	32	(48)
2014 and 2015 transitional dividend tax at 1%	336	-	-	-
(Over) / under provision in prior years	(394)	(546)	(195)	(627)
<b>Income tax expense/ (benefit) attributable to profit</b>	<b>6,973</b>	<b>5,419</b>	<b>(409)</b>	<b>(593)</b>

**(b) Current tax liability/(asset)**

Balance at beginning of year	163	2,779	(155)	465
Income tax paid	(5,994)	(5,410)	-	(82)
Income tax refund	311	-	-	-
Transfer to liabilities held for sale	-	(2,217)	-	-
Current income tax expense/(benefit)	6,472	5,761	(246)	82
Transfer of balance from VAT account	58	(204)	9	7
2014 and 2015 transitional dividend tax at 1%	336	-	-	-
(Over) / under provision in prior years	(394)	(546)	(195)	(627)
Balance at end of year	952	163	(587)	(155)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**7. INCOME TAX - Continued**

**(c) Deferred tax assets and liabilities**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Deferred tax assets</u>				
Property, plant & equipment	96	425	16	18
Annual leave	183	184	16	17
Doubtful debts	2,124	2,370	2	31
Inventory provisions	185	165	-	-
Others	83	-	-	-
Unrealised foreign exchange gain	9	5	-	-
Tax losses	252	632	-	-
	2,932	3,781	34	66
<u>Deferred tax liabilities</u>				
Property, plant & equipment	(4,319)	(4,619)	-	-
Cyclone reserve deposit	(118)	(108)	-	-
Fair value on revaluation	(877)	(877)	-	-
	(5,314)	(5,604)	-	-

As at 30 June 2016, Group companies had unrecouped income tax losses of approximately \$1.2 million (2015: \$7.1 million) available to offset against future years' taxable income. The benefit at 20% (2015: 20%) tax rate amounting to approximately \$0.2 million (2015: \$1.4 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.

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.

Movement in temporary differences during the year

Group	1 July 2015 \$'000	Recognised in profit or loss \$'000	30 June 2016 \$'000
<u>Deferred tax assets</u>			
Property, plant & equipment	425	(329)	96
Annual leave	184	(1)	183
Doubtful debts	2,370	(246)	2,124
Others	-	83	83
Inventory provisions	165	20	185
Unrealised foreign exchange loss	5	4	9
Tax losses	632	(380)	252
	3,781	(849)	2,932
<u>Deferred tax liabilities</u>			
Property, plant & equipment	(4,619)	300	(4,319)
Cyclone reserve deposit	(108)	(10)	(118)
Fair value on revaluation	(877)	-	(877)
	(5,604)	290	(5,314)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**7. INCOME TAX - Continued**

**(c) Deferred tax assets and liabilities - continued**

Group	1 July 2014 \$'000	Recognised in profit or loss \$'000	30 June 2015 \$'000
<i>Deferred tax assets</i>			
Property, plant & equipment	321	104	425
Annual leave	272	(88)	184
Doubtful debts	2,230	140	2,370
Others	74	(74)	-
Inventory provisions	253	(88)	165
Unrealised foreign exchange loss	5	-	5
Tax losses	1,102	(470)	632
	4,257	(476)	3,781
<i>Deferred tax liabilities</i>			
Property, plant & equipment	(5,173)	554	(4,619)
Cyclone reserve deposit	( 98)	(10)	(108)
Fair value on revaluation	( 877)	-	(877)
	(6,148)	544	(5,604)

Company	1 July 2015 \$'000	Recognised in profit or loss \$'000	30 June 2016 \$'000
<i>Deferred tax assets</i>			
Annual leave	17	(1)	16
Doubtful debts	31	(29)	2
Property, plant & equipment	18	(2)	16
	66	(32)	34

	1 July 2014 \$'000	Recognised in profit or loss \$'000	30 June 2015 \$'000
<i>Deferred tax assets</i>			
Annual leave	17	-	17
Doubtful debts	30	1	31
Property, plant & equipment	(29)	47	18
	18	48	66

**8. DISCONTINUED OPERATIONS**

The following transactions were treated as a "Loss of Control of a Subsidiary" in accordance with IFRS 10 – "Consolidated Financial Statements" and accordingly, assets and liabilities of the former subsidiary companies have been de-recognised from the Group's statement of financial position as at 30 June 2016.

**Basic Industries (PNG) Limited**

In January 2016, Fijian Holdings Limited entered into a Sale and Purchase Agreement with Pernix (PNG) Limited to dispose of its 100% shareholding in Basic Industries (PNG) Limited. The transaction was completed on 31 March 2016 and Basic Industries (PNG) Limited's identifiable net assets position as at 31 March 2016 was utilised in presenting the effect of this disposal in the Group financial statements. The effect of the disposal in the group's financial statements is a gain of \$567,946 represented by consideration of \$757,691 less group's share of net assets de-recognised of \$189,745.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

Year Ended 30 June 2016

### 8. DISCONTINUED OPERATIONS - Continued

#### Media Niugini Limited

In January 2016, Fiji Television Limited entered into a Sale and Purchase Agreement with Telikom PNG Ltd to dispose of its 100% shareholding in Media Niugini Limited. The transaction was completed on 29 January 2016 and Media Niugini's identifiable net assets position as at 31 January 2016 was utilised in presenting the effect of this disposal in the Group financial statements. The effect of the disposal in the group's financial statements is a gain of \$384,027 represented by consideration of \$13,678,955 less group's share of net assets de-recognised of \$13,294,928.

#### Fiji Television Limited - Sky Pacific division

On 17 September 2015, Fiji Television Limited announced that it had entered into negotiations with Digicel Fiji Limited for the sale of 100% of its Sky Pacific division. This transaction was subsequently settled on 1 April 2016, for \$3,383,304. Sky Pacific's identifiable net assets position as at 31 March 2016 was utilised in presenting the effect of this disposal in the Group financial statements. The effect of the disposal in the group's financial statements is a loss of \$575,241 represented by consideration of \$3,383,304 less group's share of net assets de-recognised of \$3,958,545.

#### FHL Logistics Limited

In December 2013, the Group ceased operations of its wholly owned subsidiary, FHL Logistics Limited. The subsidiary was classified as a discontinued operation from the 2014 financial year and this continued into the 2016 financial year.

As a consequence of the above transactions Basic Industries (PNG) Limited, Media Niugini Limited, Sky Pacific and FHL Logistics Limited have been treated as discontinued operations and their results have been shown as part of the loss from Discontinued Operations in the profit or loss as set out below:

#### (a) Results of discontinued operations

	FHL Logistics Limited		Media Niugini Limited		Sky Pacific		Basic Industries (PNG) Limited	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue	-	97	10,381	18,764	9,846	14,526	536	1,058
Expenses	-	(15)	(9,452)	(16,286)	(13,787)	(15,687)	(1,180)	(3,249)
<b>Results from operating activities</b>	-	82	929	2,478	(3,941)	(1,161)	(644)	(2,191)
Income tax	-	-	(93)	(244)	-	-	-	-
<b>Results from operating activities, net of tax</b>	-	82	836	2,234	(3,941)	(1,161)	(644)	(2,191)
Gain/(loss) on sale of discontinued operation	-	-	384	-	(575)	-	568	-
Income tax on gain on sale of discontinued operation	-	-	-	-	-	-	-	-
<b>Profit/ (Loss) from discontinued operations</b>	-	82	1,220	2,234	(4,516)	(1,161)	(76)	(2,191)

Impact on earnings per share

	2016	2015
Basic loss per share	7 cents	5 cents
Diluted loss per share	7 cents	5 cents

Of the net loss from discontinued operation of \$3,372,000 (2015: \$1,036,000), \$2,106,000 (2015: \$1,448,000) is attributable to the owners of the Company.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

Year Ended 30 June 2016

### 8. DISCONTINUED OPERATIONS - Continued

#### b) Cash flows from/ (used in) discontinued operations

	FHL Logistics Limited		Media Niugini Limited		Sky Pacific		Basic Industries (PNG) Limited	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net cash from operating activities	-	12	103	2,876	1,183	877	(132)	(1,016)
Net cash used in financing activities	-	(184)	-	-	-	-	-	(1,510)
Net cash used in investing activities	-	-	-	(2,873)	-	-	-	1,072
<b>Net cash inflow/(outflow) for the year</b>	-	(172)	103	3	1,183	877	(132)	(1,454)

In relation to FHL Logistics, there was no material impact on the financial position of the Group, given the wind down of the operation.

#### c) Effect of disposal on the financial position of the Group

	Media Niugini Limited \$'000	Sky Pacific \$'000	Basic Industries (PNG) Limited \$'000	Total \$'000
Property, plant & equipment	9,204	3,687	2,121	15,012
Loans, advances and receivables	1,410	-	1,299	2,709
Inventories	684	376	-	1,060
Cash and cash equivalents	4,084	-	-	4,084
Goodwill	860	-	-	860
Deferred tax	(231)	-	-	(231)
Borrowings	-	-	(1,897)	(1,897)
Payables	(2,716)	(105)	(1,333)	(4,154)
<b>Net assets and liabilities</b>	<b>13,295</b>	<b>3,958</b>	<b>190</b>	<b>17,443</b>
Consideration received, satisfied in cash	13,679	3,383	-	17,062
Cash and cash equivalents disposed of	(4,084)	-	-	(4,084)
<b>Net cash inflows</b>	<b>9,595</b>	<b>3,383</b>	<b>-</b>	<b>12,978</b>

### 9. DIVIDENDS PAID

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Ordinary - A class</b>				
Dividend paid at 23 cents (2015: 22 cents)	2,407	2,302	2,407	2,302
<b>Ordinary - B class</b>				
Dividend paid at 23 cents (2015: 22 cents)	4,600	4,400	4,600	4,400
	<b>7,007</b>	<b>6,702</b>	<b>7,007</b>	<b>6,702</b>

### 10. CASH AND CASH EQUIVALENTS

#### a) For the purposes of the cash flow statements, cash and cash equivalents comprise the following:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash on hand and at bank	23,757	6,389	156	157
Term deposits	1,070	1,570	-	-
	<b>24,827</b>	<b>7,959</b>	<b>156</b>	<b>157</b>
Cash included in assets for sale (Note 17)	-	6,938	-	-
Bank overdrafts (Note 27)	(16,325)	(24,924)	(9,353)	(10,182)
	<b>8,502</b>	<b>(10,027)</b>	<b>(9,197)</b>	<b>(10,025)</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**10. CASH AND CASH EQUIVALENTS - Continued**

**b) Financing facilities**

Facilities available to the Group are bank overdrafts. Financing facilities of \$37.50 million were available to the Group as at 30 June 2016 (2015: \$36.20 million) of which \$12.27 million (2015: \$22.63 million) was utilised. See also note 27.

**11. HELD-TO-MATURITY INVESTMENTS**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Deposits with financial institutions	-	10,510	-	-
<b>Non-current</b>				
Securities				
- Government securities	-	9,501	-	-
- Deposits with financial institutions	-	753	-	-
	-	10,254	-	-
	-	20,764	-	-

Held-to-maturity financial assets are valued in accordance with Note 2.4 of the group's accounting policy.

During the year, Merchant Finance Limited, a subsidiary, redeemed a number of term deposits prior to their maturity date. As a result, the held to maturity portfolio of all the entities in the Group has been "tainted" and no financial instruments may be classified as held to maturity for a period of two years in accordance with the requirements of IAS 39. The portfolio has therefore been reclassified to available for sale financial assets and been marked to market through other comprehensive income.

**12. LOANS, ADVANCES AND RECEIVABLES**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Trade receivables	22,942	35,055	-	-
Provision for impaired receivables	(7,266)	(7,360)	-	-
	15,676	27,695	-	-
Net loans and advances - third parties (Note 13)	63,728	48,273	-	-
- related parties	-	-	5,457	2,758
Other receivables - third parties	6,493	3,292	151	575
- related parties	2,713	-	8,843	14,217
Provision for impaired receivables	(67)	(1,736)	(14)	(3,951)
	88,543	77,524	14,437	13,599
<b>Non-current</b>				
Net loans and advances - third parties (Note 13)	65,500	53,102	-	-
- related parties	-	-	6,030	12,437
Other receivables	5,889	462	5,304	-
	71,389	53,564	11,334	12,437
<b>Provisions for impairment</b>				
Balance at the beginning of the year	9,096	8,160	3,951	2,816
Additional provisions made	2,444	2,360	-	154
Reclassification of provisions	-	-	-	1,165
Bad debts written off	(4,121)	(1,424)	(3,937)	-
Reversal of provisions	(86)	-	-	(184)
Balance at the end of the year	7,333	9,096	14	3,951

Related party loans and advances are unsecured.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**13. LOANS AND ADVANCES**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Gross term receivables	164,848	133,211	-	-
Unearned income	(31,549)	(27,589)	-	-
	133,299	105,622	-	-
Individually assessed allowance	(1,127)	(2,032)	-	-
Collective allowance	(2,944)	(2,215)	-	-
	129,228	101,375	-	-
<u>Maturity analysis</u>				
Not longer than 3 months	19,902	12,682	-	-
Longer than 3 and not longer than 12 months	45,141	36,311	-	-
	65,043	48,993	-	-
Unearned income	(880)	(376)	-	-
Individually assessed allowance	(41)	(221)	-	-
Collective allowance	(394)	(123)	-	-
<b>Current (Note 12)</b>	<b>63,728</b>	<b>48,273</b>	-	-
	92,533	79,777	-	-
Longer than 1 year and not longer than 5 years	7,272	4,441	-	-
Longer than 5 years	99,805	84,218	-	-
Unearned income	(30,669)	(27,213)	-	-
Individually assessed allowance	(1,086)	(1,811)	-	-
Collective allowance	(2,550)	(2,092)	-	-
<b>Non-current (Note 12)</b>	<b>65,500</b>	<b>53,102</b>	-	-
	<b>129,228</b>	<b>101,375</b>	-	-

Impairment of loans and advances

	2016 \$'000		2015 \$'000	
	Individual allowance for impairment	Collective allowance for impairment	Individual allowance for impairment	Collective allowance for impairment
Balance at the beginning of the year	2,032	2,215	2,967	2,102
Increase in impairment allowances	807	729	478	216
Reversals of impairment	(1,712)	-	(1,413)	(103)
Balance at the end of the year	1,127	2,944	2,032	2,215

**14. INVENTORIES**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Raw materials, spares, stores and supplies	13,081	18,326	-	-
Finished goods	17,301	16,374	-	-
Goods in transit	1,057	1,065	-	-
Provision for obsolescence	(924)	(869)	-	-
	30,515	34,896	-	-



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**15. PROPERTY, PLANT AND EQUIPMENT**

(a) Carrying values of property, plant and equipment are set out below:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Freehold land and improvements - at cost/ deemed cost	9,801	9,810	-	-
Island properties - at directors' valuation	8,000	8,000	-	-
Leasehold land, improvements and buildings at cost/ deemed cost	59,658	57,513	-	-
Accumulated depreciation	(10,312)	(9,300)	-	-
	49,346	48,213	-	-
Plant and equipment - at cost/ deemed cost	155,931	156,726	1,138	1,233
Accumulated depreciation	(100,711)	(95,849)	(981)	(995)
Allowance for impairment	(3,658)	(1,500)	-	-
	51,562	59,377	157	238
Capital works in progress - at cost	5,550	1,881	-	-
	124,259	127,281	157	238

(b) Reconciliation of property, plant and equipment

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current year is set out below:

Group	Freehold land and improvements \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 1 July 2015	9,810	8,000	48,213	59,377	1,881	127,281
Transfers from investment property	-	-	2,261	-	-	2,261
Additions	-	-	1,377	2,667	8,688	12,732
Disposals	(9)	-	(215)	(3,448)	(758)	(4,430)
Transfer (to)/from capital work in progress	-	-	196	4,017	(4,213)	-
Impairment	-	-	-	(2,158)	(48)	(2,206)
Transfer (to) assets held for sale	-	-	(1,416)	-	-	(1,416)
Depreciation/ amortisation	-	-	(1,070)	(8,893)	-	(9,963)
Carrying amount at 30 June 2016	9,801	8,000	49,346	51,562	5,550	124,259

Company	Freehold land and improvements \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 1 July 2015	-	-	-	238	-	238
Additions	-	-	-	58	-	58
Disposals	-	-	-	(13)	-	(13)
Depreciation	-	-	-	(126)	-	(126)
Carrying amount at 30 June 2016	-	-	-	157	-	157

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**15. PROPERTY, PLANT AND EQUIPMENT - Continued**

**(b) Reconciliation of property, plant and equipment - continued**

<b>Group</b>	<b>Freehold land and improvements \$'000</b>	<b>Island properties \$'000</b>	<b>Leasehold land, improvements and buildings \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Capital work in progress \$'000</b>	<b>Total \$'000</b>
Carrying amount at 1 July 2014	7,667	8,000	40,213	51,542	11,144	118,566
Transfer (to) assets held for sale	-	-	-	(5,911)	-	(5,911)
Transfer from assets held for sale	-	-	-	3,523	-	3,523
Transfers from investment property	2,169	-	6,840	-	-	9,009
Additions	-	-	1,929	6,555	6,855	15,339
Disposals	(26)	-	-	(150)	-	(176)
Transfer (to)/from capital work in progress	-	-	-	13,204	(13,204)	-
Transfer to investment property	-	-	-	-	(2,261)	(2,261)
Expensed during the year	-	-	-	-	(38)	(38)
Transfer (to) assets	-	-	-	-	(615)	(615)
Effects of movements in exchange rate	-	-	-	(342)	-	(342)
Depreciation/ amortisation	-	-	(769)	(9,044)	-	(9,813)
Carrying amount at 30 June 2015	9,810	8,000	48,213	59,377	1,881	127,281
<b>Company</b>						
Carrying amount at 1 July 2014	-	-	-	403	-	403
Additions	-	-	-	19	-	19
Disposals	-	-	-	-	-	-
Depreciation	-	-	-	(184)	-	(184)
Carrying amount at 30 June 2015	-	-	-	238	-	238

(c) The depreciation and amortisation policy is set out in Note 2.5.

(d) Refer to note 27 for items charged as security.

(e) The island property in Nanuya Lailai Island – Yasawa, was revalued by the Directors of Blue Lagoon Cruises Limited based on an independent valuation by Pacific Valuations Limited dated 24 June 2013. The valuation was made on the basis of recent market transactions on arm's length terms.

(f) Investment properties are transferred to property, plant and equipment where they are occupied by Group companies. There is no impact on profit or loss of this transfer as investment properties are held at cost less depreciation.

(g) During the year, Blue Lagoon Cruises Limited engaged the services of Dover Marine to carry out a valuation to determine the fair value of the vessel *Mystique Princess*. Based on this valuation the subsidiary has written down the *Mystique Princess* to its residual value resulting in an impairment loss of \$2,158,171.

**16. CONTRACT ASSETS**

	<b>Group</b>		<b>Company</b>	
	<b>2016 \$'000</b>	<b>2015 \$'000</b>	<b>2016 \$'000</b>	<b>2015 \$'000</b>
Cost beginning of the year	4,329	3,102	-	-
Additions	333	1,227	-	-
Accumulated amortisation	(2,234)	(1,400)	-	-
Accumulated impairment	(947)	(849)	-	-
Disposal	(1,156)	-	-	-
Closing balance	325	2,080	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

Year Ended 30 June 2016

### 16. CONTRACT ASSETS - Continued

These costs relate to Fiji Television Limited and the amounts recorded as contract assets as at 30 June 2015 related to decoders that were hired out to customers. The costs were amortised over the estimated customer life. These decoders were sold to Digicel Fiji Limited as part of the sale of the Sky Pacific operations. During the year, Fiji Television Limited hired out radio equipment worth \$327,661 to the Fiji Police Force. These assets remain the property of Fiji Television Limited; however they have been transferred from property, plant and equipment and included under contract assets due to the nature of the assets.

### 17. ASSETS HELD FOR SALE

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets held for sale- other	1,416	450	-	-
(a) Total Assets held for sale	1,416	21,031	-	-
(b) Total liabilities held for sale	-	6,875	-	-

Assets classified as held for sale consist of a block of land in Suva belonging to Merchant Finance Limited. Efforts to sell the asset have commenced and a sale is expected by December 2016.

#### Assets and liabilities of disposal group held for sale

On 5 February 2015, Fiji Television Limited announced that it had signed a sale and purchase agreement with Telikom PNG Ltd for the sale of 100% of its wholly owned subsidiary, Media Niugini Ltd. On 31 March 2016 Fiji Television announced the sale of the subsidiary, resulting in a gain on sale of \$384,027. The assets and liabilities of the subsidiary as at 30 June 2015 were stated at their carrying amount and comprised the following:

	2015 \$'000		2015 \$'000
Property, plant and equipment	7,948	Deferred tax liability	245
Intangible assets	67	Employee entitlements	358
Cash and cash equivalents	6,938	Trade and other payables	4,135
Trade and other receivables	3,917	Current tax liability	2,137
Goodwill	1,012	Liabilities held for sale	6,875
Inventories	699		
Assets held for sale	20,581		

### 18. INVESTMENT PROPERTIES

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Cost</b>				
Opening balance	10,326	14,757	-	-
Acquisitions	3,400	5,034	-	-
Work in progress	785	216	-	-
Transfers to property, plant and equipment	(2,261)	(9,681)	-	-
Disposals	-	-	-	-
Closing balance	12,250	10,326	-	-
<b>Accumulated depreciation</b>				
Opening balance	1,432	1,750	-	-
Depreciation charge for the year	405	354	-	-
Transfers to property, plant and equipment	(307)	(672)	-	-
Disposals	-	-	-	-
Closing balance	1,530	1,432	-	-
<b>Carrying amount</b>				
Opening balance	8,894	13,007	-	-
Closing balance	10,720	8,894	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**18. INVESTMENT PROPERTIES - Continued**

Investment properties are stated at cost less accumulated depreciation. Investment properties occupied by the Group are transferred to property, plant and equipment on consolidation.

As at 30 June 2016, the fair value of the investment properties held by FHL Properties Limited was \$36.180 million (2015: \$30.980 million) which is based on valuations carried out by independent valuers, Rolle Associates in their reports dated 7 May 2016. The carrying amount of the related properties as at 30 June 2016 is \$18,563,000 (2015: \$18,646,000), of which \$6,493,000 (2015: \$6,417,000) is classified as Investment Properties and \$12,070,000 (2015: \$12,229,000) as Property, plant and equipment.

In July 2016, an independent valuation was carried out by Rolle Associates of RB Patel Group Limited's property at Martintar, Nadi which is apportioned between property, plant and equipment, and investment property. The property was valued at \$20 million which is above its combined carrying value in the books. The excess of market value over book value has not been brought to account.

**19. INTANGIBLES**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Goodwill on consolidation	62,620	62,620	-	-
Provision for impairment on goodwill	(6,912)	(6,912)	-	-
Management rights	6,377	6,878	-	-
Software	211	65	-	-
F1 Audio Visual Copyright	1,151	1,151	-	-
Provision for impairment	(1,151)	(1,151)	-	-
<b>Total intangibles</b>	<b>62,296</b>	<b>62,651</b>	<b>-</b>	<b>-</b>
Movements during the year are as follows:				
Opening net book amount	62,651	70,212	-	-
Additions	171	129	-	-
Transfer to assets held for sale	-	(1,079)	-	-
Impairment of goodwill	-	(6,100)	-	-
Amortisation charge on software	(25)	(11)	-	-
Amortisation of management rights	(501)	(500)	-	-
<b>Total intangibles</b>	<b>62,296</b>	<b>62,651</b>	<b>-</b>	<b>-</b>

The accounting policy on intangibles is set out in Note 2.9 and impairment loss on goodwill is recognised in profit or loss.

**(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 Ltd.

Management value the investment in RB Patel Group Ltd 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 2016 of \$3.10 (2015: \$2.98) less estimated cost to sell. A decrease in RB Patel Group Limited's share price by 94 cents 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 2016 was determined to be lower than its recoverable amount of \$46,486,000 (2015: \$44,686,000).

**Impairment test for management rights**

Management rights is considered a cash generating unit (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.

**19. INTANGIBLES - Continued**

**Impairment test for management rights - continued**

These projections were based on financial budgets approved by management for the year ending June 2017. Cashflows beyond June 2017 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.

	2016	2015
	In percent	
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. Management rights is being amortised over its 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 2016 was determined to be lower than its recoverable amount of \$89.837m (2015: \$87.475m). The key assumptions used in the estimation of value in use were as follows:

	2016	2015
	In percent	
Discount rate	13.0	12.7
Terminal value growth rate	2.5	2.5
Budgeted EBITDA growth rate (average of next five years)	7.0	7.3

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%.

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.

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 two key assumptions could cause further impairment of goodwill are as follows:

	2016	
	Movement in percent	Impairment \$000
Discount rate increases	1.0	2,638
Budgeted EBITDA growth rate decrease	1.0	2,404

**(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 61.6% investment in Fiji Television Ltd.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**19. INTANGIBLES - Continued**

**(c) Fiji Television Limited - continued**

**Impairment test for goodwill - continued**

Management value the investment in Fiji Television Ltd 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 2016 of \$2.39 (2015: \$2.50) less estimated cost to sell. A decrease in Fiji Television Limited's share price by \$1.70 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 2016 was determined to be lower than its recoverable amount of \$14,936,000 (2015: \$15,624,000).

**20. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

Available-for-sale financial assets are valued in accordance with Note 2.4 of the financial statements.

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>(a) Listed/quoted securities</b>				
- Amalgamated Telecom Holdings Ltd	3,339	3,277	-	-
- Fijian Holdings Unit Trust	5,096	4,960	5,093	4,957
- Pacific Green Industries Ltd	1,038	2,077	-	-
- Fiji Care Insurance	90	103	-	-
- Kontiki Growth Fund	101	82	-	-
- Communications (Fiji) Ltd	2	2	-	-
- Flour Mills of Fiji Ltd	986	844	986	844
	10,652	11,345	6,079	5,801
<b>(b) Unlisted securities</b>				
Shares in subsidiary companies				
- Basic Industries Ltd	-	-	11,626	7,822
- South Sea Cruises Limited	-	-	55,500	55,500
Blue Lagoon Cruises Holdings Ltd*				
Blue Lagoon Cruises Limited*				
- Basic Industries (PNG) Ltd	-	-	-	-
- FHL Media Limited	-	-	33,187	24,000
Fiji Television Limited*				
Life Cinema Limited*				
- FHL Logistics Ltd	-	-	-	-
- FHL Retailing Ltd	-	-	44,832	40,266
RB Patel Group Limited*				
- FHL Stockbrokers Limited	-	-	583	530
- Pacific Cements Limited	-	-	6,116	5,154
- FHL Fund Management Ltd	-	-	1,335	1,335
- FHL Properties Limited	-	-	25,770	18,651
- Merchant Finance Limited	-	-	39,928	39,928
	-	-	218,877	193,186

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**20. AVAILABLE-FOR-SALE FINANCIAL ASSETS – Continued**

**(b) Unlisted securities – continued**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Shares in other companies</b>				
- Goodman Fielder International (Fiji) Ltd	2,200	2,200	2,200	2,200
- Golden Manufacturers Ltd (Note 23)	-	-	16,699	15,910
- Marsh Ltd (Note 23)	-	-	6,111	5,366
- New World Ltd	3,871	3,490	3,871	3,490
- South Pacific Stock Exchange	15	15	-	-
- Fiji Gas Company Ltd	979	805	-	-
- Pernix (Fiji) Limited (Note 23)	-	-	2,100	3,764
- Asian Paints (South Pacific) Ltd	1,527	1,527	1,527	1,527
	8,592	8,037	32,508	32,257
<b>Other</b>				
-Deposits with financial institutions	9,263	-	-	-
-Government securities	10,300	-	-	-
-Other	55	55	-	-
	19,618	55	-	-
<b>Total investments</b>	<b>38,862</b>	<b>19,437</b>	<b>257,464</b>	<b>231,244</b>
The split between current and non- current is as follows:				
Current	9,263	-	-	-
Non Current	29,599	19,437	257,464	231,244
<b>Total investments</b>	<b>38,862</b>	<b>19,437</b>	<b>257,464</b>	<b>231,244</b>

\* 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.

**(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 FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**20. AVAILABLE- FOR- SALE FINANCIAL ASSETS – continued**

**(c) Valuation of financial instruments - continued**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

Group	Carrying amount					Fair value			
	Held-to-maturity	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets measured at fair value</b>									
Local listed equities	-	-	10,652	-	10,652	10,652	-	-	10,652
Unlisted equities	-	-	8,592	-	8,592	-	979	7,613	8,592
Other equities	-	-	55	-	55	-	-	55	55
Deposits with financial institutions	-	-	9,263	-	9,263	-	9,263	-	9,263
Government bonds	-	-	10,300	-	10,300	-	10,300	-	10,300
	-	-	38,862	-	38,862	10,652	20,542	7,668	38,862
<b>Company</b>									
<b>30 June 2016</b>									
<b>Financial assets measured at fair value</b>									
Local listed equities	-	-	6,079	-	6,079	6,079	-	-	6,079
Unlisted equities	-	-	251,385	-	251,385	-	-	251,385	251,385
Other equities	-	-	-	-	-	-	-	-	-
	-	-	257,464	-	257,464	6,079	-	251,385	257,464

During 2016 the Held to Maturity portfolio of the Group was reclassified to Available for Sale as a result of a "tainting" issue due to early redemption of certain term deposits. This portfolio will remain as Available for Sale for the next two years.

Group	Carrying amount					Fair value			
	Held-to-maturity	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets measured at fair value</b>									
Local listed equities	-	-	11,345	-	11,345	11,345	-	-	11,345
Unlisted equities	-	-	8,037	-	8,037	-	805	7,232	8,037
Other equities	-	-	55	-	55	-	-	55	55
	-	-	19,437	-	19,437	11,345	805	7,287	19,437
<b>Company</b>									
<b>30 June 2015</b>									
<b>Financial assets measured at fair value</b>									
Local listed equities	-	-	5,801	-	5,801	5,801	-	-	5,801
Unlisted equities	-	-	225,443	-	225,443	-	-	225,443	225,443
Other equities	-	-	-	-	-	-	-	-	-
	-	-	231,244	-	231,244	5,801	-	225,443	231,244



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**20. AVAILABLE-FOR-SALE FINANCIAL ASSETS – 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	<p>Dividends capitalisation technique: The valuation model is based on the future maintainable dividends and capitalisation rates.</p> <p>Market comparison technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected future maintainable earnings of the investee. The estimate is adjusted for the effect of control, size, country risk and the non-marketability of the equity securities.</p> <p>Net tangible assets: The valuation model is based on the recoverable amount of the net tangible assets of the business encompassing the equity security.</p>	<p>- Capitalisation rates (2016: 5-10%; 2015: 5-10%)</p> <p>- Forecast dividend yield</p> <p>- Adjusted market multiple</p> <p>- Forecasted earnings</p> <p>- Recoverable amount of the net tangible assets</p>	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 and earnings.
Government bonds	Market comparison - 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 2016, there were no transfers in and out of fair value hierarchy levels mentioned above. There are no material movements 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.

	Group	Company
	\$'000	\$'000
Balance at 1 July 2014	6,292	205,212
<b>Gain included in OCI</b>		
- Net change in fair value	995	20,231
<b>Balance at 30 June 2015</b>	<b>7,287</b>	<b>225,443</b>
Balance at 1 July 2015	7,287	225,443
<b>Gain included in OCI</b>		
- Net change in fair value	381	25,942
<b>Balance at 30 June 2016</b>	<b>7,668</b>	<b>251,385</b>

**Sensitivity analysis**

For the fair values of equity securities – available-for-sale, 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 \$'000	Decrease \$'000
Capitalisation rates	(1,930)	1,930
Forecast dividend yield	558	(558)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**21. DETAILS OF INVESTMENTS**

Name of company	Place of incorporation/ principal country	Ownership interest		Dividends income for the Company	
		2016 %	2015 %	2016 \$'000	2015 \$'000
<b>(a) Listed/quoted securities</b>					
Fijian Holdings Unit Trust	Fiji	25.2	25.2	282	282
Flour Mills of Fiji Ltd	Fiji	4.3	4.3	16	16
				298	298
<b>(b) Unlisted securities</b>					
Subsidiary companies:					
Basic Industries Ltd	Fiji	51.1	51.1	4,599	816
South Sea Cruises Ltd	Fiji	100.0	100.0	4,500	1,200
- Blue Lagoon Cruises Holdings Ltd	Fiji	100.0	100.0	-	-
- Blue Lagoon Cruises Ltd	Fiji	96.1	96.0	-	-
FHL Logistics Ltd	Fiji	100.0	100.0	-	-
FHL Retailing Ltd	Fiji	100.0	100.0	1,500	1,600
- RB Patel Group Limited	Fiji	53.5	53.5	-	-
FHL Stockbrokers Ltd	Fiji	100.0	100.0	-	-
Pacific Cements Limited	Fiji	50.1	50.1	1,355	293
FHL Fund Management Limited	Fiji	100.0	100.0	600	100
FHL Properties Ltd	Fiji	100.0	100.0	500	-
FHL Media Limited	Fiji	100.0	100.0	1,500	-
- Fiji Television Limited	Fiji	61.6	61.6	-	-
- Life Cinema Limited	Fiji	69.1	69.1	-	-
Basic Industries (PNG) Limited	PNG	-	100.0	-	-
Merchant Finance Ltd	Fiji	80.0	80.0	7,574	18,560
				22,128	22,569
<b>(c) Other companies</b>					
Asian Paints (South Pacific) Ltd	Fiji	8.9	8.9	85	43
Goodman Fielder International (Fiji) Ltd	Fiji	10.0	10.0	89	176
Golden Manufacturers Ltd	Fiji	30.0	30.0	1,350	1,493
Pernix (Fiji) Limited	Fiji	21.0	21.0	-	-
Marsh Ltd	Fiji	25.0	25.0	600	350
New World Ltd	Fiji	15.4	15.4	230	230
				2,354	2,292
				24,780	25,159

**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 FINANCIAL STATEMENTS

## VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO

Year Ended 30 June 2016

### 22. NON-CONTROLLING INTERESTS - Continued

	Basic Industries Limited	Pacific Cement Limited	Merchant Finance Limited	RB Patel Group Limited	Fiji Television Limited	Life Cinema Limited	Blue Lagoon Cruises Limited	Intra-group eliminations \$'000	Total \$'000
<b>30 June 2016</b>									
<b>NCI percentage</b>	48.99%	49.83%	20.00%	46.52%	38.40%	30.87%	3.93%		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Non-current assets	18,041	5,613	81,769	41,627	5,495	4,378	15,057		
Current assets	18,557	15,045	79,694	19,299	17,903	1,111	102		
Non-current liabilities	(1,134)	(26)	(32,086)	(9,102)	(1,390)	(2,029)	(1,933)		
Current liabilities	(13,256)	(5,114)	(94,463)	(21,776)	(4,805)	(2,009)	(2,524)		
<b>Net assets</b>	<b>22,208</b>	<b>15,518</b>	<b>34,914</b>	<b>30,048</b>	<b>17,203</b>	<b>1,451</b>	<b>10,702</b>		
<b>Net assets attributable to NCI</b>	<b>10,879</b>	<b>7,733</b>	<b>6,983</b>	<b>13,978</b>	<b>6,606</b>	<b>448</b>	<b>421</b>	42	47,090
Revenue	67,354	38,093	17,156	117,671	(11,568)	(2,568)	3,508		
Profit/(loss)	6,607	2,150	7,536	7,351	(668)	(428)	152		
OCI	-	-	-	-	-	-	-		
<b>Total comprehensive income</b>	<b>6,607</b>	<b>2,150</b>	<b>7,536</b>	<b>7,351</b>	<b>(668)</b>	<b>(428)</b>	<b>152</b>		
Profit/(loss) allocated to NCI	3,237	1,071	1,507	3,420	(257)	(132)	6	-	8,852
OCI allocated to NCI	-	-	-	-	-	-	-		
Cash flows from operating activities	15,474	6,932	10,023	6,645	2,295	9	(30)		
Cash flows from investment activities	(2,708)	(677)	(3,644)	(1,815)	7,590	(1,024)	-		
Cash flows from financing activities (dividends to NCI: \$9.476 million)	(5,488)	(2,885)	(7,013)	(4,774)	(3,886)	1,269	-		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,278</b>	<b>3,370</b>	<b>(634)</b>	<b>56</b>	<b>5,999</b>	<b>254</b>	<b>(30)</b>		

	Basic Industries Limited	Pacific Cement Limited	Merchant Finance Limited	RB Patel Group Limited	Fiji Television Limited	Life Cinema Limited	Blue Lagoon Cruises Limited	Intra-group eliminations \$'000	Total \$'000
<b>30 June 2015</b>									
<b>NCI percentage</b>	48.99%	49.83%	20%	46.52%	38.40%	30.87%	3.99%		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Non-current assets	16,570	5,573	78,496	40,087	10,000	3,462	18,340		
Current assets	18,919	18,027	53,752	15,236	26,331	217	172		
Non-current liabilities	(257)	(47)	(33,524)	(10,013)	(1,265)	(1,996)	(2,484)		
Current liabilities	(14,134)	(7,484)	(64,679)	(18,414)	(12,749)	(1,303)	(5,478)		
<b>Net assets</b>	<b>21,098</b>	<b>16,069</b>	<b>34,045</b>	<b>26,896</b>	<b>22,317</b>	<b>380</b>	<b>10,550</b>		
<b>Net assets attributable to NCI</b>	<b>10,337</b>	<b>8,008</b>	<b>6,809</b>	<b>12,512</b>	<b>8,570</b>	<b>117</b>	<b>421</b>	38	46,812
Revenue	51,146	31,724	16,352	107,449	23,201	1,201	2,761		
Profit/(loss)	2,881	1,087	8,070	5,919	1,631	(621)	1,042		
OCI	-	-	-	-	-	-	-		
<b>Total comprehensive income</b>	<b>2,881</b>	<b>1,087</b>	<b>8,070</b>	<b>5,919</b>	<b>1,631</b>	<b>(621)</b>	<b>1,042</b>		
Profit/(loss) allocated to NCI	1,411	542	1,614	2,754	626	(192)	42	-	6,797
OCI allocated to NCI	-	-	-	-	-	-	-		
Cash flows from operating activities	2,450	(1,623)	(2,148)	8,925	4,601	(456)	(11)		
Cash flows from investment activities	(3,110)	290	(338)	(3,759)	(4,870)	(3,549)	-		
Cash flows from financing activities (dividends to NCI: \$4.047 million)	(2,195)	647	(18,272)	(3,212)	194	3,500	-		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,855)</b>	<b>(686)</b>	<b>(20,758)</b>	<b>1,954</b>	<b>(75)</b>	<b>(505)</b>	<b>(11)</b>		

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**23. INVESTMENT IN ASSOCIATES**

The Group's share of profit after tax in its equity accounted investees for the year was \$1.485 million (2015: \$2.600 million). The Group has interests in the following associates which are considered individually immaterial:

Marsh Limited  
 Golden Manufacturers Limited  
 Pernix (Fiji) Limited

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group, as at and for the year ended 30 June 2016:

	Assets \$'000	Liabilities \$'000	Revenue \$'000	Expenses \$'000	Profit/ (loss) \$'000
2016	82,483	52,615	76,517	72,824	3,693
2015	76,734	41,925	69,722	60,479	9,243

Reconciliation of the carrying value of investment in associates:

	Group	
	2016 \$'000	2015 \$'000
Opening balance	19,427	14,906
Acquisition of Pernix (Fiji) Limited	-	3,764
Equity accounted earnings of associates (net of tax)	1,485	2,600
Dividends from associates (Note 21c)	(1,950)	(1,843)
Closing balance	18,962	19,427

**24. PAYABLES**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Trade creditors	20,277	19,080	-	-
Accruals and other creditors	15,290	14,588	626	1,455
	35,567	33,668	626	1,455
<b>Noncurrent</b>				
Trade creditors	649	-	-	-

**25. EMPLOYEE ENTITLEMENTS**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Annual leave	728	1,125	159	168
Bonus and gratuity	817	450	214	213
	1,545	1,575	373	381
<b>Non-current</b>				
Bonus and gratuity	319	23	-	-
Long service leave	178	121	-	-
	497	144	-	-
	2,042	1,719	373	381

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**26. DIVIDENDS PAYABLE**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Dividends	747	1,192	-	-

This amount represents provision for dividends by subsidiary companies to their minority shareholders.

**27. BORROWINGS**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current</b>				
Bank overdrafts				
Secured (Note 10)	16,325	24,924	9,353	10,182
Term loans				
Secured	12,579	34,300	2,717	21,224
Fixed term deposits and term borrowings (Unsecured)	93,268	61,808	7,973	16,515
	122,172	121,032	20,043	47,921
<b>Non-current</b>				
Term loans				
Secured	57,595	48,205	27,806	13,996
Fixed term deposits and term borrowings (Unsecured)	32,075	36,697	11,225	4,390
	89,670	84,902	39,031	18,386
<b>TOTAL</b>	<b>211,842</b>	<b>205,934</b>	<b>59,074</b>	<b>66,307</b>

The bank overdraft, stand by facilities, and term loans of the subsidiary companies with ANZ Bank is 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 Stamped to \$59m and 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 stamped to \$22,963,000.
  - First registered ships mortgage over MV Tiger IV, MV Seaspray, MV Dau Sara Cakau, MV Yasawa Flyer II, MV Cheetah, MV Ocean Dreaming and MV Cougar II.
  - Agreement to mortgage over MV Tiger IV, MV Yasawa Flyer II, MV Seaspray and MV Dau Sara Cakau.
  - Deed of covenant over MV Tiger IV, MV Yasawa Flyer II, MV Seaspray and MV Dau Sara Cakau.
  - Irrevocable Undertaking over MV Yasawa Flyer II.
  - Master finance 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 land mortgage over certificate of title number 1248, being land comprising Nanuya Island.
  - First registered ships mortgage over Fiji Princess and Mystique Princess belonging to Blue Lagoon Cruises Limited.

**27. BORROWINGS - continued**

- iii. RB Patel Group Limited – the loan and bank overdraft with ANZ Bank are secured as follows:
- First registered mortgage debenture given by the company over all its present and future assets and undertakings and its uncalled and unpaid capital.
  - 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 the company, regarding sharing of securities in the ratio 50/50 with maximum debt of \$7 million each.

The bank overdraft facility (together with letter of credit and guarantee facilities) from Westpac Banking Corporation of RB Patel Group Limited is secured by:

- Registered equitable mortgage debenture given by the company 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 the company, 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 and (NL No. 15761) situated at 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 the holding Company and its subsidiaries including its uncalled and unpaid premiums.
- v. Life Cinema Limited – the loan and bank overdraft with Westpac Banking Corporation (WBC) are secured by:
- Registered first fixed & floating charge by Life Cinema Limited over all its assets and undertakings including its uncalled and called but unpaid capital.
  - Letter of comfort from shareholding company, Fijian Holdings Limited.
  - Letter of comfort from shareholding company, RB Patel Group Limited.
  - Non-disturbance deed between the company, Pacific Management Consulting Limited (the manager) and WBC.
  - Non-disturbance deed between the company, RB Patel Group Limited (the lessor) and WBC
- vi. FHL Properties Limited: \$6.137 million – 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 the Company (this is a fixed and floating charge over all present and future assets, undertakings (including goodwill) and unpaid/ uncalled capital of the Company), first registered mortgage over CT 4098 (Ratu Sukuna House), and first registered mortgage over CT 12609 (Ra Marama House).
- vii. Pacific Cement Ltd: \$2.594 million – the loan with ANZ Bank is secured by a first registered mortgage debenture over all the company's assets and undertakings, stamped at \$9.1 million.
- viii. Fiji Television Limited: \$0.552 million- the loans with ANZ Bank are secured by a first registered mortgage debenture over all of the Company's assets and undertakings.

During the previous year the Company drew a term loan and a finance lease facility from ANZ for asset and vehicle financing for a term of 5 years. These facilities attract a variable interest rate of 3.90% and 5% per annum respectively.

The insurance premium finance facility is a basic revolving facility with ANZ that is subject to annual review with a limit of \$500,000. The purpose of the loan is to accommodate payment of insurance premiums. The facility currently attracts a variable interest rate of 3.90% (2015: 3.90%) per annum.

The overdrafts bear varying interest rates ranging from 3.6% to 3.90% per annum.

- (b) Fixed term deposits and short term borrowings are related to customer deposits with Merchant Finance & Investment Company Ltd and Fijian Holdings Unit Trust.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**28. SHARE CAPITAL**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Authorised</b>				
20,000,000 'A' class ordinary shares of \$1 each	20,000	20,000	20,000	20,000
20,000,000 'B' class ordinary shares of \$1 each	20,000	20,000	20,000	20,000
	40,000	40,000	40,000	40,000
<b>Issued and fully paid</b>				
10,464,650 'A' class ordinary shares of \$1 each	10,465	10,465	10,465	10,465
20,000,000 'B' class ordinary shares of \$1 each	20,000	20,000	20,000	20,000
	30,465	30,465	30,465	30,465

The company's ordinary 'A' class shares are 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 hold 10 million of the company's "B" class ordinary shares of \$1 each.

All ordinary shares rank equally with regard to the company's residual assets.

**29. RESERVES**

**Available for sale reserve**

Available for sale reserve consists of unrealised gains or losses arising from changes in the fair value of investments classified as available-for-sale financial assets.

**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 has been 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 does not reflect the fair value of assets and liabilities acquired or any recording of additional goodwill at the time of the acquisition of FHL Media. The acquisition balance sheet of FHL Media reflects the 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 is 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 FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**29. RESERVES - continued**

	Asset Revaluation Reserve \$'000	Credit Loss Reserves \$'000	Common Control Reserve \$'000	Available for Sale Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Equity Reserve \$'000	Total \$'000
<b>(a) Group</b>							
<b>Balance at 30 June 2014</b>	5,892	1,805	9,926	2,675	(4,374)	(1,219)	14,705
Foreign currency movement	-	-	-	-	(1,334)	-	(1,334)
Decrease in non-controlling interests	196	-	-	-	-	309	505
Reclassification from retained earnings	-	621	-	-	-	-	621
Fair value movements	-	-	-	(545)	-	-	(545)
<b>Balance at 30 June 2015</b>	<b>6,088</b>	<b>2,426</b>	<b>9,926</b>	<b>2,130</b>	<b>(5,708)</b>	<b>(910)</b>	<b>13,952</b>
Foreign currency movement	-	-	-	-	(47)	-	(47)
Decrease in non-controlling interests	-	-	-	-	-	(121)	(121)
Reclassification to retained earnings	-	-	-	-	5,717	-	5,717
Fair value movements	-	-	-	1,323	-	-	1,323
<b>Balance at 30 June 2016</b>	<b>6,088</b>	<b>2,426</b>	<b>9,926</b>	<b>3,453</b>	<b>(38)</b>	<b>(1,031)</b>	<b>20,824</b>
<b>(b) Company</b>							
<b>Balance at 30 June 2014</b>	-	-	-	54,072	-	-	54,072
Reclassification of amounts to profit or loss	-	-	-	(9,452)	-	-	(9,452)
Fair value movements	-	-	-	23,351	-	-	23,351
<b>Balance at 30 June 2015</b>	-	-	-	<b>67,971</b>	-	-	<b>67,971</b>
Reclassification of amounts to profit or loss	-	-	-	-	-	-	-
Fair value movements	-	-	-	20,499	-	-	20,499
<b>Balance at 30 June 2016</b>	-	-	-	<b>88,470</b>	-	-	<b>88,470</b>

**30. OPERATING LEASES**

**Operating lease commitments**

The group has a number of lease agreements with varying terms and conditions. The future aggregated minimum lease payments under these leases are as follows:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not later than 1 year	7,428	11,786	-	-
Later than 1 year but not later than 5 years	13,460	17,222	-	-
Later than 5 years	22,537	27,881	-	-
	<b>43,425</b>	<b>56,889</b>	-	-

Fiji Television Limited, a subsidiary company, entered into a new satellite services agreement in 2014. At inception of the arrangement, this was determined not to contain a lease as the fulfilment of the arrangement is not dependent on the use of a specified asset or assets. Nonetheless, the commitments under this arrangement have been included in the above lease commitment disclosure.

Other lease arrangements include operating lease rentals with parties external to the group for rental of office space and retail outlets.

**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:



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**30. OPERATING LEASES - continued**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not later than 1 year	4,634	4,661	-	-
Later than 1 year but not later than 5 years	6,309	6,041	-	-
Later than 5 years	3,686	3,051	-	-
	14,629	13,753	-	-

**Amounts recognised in profit or loss**

During 2016, investment property rentals of \$4.878 million (2015: \$4.455 million) were included in 'Operating revenue'. Direct operating expenses (including repairs and maintenance), were as follows:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income-generating property	966	948	-	-
Vacant property	-	-	-	-
	966	948	-	-

**31. EARNINGS PER SHARE**

The calculation of earnings per share at 30 June 2016 was based on the profit attributable to ordinary shareholders of \$13,656,000 (2015: \$10,652,000) and a weighted average number of ordinary shares outstanding of 30,465,000 (2015: 30,465,000), calculated as follows:

	Group	
	2016 \$'000	2015 \$'000
Profit after income tax attributable to members of the holding company	13,656	10,652
Loss from discontinued operations	3,372	1,036
Profit after tax from continuing operations	17,028	11,688
Weighted average number of shares outstanding	30,465	30,465
Basic and diluted earnings per share – continuing operations	\$0.56	\$0.38
Basic and diluted earnings per share	\$0.45	\$0.35

**32. CONTINGENT LIABILITIES**

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non performance guarantees given by the bank on behalf of subsidiary companies	4,110	3,130	-	-
Non performance guarantees given by the bank on behalf of the holding company	270	483	270	483

In the opinion of the directors, no loss is anticipated in respect of the above contingent liabilities.

The company has provided letters of support to its subsidiaries, South Sea Cruises Limited and Merchant Finance Limited, undertaking that in the next 12 months it will provide sufficient financial assistance as and when it is needed to enable the subsidiaries to continue operations and meet their financial obligations.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**33. CAPITAL COMMITMENTS**

Commitments for capital expenditure not provided for in the financial statements are as follows:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Approved but not contracted	9,468	651	-	-
Approved and contracted	26,358	327	-	-

Commitments in respect of loans and approved credit commitments offered but not yet advanced as at balance date amounted to approximately \$1,868,000 (2015: \$5,140,000).

**34. RELATED PARTY INFORMATION**

**Directors**

The following were directors of the Company at any time during the financial year:

Iowane Naiveli	- Chairman	Ulai Taoi	
Sakiusa Raivoce		Isikeli Tuituku	
Viliame Cegumalua		Viliame Naupoto	- appointed on 11 August 2015
Aisea Waka Vosailagi	- appointed on 11 August 2015	John O'Connor	- appointed on 11 August 2015

Amounts paid to the directors during the year are disclosed in Note 5(b).

**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
<b>Fijian Holdings Limited</b>	
Nouzab Fareed	Chief Executive Officer
Salesh Dayal	General Manager Finance (resigned on 18 March 2016)
Abilash Ram	General Manager Finance (appointed on 18 March 2016)
Catherine Grey	Manager Human Resources
Mereoni Matavou	Manager Legal/Company Secretary (appointed 30 June 2016)
<b>Fiji Television Limited</b>	
Geoffrey Smith	Chief Executive Officer
<b>South Sea Cruises Limited</b>	
Peter Duncan	Chief Executive Officer
<b>Basic Industries Limited</b>	
Mosese Volavola	Chief Executive Officer
<b>Pacific Cement Limited</b>	
Sowani Tuidrola	Chief Executive Officer (appointed on 1 July 2015)
<b>Merchant Finance Limited</b>	
Napolioni Batimala	Chief Executive Officer
<b>RB Patel Group Limited</b>	
Deepak Rathod	Chief Operating Officer

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**34. RELATED PARTY INFORMATION - continued**

The aggregate compensation of the key management personnel of the Group comprising only short-term benefits amounted to \$2.089 million (2015: \$2.030 million).

**Transactions with related parties**

During the year, the Group entered into various transactions with related parties which were at normal commercial trading terms and conditions. The aggregate value of major transactions with related parties during the year is as follows:

**Management fees**

The Company has management agreements in place with its subsidiary companies for the provision of management services during the year. Management fees received during the year are as follows:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Merchant Finance Ltd	-	-	108	108
FHL Retailing Ltd	-	-	720	720
FHL Fund Management Limited	-	-	96	96
Fijian Properties Limited	-	-	240	240
FHL Securities Ltd	-	-	-	7
Pacific Cement Limited	-	-	90	90
FHL Media Limited	-	-	48	48

**Dividend income**

The dividends received during the year have been disclosed in Note 21.

**Interest income**

The Company has also provided loans and advances to its subsidiary and related companies during the year. Interest income received by the Company during the year is as follows:

Blue Lagoon Cruises Ltd	-	-	395	449
FHL Retailing Ltd	-	-	416	392
FHL Properties Limited	-	-	276	290

**Amounts receivable from related parties**

During the year, the Company also advanced loans to its subsidiary companies. The loans are unsecured. Amounts receivable from related parties as at reporting date is as follows:

<b>Loans receivable</b>				
FHL Properties Limited	-	-	66	4,021
Blue Lagoon Cruises Ltd	-	-	-	5,144
FHL Retailing Ltd	-	-	6,030	6,030
South Sea Cruises Limited	-	-	5,457	-
<b>Other receivables</b>				
Basic Industries Ltd	-	-	639	777
FHL Logistics Ltd	-	-	-	800
FHL Retailing Ltd	-	-	-	102
Pacific Cement Limited	-	-	-	6
Fijian Holdings Fund Management Ltd	-	-	-	12
Fijian Properties Ltd	-	-	947	482
Golden Manufacturers Limited	-	-	750	600
South Sea Cruises Limited	-	-	2,453	4,724
Merchant Finance Ltd	-	-	4,054	4,498
Basic Industries (PNG) Limited	-	-	-	2,214
FHL Stockbrokers Ltd	-	-	-	2
Provision for doubtful debts – FHL Logistics Limited	-	-	-	(800)
Provision for doubtful debts – Basic Industries (PNG) Limited	-	-	-	(2,214)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**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, trade 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

**Primary Reporting - Business Segments**

2016	Construction \$000	Property \$000	Finance \$000	Tourism \$000	Media \$000	Retail \$000	Investment \$000	Other Investments \$000	Inter Segment \$000	TOTAL GROUP \$000
<b>External Operating Revenue</b>										
Sale of goods	104,948	-	-	-	-	114,816	-	-	(11,811)	207,953
Rental and property management	-	3,660	-	-	-	-	-	-	-	3,660
Rendering of services	-	-	-	47,348	13,784	-	-	-	(3,294)	57,838
Interest revenue	-	-	20,208	-	-	-	-	-	-	20,208
Interest expense	-	-	(4,273)	-	-	-	-	-	-	(4,273)
Other	-	-	-	-	-	-	26,078	8,289	(26,201)	8,166
<b>Total operating revenue/ net interest income</b>	-	-	-	-	-	-	-	-	-	293,552
<b>Result</b>										
Profit before income tax – continuing operations	11,356	3,928	9,400	5,670	2,576	8,210	20,442	3,461	(32,190)	32,853
Income tax expense	(2,600)	(653)	(1,864)	(1,126)	(435)	(858)	409	(417)	571	(6,973)
Other material non-cash items:										
– Impairment losses on non financial assets	-	-	-	(2,158)	-	-	-	-	-	(2,158)
<b>Depreciation and amortisation expense</b>	(3,533)	(94)	(581)	(2,229)	(1,134)	(1,150)	(126)	(1,040)	(1,007)	(10,894)
<b>Acquisition of property, plant and equipment</b>	5,462	195	2,093	2,394	2,040	453	58	37	-	12,732
<b>Total assets</b>	57,256	38,160	161,462	52,321	46,868	60,926	284,169	72,185	(298,301)	475,046
<b>Total liabilities</b>	19,529	11,671	126,549	34,868	8,172	30,878	60,073	8,092	(42,719)	257,113

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**VAKAMACALA KA LEWE TALEGA NI TUKUTUKU VAKAILAVO**  
 Year Ended 30 June 2016

**35. SEGMENT INFORMATION - Continued**

**Primary Reporting - Business Segments - continued**

2015	Constru- ction \$000	Property \$000	Finance \$000	Tourism \$000	Media \$000	Retail \$000	Invest- ment \$000	Other Invest- ments \$000	Inter Segment \$000	TOTAL GROUP \$000
<b>External Operating Revenue</b>										
Sale of goods	82,962	-	-	-	-	104,945	-	-	(9,783)	178,124
Rental and property management	-	3,521	-	-	-	-	-	-	-	3,521
Rendering of services	-	-	-	45,163	24,625	-	-	-	(2,738)	67,050
Interest revenue	-	-	18,903	-	-	-	-	-	-	18,903
Interest expense	-	-	(3,401)	-	-	-	-	-	-	(3,401)
Other	-	-	-	-	-	-	26,465	7,514	(26,542)	7,437
Total operating revenue/ net interest income										271,634
Discontinued operations	(1,009)	-	-	-	(14,526)	-	-	-	-	(15,535)
Restated total operating revenue/ net interest income										256,099
<b>Result</b>										
Profit/(loss) before income tax – continuing operations	5,365	808	10,024	6,669	806	6,582	12,328	3,248	(21,926)	23,904
Income tax expense	(1,399)	(168)	(1,953)	(1,398)	(117)	(663)	593	(313)	(1)	(5,419)
Other material non-cash items:										
– Impairment losses on non financial assets	-	-	-	-	271	-	-	-	-	271
<b>Depreciation and amortisation expense</b>	(3,125)	(341)	(564)	(2,114)	(1,975)	(1,080)	(184)	(546)	(749)	(10,678)
<b>Acquisition of property, plant and equipment</b>	5,587	17	373	3,930	4,482	926	19	5	-	15,339
<b>Total assets</b>	62,308	20,150	132,249	55,182	59,931	55,324	257,896	68,874	(252,625)	459,289
<b>Total liabilities</b>	28,439	12,531	98,202	37,770	17,094	28,427	68,143	7,555	(43,006)	255,155

The Group operates in Fiji and in PNG with the PNG operations not being material and therefore do not require separate segment disclosures.

**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 Group, to affect significantly the operations of the Company and the Group, the results of those operations, or the state of affairs of the Company and the Group, in subsequent financial years.

# SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS TUKUTUKU E VINAKATI MAI NA SOUTH PACIFIC STOCK EXCHANGE

Year Ended 30 June 2016

**Listing requirements of the South Pacific Stock Exchange** (not included elsewhere in this financial statements)

**a) i Statement of interest of each Director in the share capital of the Company or in a related Corporation as at 30 June 2016 included**

	Beneficially		Non-beneficially	
	Additions	Holding	Additions	Holding
Sakiusa Raivoce	-	100,000	-	-
Ulaiasi Taoi	-	2,311	-	-
Isikeli Tuituku	-	-	-	20,767,688
Viliame Cegumalua	-	-	-	21,160,977
Viliame Naupoto	-	-	-	20,760,977
Ratu Aisea Waka Vosailagi	-	-	-	20,760,977
John O'Connor	-	-	-	20,760,977

**a) ii Statement of interest of each Senior Management in the share capital of the Company or in a related Corporation as at 30 June 2016 included**

	Beneficially		Non-beneficially	
	Additions	Holdings	Additions	Holdings
Makereta Bulilakeba & Sowani Tuidrola	-	8,501	-	-
Napolioni Naqia Kae Batimala	-	35,268	-	-

**b) Distribution of Shareholding**

Holding	No. of Holders	% Holding
Less than 500 shares	283	0.96%
501 to 5,000 shares	687	10.07%
5,001 to 10,000 shares	56	3.62%
10,001 to 20,000 shares	58	7.98%
20,001 to 30,000 shares	18	4.13%
30,001 to 40,000 shares	16	4.97%
40,001 to 50,000 shares	12	5.23%
50,001 to 100,000 shares	29	21.38%
100,001 to 1,000,000 shares	14	41.66%
<b>Total</b>	<b>1,173</b>	<b>100.00%</b>

**c) Top 20 shareholders in "A" class shares**

	Name	No. of shares
1	Itaukei Land Trust Board	859,666
2	Itaukei Affairs Board	760,977
3	Cakaudrove Provincial Holdings Company Limited	400,000
	Cicia Plantation Co-op Soc Ltd	400,000
4	Ratu Sir K Mara Education Trust Fund	300,000
5	Tailevu Dairy Farmers Co-op	251,859
6	Macuata Provincial Council	203,614
7	Mavana Investment Ltd	200,000
	Mualevu Tikina Holdings Ltd	200,000
8	Vanua Ko Lovoni Investment Ltd	179,805
9	Duavata Holdings Limited	141,000

# SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS TUKUTUKU E VINAKATI MAI NA SOUTH PACIFIC STOCK EXCHANGE

Year Ended 30 June 2016

**c) Top 20 shareholders in "A" class shares - continued**

10	Bua Provincial Council	137,102
11	Mualevu Koro Invest Co Ltd	108,754
12	Moala Tikina Council	101,005
13	Nabukebuke Holdings Ltd	100,000
	Lomati Village Investment Ltd	100,000
	Naqarani Holdings Ltd	100,000
	Munia Holdings Ltd	100,000
	Nasoqo Farming Enterprises Ltd	100,000
	Dogotuki Tikina Council	100,000
	Sakiusa and Anaseini Raivoce	100,000
	Kiri Verewale Richmond	100,000
14	Vatulele Island Holdings	97,990
15	Serua Provincial Council	97,102
16	Rewa Provincial Council	93,601
17	Vukicea Investment Limited	90,000
18	Kadavu Provincial Council	89,791
19	Mataqali Natabutale	84,743
20	Tukula Holdings Ltd	80,000

**d) Share price details:**

Highest share price during the year was \$4.30.

Lowest share price during the year was \$3.90

Share price at year end was \$4.08

**e) Attendance at Board Meetings:**

Name	No of meeting	No attended
Iowane Naiveli	8	8
Ulaiasi Taoi	8	8
Sakiusa Raivoce	8	8
Isikeli Tuituku	8	7
Viliame Cegumalua	8	7
Viliame Naupoto (appointed on 11 August 2015)	8	5
Ratu Aisea Waka Vosailagi (appointed on 11 August 2015)	8	6
John O'Connor (appointed on 11 August 2015)	8	6

**f) Share register**

Central Share Registry  
South Pacific Stock Exchange  
Level 2  
Plaza 1  
FNPF Building  
33 Ellery Street  
Suva  
Fiji

Company Secretary – Kelepi Rakabikabi (resigned 30 June 2016)  
– Mereoni R Matavou (appointed 1 July 2016)

**SOUTH PACIFIC STOCK EXCHANGE LISTING REQUIREMENTS**  
**TUKUTUKU E VINAKATI MAI NA SOUTH PACIFIC STOCK EXCHANGE**  
 Year Ended 30 June 2016

**g) Disclosure under Section 6.31 viii**

	FHL Fund Management Ltd \$'000	South Sea Cruises Ltd \$'000	FHL Properties Ltd \$'000	FHL Stock-brokers Ltd \$'000	FHL Retailing Ltd \$'000	Basic Industries Ltd \$'000	Pacific Cement Ltd \$'000	FHL Logistics Ltd \$'000	Merchant Finance Ltd \$'000	FHL Media Ltd \$'000
Turnover	2,030	47,348	3,660	68	121,004	66,860	38,087	-	15,936	13,784
Other income	16	214	3,102	16	2,855	494	6	-	1,220	406
	2,046	47,562	6,762	84	123,859	67,354	38,093	-	17,156	14,190
Depreciation	(38)	(2,229)	(94)	(1)	(1,651)	(2,331)	(681)	-	(581)	(1,134)
Interest income/ (expense)	40	(1,180)	(477)	24	(993)	213	21	-	-	(416)
Other expenses	(961)	(38,483)	(2,263)	(65)	(110,676)	(56,508)	(34,804)	-	(7,175)	(10,064)
Income tax expense	(240)	(1,126)	(653)	(9)	(1,028)	(2,122)	(479)	-	(1,864)	(435)
Profit after tax	847	4,544	3,275	33	9,511	6,606	2,150	-	7,536	2,141
Assets	1,813	65,146	38,160	671	117,801	36,597	20,658	1	161,462	46,868
Liabilities	158	34,868	11,671	56	37,838	14,390	5,139	918	126,549	8,172
Shareholder's Funds	1,655	30,278	26,489	615	79,963	22,207	15,519	(917)	34,913	38,696

**h) 5 Year Comparative**

Year	2011	2012	2013	2014	2015	2016
Dividend Payment (\$m)	5.10	5.60	6.00	6.40	6.70	7.01
Return on Investment (%)	9%	9%	6%	6%	7%	11%
Earnings per Share (¢)	25	28	31	32	35	45
Group Total Assets (\$m)	347.00	361.00	476.00	458.86	459.29	475.05
Group Shareholders Fund (\$m)	167.00	176.00	202.00	200.13	204.13	217.93
Group Operating Revenue (\$m)	176.90	177.10	217.17	245.74	271.63	293.55
Company Operating Revenue (\$m)	11.70	17.00	17.90	17.65	26.47	26.08
Group Profit Before Tax (\$m)	12.60	16.60	18.17	18.30	23.90	32.85
Company Profit Before Tax (\$m)	7.70	9.40	9.89	10.90	12.33	20.44





## APPOINTMENT OF PROXY

I/We

being a member of Fijian Holdings Limited, hereby appoint:

as our proxy, to vote for us on our behalf at the Thirty First Annual General Meeting of Fijian Holdings Limited to be held on 20th October 2016

*(please select appropriate section)*

**A.** Shareholder Signature

Witness Name & Signature

Signed this  day of  2016

**B.** In case of a body corporate, this form should be under its Seal or be signed by an officer or an attorney duly authorised by it.

The Common Seal of

Was hereunto affixed in the Presence of the Undersigned who certify

they are Proper officers authorised to attest the Affixing of the Seal of the said Company:

Director

Director / Secretary

Signed this  day of  2016

Send Proxy Form to:

Fax:  
330 5020

Mail:  
P.O. Box 2110  
Government Buildings  
Suva  
Fiji

or hand-deliver to:

Fijian Holdings Ltd  
Level 7  
Ra Marama  
91 Gordon St  
Suva  
Fiji





FIJIAN  
HOLDINGS  
LIMITED