



REBUILDING WITH GOVERNANCE & PEOPLE



ANNUAL REPORT





FIJIAN HOLDINGS LIMITED

FHL GROUP CORE VALUES

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

FHL GROUP CORE PURPOSE

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

FHL GROUP VISION

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

MISSION STATEMENT

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

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



This year's Annual Report cover depicts our theme of 'Rebuilding with Stronger Governance & Right People'. As we're still facing the effects of the pandemic, we believe that by investing in people and having a strong and effective corporate governance will help to cultivate a culture of integrity, leading to positive performance and a sustainable business overall. This report also showcases the Holding company and its subsidiaries support in getting vaccinated to ensure the safety of their families, community and road to economic recovery.

NA UTO NI VAKABAUTA NI KABANI

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

NA YAVUTU NI KABANI

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

NA RAI KI LIU NI FHL

“Me dau vakatubu i lavo levu taudua ena Pasifika”

YALAYALA ME VAKAVATUKANATAKI

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

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



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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 the iTaukei Affairs Board, iTaukei Land Trust Board, iTaukei Trust Fund Board, Provincial councils, Tikina and village groups, iTaukei cooperatives, 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 tauyavu ena yabaki 1984 na kabani na Fijian Holdings Limited (FHL) ena vuku ni nodra gagadre na Turaga Bale kei Viti kei ira na lewenivanua iTaukei me vakatotolotaki na nodra vakaitavi ena bula raraba vakailavo ni vanua ko Viti.

Era taukei ni sea ena FHL na Matabose ni veika Vakaitaukei, na Matabose ni qele maroroi, na Matabose ni iLavo Maroroi ni iTaukei, na vei Yasana, 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	
1987 - 2008	Sitiveni Weileilakeba
2008 - 2011	Sereana Qoro
2011- December 2019	Nouzab Fareed
December 2019 to March 2021	Abilash Ram (<i>Acting GCEO</i>)
March 2021 - to date	Jaoji Koro

Group Chairman	
1984 - 2006	Lyle Cupit
2006 - 2008	Josaia Mar
2008 - 2008	Robin Storck
2008 - 2011	Isoa Kaloumaira
2011 - 2011	Carl Cameron
2011 - 2016	Iowane Naiveli
2017 - 2019	Adrian Sofield
2019 to date	Yogesh Karan (<i>Acting Chairman</i>)



ACTING CHAIRMAN'S REPORT TUKUTUKU NI LIULIU VEIVUKE NI MATABOSE



Dear Shareholders

On behalf of the Board of Directors, I am pleased to present to you Fijian Holdings Limited's Annual Report for financial year ended 30th June 2021 (FY21).

The 2020/2021 financial year has certainly been one of the toughest years, characterised with numerous lockdowns and travel restrictions. Globally, unconventional practises have been adopted as the world fronts up with the dual challenges of health and economic crises effectuated by the COVID-19 pandemic.

In Fiji, major key industries have been severely impacted, resulting in the reduction of domestic demand and contraction of economic activity. On the domestic front the economy is now projected to contract by 4.1 percent this year following a 15.7 percent contraction estimated for 2020.

Against this difficult backdrop, the priority for most businesses including those with FHL Group was to keep afloat and remain solvent. Our ability to adapt through this difficult period is a testament to the strength of the business that has been built on solid pillars over many years.

I would like to convey my acknowledgement to the FHL Group stakeholders, Management and the FHL family who were able to work through the challenges posed by the pandemic. In addition, I would also like to convey my sincere appreciation to our customers and partners for their trust in FHL Group and to our shareholders for their continued support.

Group Performance

The Group recorded a significant downturn to a Net Loss after Tax of \$17.59m for the financial year, as compared to a profit of \$6.04m for the same period in the last financial year. Whilst the result was primarily driven by the impacts of COVID-19 on our tourism sector, the significant business disruption eventuated across the Group has resulted in the need to make significant one-off adjustments.

The Holding company recorded a profit of \$7.88m in FY21 compared to \$14.82m in FY20. This reduction was largely driven by a shortfall in dividend declaration by subsidiary companies primarily driven on sustaining and maintaining operations through these difficult times.

FHL as a parent entity needed to maintain cash flow and support its subsidiary companies to ensure long term survival of its investments. This was the major challenge for the directors when discussing dividend declaration. Most of the Group entities required financial support from FHL to maintain a required level of working capital to keep them afloat. Accordingly, FHL was able to assist by redirecting its unutilised debt facilities to those entities, which further affected FHL's ability to declare dividends in the current year. The total dividend payout was significantly reduced to \$1.25m compared to \$7.53m in the previous year. Despite these challenges, the board is certain that the support provided now will definitely pay more sustainable returns in the long term.

RBG continued to be the stronghold of the Group providing a revenue of \$142m which accounts for 63% of total Group revenue and contributed operating profit of \$11.4m. The Group realised a loss of \$10.5m in profits due to the suspension of operations of SCC, while BIL reported the highest loss of \$9.0m during the financial year.

Moving Forward – post pandemic

As the prospects appear closer and the world recovers slowly from the pandemic, it is critical that we reposition the FHL Group

into a more purposeful and sustainable path for the future. The success of any organisation is reflected on how well it learns from the challenges of such crisis. In this regard, the Group commenced its strategic planning in the second half of the financial year with our new Group CEO with a focus of re-strategising business frameworks under the new normal. While we expect some consolidation to occur immediately, the four key areas of focus in the medium term are:

1. Focus internally to improve profitability;
2. Optimize balance sheet to ensure sustainability;
3. Go Digital; and
4. Establish future growth business opportunities.

The impacts of COVID-19 allowed the group companies to identify inefficiencies and redefine its process to work with leaner costs to increase profitability.

FHL as part of its goal 2 of the Strategic Planning has started preliminary discussion with few key commercial banks on broader financing arrangement that is expected to steer FHL away from a single-bank exposure allowing more flexibility with its financing requirements. The Board has also given approval to management to explore option of Corporate Bond raising to restructure its debts.

Digitalisation, which is one of the key strategies of FHL has shown its capabilities during the period of lockdown and work from home. Digitalisation will definitely be an area of emphasis as its efficiencies is earned to the group.

People Capital

The Board as part of its mandate ensures that the key component to the growth and sustainability of companies is having right people in the organisation.

The Board executed this process with the appointment of the Group CEO, assuming into the role from March 2021. Leadership restructure were also made for the Merchant Finance Pte Limited, Basic Industries Pte Limited, Fiji Television Limited and Pacific Cement Pte Limited.

These appointments went through a rigorous and meritorious interview process to identify the best person for the job.

The new leadership team is expected to navigate the group through this pandemic and regain and surpass the profitability level which FHL has been reporting in previous years.

FHL Investments

FHL diversified portfolio continued to prove its effectiveness with the Retail sectors taking the lead in performance when other sectors were largely challenged.

The Holding Company is also working on adopting more stringent policies for investments, with due process to be followed with Mergers, Acquisition and Divestments.

The ongoing portfolio performance management is critical and will continue to be undertaken to ensure any irregularities are addressed as soon as they are identified.

Positioning for recovery

Following concerted government stimulus, roll out of COVID-19 vaccination programs and the easing of restrictions, business sentiments have improved. However, there are some concerns regarding resurgence of cases worldwide and the rise of new coronavirus variants, which may derail the recovery of economies. While we are seeing early signs of recovery, the pace and its extent are dependent on developments

on the COVID-19 front.

Despite the outbreak of the pandemic which hindered the growth of the economy, we remain optimistic that this is still the decade of opportunities, particularly for Fiji being the hub of the South Pacific. While government is working with the tourism sector in aligning safe operations for the re-opening of borders in December and welcoming our first guests at Port Denarau, the group is also placing attention on developing its export market for construction materials to neighbouring Pacific Island Countries.

One of the key areas for the Board during this pandemic has been liquidity management and ensuring that we have enough capacity to support our subsidiary companies as well as the requirement of the parent company with its debt commitments.

The board and management have now developed a sustainable Dividend Policy to ensure shareholder's a fair share of return while the company is also able to expand and clear off its debts with financiers. Key consideration for dividend will be determined by the free cash flow generated during the financial year.

In addition to increasingly building our resilience, we will leverage on our diversified business model, extensive track record of operational excellence and financial discipline to bring about greater long-term value to our stakeholders.

Kivei Kemuni na iTaukei ni Kabani

Ena vukudra na lewe ni Matabose e cake, e ka ni marau vei au meu talaucaka yani na iTukutuku Vakayabaki ni Fijian Holdings Limited ena yabaki vakailavo ka mai cava tiko ena i ka 30 ni Jiune 2021 (YV21).

Na yabaki vakailavo 2020/2021 e sa dua dina na yabaki bolebole, ni yaco vakavuqa kina na sogosogo kei na vakatatabu eso. E vuravura, e vakayacori eso na veiqaravi ka sega ni vaka na kedra ivakarau baleta ni sotavi vata erua na leqa, oya ena tabana ni bula kei tabana vakaiyau, rau basika ruarua ena vuku ni matedewa na COVID-19.

E Viti, e valeqai sara vakalevu e vuqa na tabana nuitaki ka vakavuna me lutu na kedra gadrevi e Viti kei na kena vanaulu sobu na noda bula vakailavo. Na tubu e vatavatairalagotaka tiko ni oti edua na revurevu levu va oqo e namaki me 15.7 na pasede (15.7%) ena 2020, keina 4.1 pasede (4.1%) ena mua ni yabaki 2021.

Ena taudaku ni veika kece oqori, era na vakabibitaki e vuqa na bisinisi wili kina na Kabani Cokovata (FHL Group) na nodra

tosoya tiko na bisinisi kei na nona rawa ni bokodinau (solvent). Na isolisoli me rawa nira veisau ena gauna drakidrakita vaka oqo e sa tukuna tu na kedra yavutaki vakavinaka na veibisinisi kece sara ena lomaniyabaki sa vakanadakui.

Au via vakaraitaka eke na vakamuduo vei ira eda semati vata tu ena Kabani Cokovata ni FHL, ira na Veiliutaki kei ira na lewe ni vuvale vaka FHL kara gumatua tikoga ena loma ni dredre e vakavurea mai na matedewa. E kena kuri, au via vakavinavinataki ira sara vakalevu o ira eda qarava kei na veitokani vakabisinisi ena nodra veivakabauti kina Kabani Cokovata kei ira taukei ni kabani ena nodra veitokoni vinaka.

Rawaka ni Kabani Cokovata

Na kabani cokovata e lusi sara vakalevu ka tiko na lusidina ena \$17.59 na milioni ena yabaki vakailavo oqo, ni vakatauvatani kei na tubu e \$6.04 na milioni e rawati ena gauna vata oqo ena yabaki sa oti. Na veika e rawati oqo e vatabakidua vakalevu ena revurevu ni COVID-19 kina tabana ni saravana, ia e bau cau sara talega na leqaleqa vakabisinisi

Future Outlook

At the time of this report, we have completed the first quarter of FY22 and we are seeing some positive signs of growth from some sectors of the economy and we look forward to the rebound of the tourism sector.

The recent announcement by Government on opening of international borders in December will be a key factor to the Group's performance which will most likely see the impacts flow through in the last quarter of FY22.

Appreciation

At this point, I would like to extend my appreciation to our management team, staff, bankers and business associates for their contribution towards the Group.

I would also like to thank my fellow directors for their guidance amidst this tumultuous period. Last but not least, I would like to extend my gratitude to our shareholders for their loyal support.

In this new normal, we will continue to strive towards transforming into a more sustainable organisation for our customers, as well as raising our shareholder-value. Vinaka.



Yogesh Karan
Acting Chairman

e vakilai ena kabani cokovata ka vakavuna eso na veivakadodonutaki yaco vakavudua. Na tinani kabani e rawata e \$7.88 na milioni ena tubu ena YV21 ni vakatauvatani keina \$14.82 na milioni ena YV20. Na lutu ni rawaka e vakavu vakalevu ena kena lailai na tubu era wasea mai na kabani e taukena na FHL, ka yavutaki na lailai ni tubu e wasei mai na kena gadrevi me tikoga vei ira na iyau me baleta na tosoi keina vakadeitaki ni bisinisi ena gauna drakidrakita e donumaki. Na FHL talega ena nona itutu vaka tinani kabani (valenivolavola liu) e raica me tu vakavinaka tu na nona veika vakailavo me rawa ni tukuni ira na veikabani era vakarurugi vau ena yaco me taqomaki kina nona vakatubuiyau ena veikabani oqori ena veisiga ni mataka. Qo edua na bolebole levu vei ira na Dairekita ena gauna e veivosakitaka kina na wasei ni tubu. E vuqa vei ira na kabani oqo e gadrevi vakalevu na veivuke vakailavo mai na FHL me rawa ni qarava kina nodra cakacaka levu ka tosoi tiko na bisinisi. Qo e vakavuna me vagolea kina na FHL na vo ni ilavo dinau kina veikabani oqo, ia e lai valeqai kina na gagadre ni via saumi tubu ena lomaniyabaki. Na levu ni tubu e wasei rawa e lutu vakalevu sara kina \$1.25 na milioni ni vakatauvatani

keina \$7.53 na milioni ena yabaki sa oti. Dina mada ni tu e vuqa na bolebole, ia era nuidei na lewe ni Matabose ni veitokoni e solia ena gauna qo ena vakilai voli na kena ivakayaga ena loma ni dua na gauna balavu. Na RBG e vakadeitaki koya tikoga ena kabani cokovata ni levu duadua nona rawaka ka tiko ena \$142 na milioni qo e tautauvata ni 63 na pasede (63%) ni nona rawaka na kabani cokovata ka cau ena tubu e \$11.4 na milioni. Na kabani cokovata SSC e lusi ka tiko ena \$10.5 na milioni ka vakavu vakalevu ena kena mai sogo tu na South Sea Cruises, ia na Basic Industries Limited e vola itukutuku ena lusi levu duadua ena lomaniyabaki vakailavo ka tiko ena \$9.0 na milioni.

Nanamaki – oti na matedewa

Ni roro voleka na veika e namaki ka saumaki o vuravura mai na matedewa, e sa rui bibi sara me vakotori donu na vanua e vakanamata kina na kabani cokovata (FHL Group) me rawa ni vakataudeitaki ka vakailabale na nona veisiga ni mataka. Na toso vinaka ni dua na kabani ena vakatau talega ena nona vuli mai na bolebole e sotavi ena gauna ni leqa tubukoso vakaoqo. Ena vuku ni tikina qo ea vakayacora kina na kabani cokovata na nona ituvatuva nakiti ena karua ni vula ono ena lomaniyabaki kei na iLiuliu vou ni Kabani Cokovata (Group CEO), qai vakanamata kina ituvatuva nakiti vakabisinisi ena gauna vou eda donumaka. E namaki eso na votukana me basika vakatotolo mai, ia e va na tikina bibi e namaki nina taura toka na gauna me vaka:

1. Vakanamata kina lomaniyabani me vakavinakataka na tubu;
2. Me vinaka tu na veika vakaiyau ni kabani me vakadeitaka na nodra veiqaravi;
3. Vakayagataki ni monalivaliva; keina
4. Tauyavu na veibisinisi e namaki mera na rawa tubu.

Na revurevu ni COVID-19 e kune arawakina na kabani cokovata eso na malumalumu, ka raica vou tale eso na ivakarau ni veiqaravi e sega ni vakayagataki ilavo vakalevu kina, ia e tosoya cake ga na levu ni tubu.

Na karua (2) ni sasaga ni FHL ena nona tuvatuva nakiti e sa vakacagau ena gauna oqo kei ira na veibaqe eso ena nodra cau kece ka me sa kua ni vakararavi ga kina dua ga na baqe, sana vakararawataki na veika ena dau lavaki. E sa solia talega na Matabose na nona veivakadonui ena kena goleva na kumuni lavo (Corporate Bond raising) me rawa ni vakavouia na saumi ni dinau.

Na vakayagataki ni monalivaliva (Digitalisation), e okati me dua na tikina bibi ni tuvatuva nakiti ni FHL, ka sa vakadinadinataki talega na kena yaga ena noda cakacaka mai vale ena gauna

ni sogosogo. Qo e dua dina na vanua ena qarava matua na kabani cokovata, vakauasivi nina qaravi kina e levu na itavi ka lailai na ilavo e vakayagataki.

Tamata Cakacaka

Na Matabose e yadrava ni saluwaki ni tubu kei na vakataudeitaki ni dua na kabani ena vakatau vakalevu ena tamata donu era digitaki kina kabani.

E vakayacori na lewa oqo ena nona digitaki na iLiuliu ni Kabani Cokovata ka tekivu kina itutu oqo ena Maji 2021. E dikevi talega na veiliutaki ena vica na kabani me vakataki Merchant Finance Pte Limited, Basic Industries Pte Limited, Fiji Television Limited keina Pacific Cement Pte Limited.

Na veidigitaki oqo ea qaravi sara vakavinaka ka laurai me digitaki na tamata donu kina veitutu oqori.

Na veiliutaki vou ena loma ni kabani cokovata e namaki meratou na kauta yani na kabani ena gauna dredre eda donumaka me yacova ni rawata ka sivita na tubu edau rawata na FHL ena veiyabaki sa sivi.

Vakatubuiyau ni FHL

Na vakarabailevutaki ni nona vakatubuiyau na FHL e yaga vakalevu; vakauasivi ena bisinisi ni volivolitaki (retail) ni gumatua ena nona rawaka, dina mada ni bolei vakalevu na vo ni veikabani tale eso.

Na tinani kabani (Holding Company) e cakacaka vagumatua ena kena susugi na yavu ni vakatubuiyau ena kena muri na Mergers, Acquisition keina Divestments. Na kena wanonovi matua na veivanua ni vakatubuiyau ni kabani e rui bibi sara baleta ke kunei eso na cala sana sagai me wali ena gauna ga e kunei kina.

Tuvakarau ena veivueti

Sala muria na veivuke vakailavo ni matanitu, porokaramu ni cula kei na laveti ni vakatatabu e soli edua na inuini vinaka kina veibisinisi. Ia, e lomaleqataki vakalevu ke tubu na kisi ni COVID-19 e vuravura qai salavata kei na kawavou ni manumanu ni mate, ni rawa ni valeqa na vueti ni noda bula vakailavo. Dina ni sa laurai tiko eso na ivakatakilakila ni veivueti, ia na kena toso kei na rabailevu ni vanua e tara ena vakatau vakalevu ena ituvaki ni COVID-19.

Dina mada ni veidewavi tiko na mate, ka vakatatao ni tubu vakaiyau ena noda vanua, ia e nuidei tikoga na kabani ni qo na tabagauna ni cavuisausau, vakauasivi e Viti ni okati me uto ni veisemati ena Pasifika. E cakacaka vakavoleka na matanitu kei tabana ni saravanua ena vakotori matau ni tuvatuva ena gauna ena dola kina na curuvanua ena Tiseba kara kidavaki na isevu ni noda vulagi e Port Denarau, e

sa wanonova matua talega na kabani na makete ni taravale ena kena volitaki na ivoli ena veiyanyanu ena Pasifika.

E dua na tikina bibi e raica toka na Matabose ena gauna ni matedewa oqo oya na kena lewai vakamatau na ilavo qaqa ni kabani, ena kena laurai me veirauti tiko ena nodra vukei na veikabani eso kei na veika ena gadrevi na tinani kabani vakauasivi na saumi ni dinau.

E sa biuta vata na Matabose kei na Veliutaki edua na ivola ivakarau ena kena saumi na tubu (Dividend Policy) qo ena kena vinakati me saumi vakavinaka na tubu vei ira na taukei ni kabani kei na saumi ni dinau vei ira na baqe. Na saumi tubu ena vakatautaki vakalevu ena veika vakailavo e rawata ena lomaniyabaki.

Qai kena ikuri ena kena tarai cake na gumatua ni kabani ena rabailevu ni vakatubuiyau, cavuisausau ni veiqaravi uasivi kei na kena rokovi tiko na veika vakaiyau ena vuku ni gauna balavu vei ira eda veisemati kaya.

Vakanamata ki Liu

Na ripote oqo e volai tiko ni donumaki nai matai ni vula tolu ena YV22 ka sa tekivu laurai eso na veisau vinaka kei na tubu ena so na tabana keina nanamaki me saumaki na tabana ni saravanua.

Na nona mai kacivaka na matanitu na dolavi ni curuvanua ena Tiseba ena cau vakalevu ena rawaka ni kabani cokovata ka namaki na kena revurevu me vakilai ena iotioti ni vula tolu ni YV22.

Vakavinavinaka

Ena gauna qo, au via vakasavuiya noqu vakavinavinaka levu kina Veiliutaki, ira na tamata cakacaka, baqe kei ira eda veisemati vakabisinisi ena vuku ni nodra cau kina kabani cokovata.

Au via vakavinavinakataki ira talega na noqu itokani vaka Dairekita ena nodra veivakasalataki ena gauna bolebole eda donumaka. Meu tinia, na vakavinavinaka e cecekie vei ira na itaukei ni kabani ena nodra veitokoni ena yalodina.

Ena gauna vou eda donumaka, keitou na vakuria tikoga na veiveisau me vakataudeitaki kina na itavi vei ira keitou qarava, e vaka kina na tosoicake na isau ni nodra sea na itaukei ni kabani.

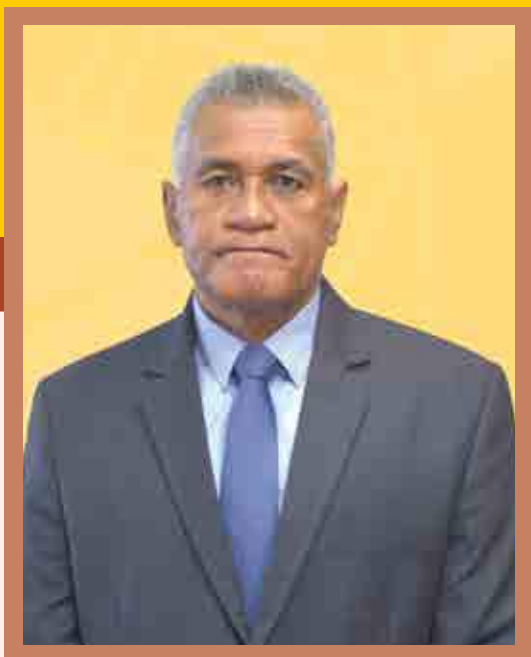
Vinaka.


Yogesh Karan
Acting Chairman



GROUP CHIEF EXECUTIVE REPORT

TUKUTUKU NI LIULIU NI KABANI COKOVATA



The Financial Year ending June 2021 probably marked the most difficult period in FHL's 37-year history, as the global economy went in recession following the impact of the COVID-19 pandemic. The closure of international borders had a direct impact on Fiji's tourism sector which accounts for 40% of the domestic economy. This, together with restrictions to domestic travel and lockdowns devastated the Fiji's economy, which fell by close to 20% over 2020 and 2021.

All of the FHL subsidiary companies were affected by the COVID-19, although some more affected than others given the nature of their businesses and the underlying strength of the entity. The FHL Group's financial results for FY21 was largely influenced by the COVID-19 pandemic. The crises also exposed underlying vulnerabilities that must be addressed by the Group moving forward. Some of these issues include the need to improve the diversification of the investment portfolio and the need to critically review our investment policy and governance framework.

Against this backdrop, I present to the shareholders Group CEO's report for the financial year ending June 2021.

Group Financial Performance

FHL Group recorded consolidated net loss after tax for FY21 of \$17.60m compared to a net profit after tax of \$6.04m for the same period last year. The Holding company, nevertheless reported a net profit after tax of \$7.89m compared to \$14.82m for FY20. The Group Net Assets fell by \$21.77m largely driven by the consolidated loss closing the year at \$266.14m compared to \$287.91m for the same period last year. Total Assets for the Group also declined due the reduction in Property Plant and Equipment mainly coming from impairment of Life Cinema assets and reduction in loan

book size of MFL mainly caused by restrictive lending, customer payouts and loan takeovers by commercial banks.

During the year, management conducted detailed review of internal process for Basic Industries Pte Limited, Pacific Cement Pte Limited and Fiji Television Limited which has caused FHL Group Account Restatement for previous years. Adjustments were made as a result of stock losses as well as changes in accounting policy.

Holding Company

FHL Group Financial Statement has been prepared to include the Holding company results with the aim to provide greater information to shareholders on the performance of the parent entity. Significant part of the preparation of the accounts involves the valuation of share investments which requires that investments to be recorded at market values. Different methodologies were used in this revaluation exercise in accordance to the requirements of the IFRS standards. Major reduction were recorded in the valuations of FTV and RB Group for subsidiary companies while the Associate company of Golden Manufactures reported an increase of \$8.56m to close at \$18.56m for FY21. There was a notable drop in the valuation of recently acquired Ritam investments mainly due to the closure of the tourism sector, as well as recent share sale of the entity at a heavily discounted price which was the basis for FHL share valuation in Ritam Investments.

Whilst the FHL Balance sheet remains stable with a diversified portfolio, this can be further improved with investments that are sustainable and those that may require restructuring to optimise returns to its shareholders.

FHL Sectorial Performance

FHL has approximately 16.5% of its investment in the tourism sector which was directly impacted by the impacts of COVID-19 with no operations for the full financial year costing the group an average loss of \$10.56m in profits.

The restrictions in place with COVID-19 put on hold major project works causing

reduced revenue for the building and construction sector. The media and entertainment sector was also largely affected with cancellation of major sporting events causing a large decline in sponsorship and advertising revenue for FTV while the Cinemas were closed as part of Governments protocols to restrict mass gathering in its bid to control the spread of the virus.

The Finance sector was also largely affected with reduced business for our major customers of Merchant Finance Limited. Management worked together with the customers allowing for the moratorium's and assisted its customers with account restructures where needed. Management was cautious with its lending and focussed on collection which saw the entity report a Net Profit After Tax of \$4.53m compared to \$2.64m for the same period last year.

Despite giving some rental concessions, the FHL Property Pte Limited didn't see major reduction in revenue and reported a favourable profit from operations of \$1.78m compared to \$1.87m for FY20.

The printing sector was largely affected with closure of schools and Universities largely decreasing the printing requirements for academic as well as office requirements. Serendib Investments Pte Limited recorded a loss of \$2.30m for FY21 compared to \$2.39m for FY20.

The retail sector remains the major contributor to the Group performance with a total profit of \$8.57m for FY21. RB Patel also remains the largest contributor in terms of Group Revenue and share valuation.

FHL Associate companies of Golden Manufacturers and New World performed extremely well giving consistent dividend income to FHL while Pernix and Ritam struggled to perform largely affected by the restrictions due to COVID-19.

FHL Tower

The FHL Tower project is currently the single-largest investment exposure for the Group and has faced its fair challenge with the impact of COVID-19. This project will now have a revised completion time. The project is a 17-storey commercial office space with Green Building Certification.

Apart from the successful completion of the project, management will be launching its marketing plan soon and will actively engaging in pre-leasing the property.

Governance and People

Good and sustainable businesses are built on sound governance and the right people. During the year, a series of operational reviews were conducted by the Group for its key subsidiaries including Basic Industries, Pacific Cement Pte Limited, Merchant Finance Limited, Fiji Television Limited and the parent company. Based on this review, Leadership roles for these subsidiaries are now being changed. The aim of this is to instil confidence and guide FHL to a sustainable and a purposeful growth. FHL has always been people focused and it's important that staff with the right skills are placed in critical roles to effectively drive the vision of the group and attain the required results.

Reset for the Future

The FHL Group will need to be reset for a better future. Whilst addressing the key issues with our current subsidiaries will be our immediate priority, we also must reposition the Group for a better future. In particular, we will also be reviewing our sectoral allocations to ensure that

our core portfolio is better aligned to the future. Better assessment of the investment risks, returns and social impact will also be key consideration for assessing investments. The key to value creation for our shareholders are to build a more focused and aligned organization that is designed to deliver sustained, industry-leading performance; to continue refining our operating fundamentals with regard to, risk appetite, strategic investments, and particularly with capital management; to return capital to our shareholders through dividends and capital growth.

The pandemic has revealed our foundational strength, our ability to adapt and our resilience. As a result, we have kept our people safe, maintained operational stability across the group.

The recent announcement by the Government on opening of borders in December is encouraging and management will work with various stakeholders for successful opening of doors for tourism.

The Group has started to show signs of improvements and we hope to continue this trend for the full financial year to report profits to our shareholder's same time next year.

Appreciation

I will take this opportunity to thank the Chairman and the Board for their unwavering support and guidance during this difficult time. We must also acknowledge the Management of the respective group companies for sustaining operations during this difficult times and having faith in the organisation.

Furthermore, we wish to offer our sincere gratitude to our shareholder for their usual support.

I also acknowledge the support of our strategic partners including our customers throughout the group for their continued business with the group.

We look forward to a better FY22 building on resilience from FY21 and will endeavour to report profits for our stakeholders.



Jaoji Koroi
Group Chief Executive Officer

Na yabaki vakailavo e mai cava ena Jiune 2021 ena okati tu me dua na gauna drakidrakita duadua ena 37 na yabaki ni nona veiqaravi na FHL, ni vakanaulu sobu na bula vakailavo e vuravura ena revurevu ni matedewa na COVID-19. Na kena tarovi tu na curuvana mai vanuatani e vakilai ena tabana ni saravania e Viti baleta ni vakavurea e rauta ni 40% ni noda bula vakaiyau. Ena vuku ni tikina qo qai salavata na vakatatabu kei na sogosogo ni veitosoyaki ena noda vanua e mai tara vakaca sara na noda bula vakaiyau e Viti ka lutu ena 20% ena 2020 kina 2021.

Na kabani kece ni FHL era vakaleqai ena COVID-19, e dina ni so era vakaleqai vakalevu sara mai vei ira tale na kena vo, qo e vakatautaki vakalevu ena bisinisi era dui qarava kei na tiki ni veiqaravi e kunei kina nodra gugumatua ena gauna bolebole e donumaki. Koya gona, na tukutuku vakailavo ni YV21 ni Kabani Cokovata e vakilai vakalevu kina na revurevu ni COVID-19. Na leqa tubukoso qo e vakatakila sara talega eso na tiki ni veiqaravi era malumalumu kina na veikabani ka na gumatua na kabani cokovata mena walia. Eso na malumalumu oqo e okati kina na kena gadrevi me vakarabailevutaki vakavinaka na vakatubuiyau, me dikevi vinaka na ivola vakarau ni vakatubuiyau kei na tuvatuva ni Veiliutaki.

Ena taudaku ni veika oqo, e ka ni marau vei au meu vakatakila vei kemuni na itaukei ni kabani na ripote ni Liuliu ni Kabani Cokovata (GCEO) ena yabaki vakailavo e mai cava tiko ena June 2021.

Rawaka Vakailavo ni Kabani Cokovata

Na kabani cokovata na FHL e vakalusia e rauta ni \$17.60m, ni lavaki oti na ivakacavacava ena itukutuku vakailavo cokotivata ni 2021 ni vakatauvatani kei na \$6.04m na tubudina e rawati ena gauna vata oqo ena yabaki sa oti. Ia, na tinani kabani e rawata na tubudina e \$7.89m ni vakatauvatani kei na \$14.82m ena YV20.

Na iyau e taukena na kabani cokovata e lutu e na \$21.77m ka vakavu vakalevu ena lusi e basika ni cokotivata na itukutuku vakailavo, ka tiko na isau ni yau ni kabani cokovata ena \$266.14m ni vakatauvatani kei na \$287.91m ena gauna vata va qo ena yabaki sa oti. E lutu tale na isau ni yau e taukena na kabani cokovata ni a mai lutu talega na isau ni iYau e Rairai (PPE) me vaka na iyau ena Life Cinema, vakalailaitaki na loni ena MFL ni yalani na soli dinau, sausaumi vei ira keitou qarava keina bokoca na loni na baqe. Ena lomaniyabaki ea vakayacora na Veiliutaki na kena dikevi vakamatailalai na yavu vakacacacaka ena Basic Industries Pte Limited, Pacific Cement Pte Limited kei Fiji Television Limited niratou vakavuna na kena dau vuki talevi na Tukutuku Vakailavo

ni Kabani Cokovata ena veiyabaki sa sivi. E vakayacori eso na veiveisau ena vuku ni kena mai lusi/yali eso na iyau ni kabani qai kuriva na veisau ena ivakarau vakadaunifika.

Valenivolavola Liu/Tinani Kabani

Na Tukutuku Vakailavo ni Kabani Cokovata e vakarautaki me okati talega kina na nona rawaka na tinani kabani ena kena vinakati me kilai talega na nona rawaka. Edua na tikina bibi ni kena vakarautaki na itukutuku vakailavo oya na kena raici na isau ni sea e taukena sana qai gadrevi me cakacakataki na isau ni vakatubuiyau ena isau ni sea ena kena makete. E duidui na ivalewale ni kena cakacakataki na isau ni sea ka salavata kei na veika e vinakati ena kena ivakarau ena IFRS.

E lutu sivia sara na isau ni sea ni FTV keina RB Group ena kabani e taukena na FHL keina kabani e taukena vakatikina me vakataki Golden Manufactures e tubu sara na kena isau ena \$8.56m, vakataucoko e \$18.56m ena YV21. E laurai talega ni lutu vakalevu na isau ni sea e tiko ena Ritam ka vakavu vakalevu oqo ena kena sogo tu na tabana ni saravania qai kena ikuri ni a volitaki na kena sea ena isau lailai sara ka vakilai ena isau ni sea e taukena na FHL ena Ritam Investments.

Na tukutuku ni iyau e taukena, na dinau

kei na ilavo e vakatubura tiko na FHL e tuvaki vinaka tu ka rabailevu sara talega na vanua era dui tu kina, sana rawa ga nina vakadaumakataki ena vakatubuiyau ena vanua e tudei se na vanua e gadrevi kina na veiveisau me rawa ni solia mai na tubu vinaka vei ira na taukei ni sea.

Rawaka ni Veitabana ena FHL

Na FHL e vakatubura tu e rauta ni 16.5% na nona iyau ena tabana ni saravanua ka valeqai vakalevu saraga ena revurevu ni COVID-19 ni a sega ni bau vakayacori edua na cakacaka ena loma ni yabaki taucoke vakailavo qai valusia kina na kabani cokovata e \$10.56m ena tubu.

Na vakatatabu ena vuku ni COVID-19 e vakavuna me biu tu vakawawa e vuqa sara na sasaga, ka vakalailaitaka talega na rawaka ena tabana ni taratara. Na tabana ni Vakau iTukutuku kei na Veivakamarautaki (Media and Entertainment) e valeqai talega ni a mai vadaroi eso na sotasota ni qito lelevu ka vayalia kina na Fiji TV na ilavo ni kacivaki ni voli, ia na veivaleniyalo era sogo, ni maqusa na Matanitu ena tarovi ni vasononi vata ena sasaga me wali na dewa ni mate.

Na Tabana Vakailavo e valeqai vakalevu ena kena mai lutu na bisinisi vei ira era qaravi mai vei Merchant Finance Limited. Era cakacaka vata na Veiliutaki kei ira era qaravi ena kena vacegui tu mada vakawawa na saumi dinau se veivuke ena kena dikevi tale na nodra akaude kevaka e gadrevi me vakakina. Eratou qarauna sara na Veiliutaki na dinau e soli ka ratou vakanamata vakalevu ena kumukumuni, qo vakavuna me rawati na tubudina e \$4.53m ni vakatauvatani kei na \$2.64m ena gauna vata va qo ena yabaki sa oti.

Dina mada ni valutuma na FHL Property Pte Limited eso na isau ni rede, e sega ga ni vakilai na revurevu ni lutu vakalevu na veika e rawati, eratou kacivaki tubu ka tiko ena \$1.78m ni vakatauvatani keina \$1.87m ena YV20.

Na tabana ni tabaivola e sotava na revurevu ni kena mai sogo na koronivuli kei na Univesiti ka vakavuna me lutu na iwiliwili ni tabaivola edau gadrevi ena veika vakavuli kei na iyaya ni cakacaka e valenivolavola. Na Serendib Investments Pte Limited ea lusi ena \$2.30m ena YV21 ni vakatauvatani keina lusi e \$2.39m ena YV20.

Na volau ni volivolitaki duadua ga e cau vakalevu ena kabani cokovata ni rawai na tubu e \$8.57m ena YV21. Na RB Patel e vakadeitaki koya tale ni levu duadua nona cau ena veika e rawata ena kabani cokovata kei na isau ni kena sea.

Na kabani e taukena vakatikina na FHL, na Golden Manufacturers keina New World e totoka vakaoti na nodrau rawaka ka vakadeitaka toka ga na tubu erau wasea kina FHL, ia na Pernix keina Ritam e dedre saraga na nodrau sasaga ni vesuki rau voli na vakatatabu ni COVID-19.

Na FHL Tower

Na FHL Tower e okati me dua na sasaga levu duadua na kena ririko kina kabani cokovata ka sa sotava talega eso na bolebole ka revurevu ni COVID-19. Na sasaga oqo e sana laurai vou tale edua na kena tikinisia me vakacavari kina. E 17 na tabavale, veiganiti me valenivolavola ni veibisinisi eso ka sa okati ena sitivikiti ni Green Building.

Mai na taudaku ni kena vakacavari na sasaga oqo, eratou sana tekivutaka na Veiliutaki na ituvatuva ni kena maketetaki me saumi na ivakadei ni rede ena tabavale vou oqo.

Veiliutaki keina Tamata Cakacaka

Na bisinisi vinaka ka vakadeitaki ena vakatautaki ena veiliutaki keina tamata cakacaka digitaki donu. Ena lomaniyabaki, ea vadikeva vinaka tale na Kabani Cokovata eso na kabani nuitaki me vakataki Basic Industries Pte Limited, Pacific Cement Pte Limited, Merchant Finance Limited, Fiji Television Limited kei na Valenivolavola liu. Ena vuku ni vadidike oqo sa mai veisau kina na ulu ni Veiliutaki ena veikabani oqori. E kena inaki levu me kauta lesu mai na nuidei keina na kena vukei na FHL me rawata na tubu e tudei ka vakaibalebale. Na FHL edua na kabani e vakaliuci ira na nona tamata cakacaka ka sa donu gona kina mera digitaki na vakaillesilesi donu ena so na tabana bibi ni kabani me rawa nira vaqacacotaki na veika e gadrevi ena kabani cokovata ka sotavi na rawaka e vinakati.

Vakalesuya ka Vakanamata

E dodonu kina Kabani Cokovata (FHL Group) me vakalesuya na nona veiqaravi me rawa ni vakanamata kina veigauna vinaka. Ni qaravi tiko na gauna qo na veika e baleta na veikabani tale eso e dodonu kina Kabani Cokovata me raica vakavinaka na vanua e tu kina baleta na nona vinaka ena veisiga ni mataka. E vakatabakidua ena kena raici lesuvi na iwasese ni tabana duidui eso me rawa ni yadravi vinaka na vanua era na tu kina na veitabana bibi nida vakanamata yani kina veisiga ni mataka. Na kena vakadeuci vakavinaka na ririko, na tubu kei na kena revurevu vei ira na lewenivanua baleta ni qo eso na ka keitou na vakabibitaka ena veivanua ni vakatubuiyau. Na usutu ni kena vakarautaki na ivakayaga vinaka vei ira na itaukei ni sea (kabani) oya

na kena tarai edua na yavu ni veiqaravi e vakanamata ka vakadodonutaka na rawaka e tudei, ka kenadau kina qai kena ikuri ena kena dikevi tikoga na ivakarau vakacacacaka ka kauwaitaka tiko na ririko eso, vakatubuiyau vakavuku kei na lewai vakamatua ni so na sasaga lelevu me rawati kina na tubu vinaka kei na matua ni yau vei ira na taukena na kabani (taukeni sea).

Na matedewa oqo e vakatakila sara na kaukauwa eda yavutaka tu kina, na kena rawa meda vakamatautaki keda keina noda rawa ni saumaki vakatotolo. E lai vakavuna meda taqomaki ira vinaka noda tamata cakacaka, vakadeitaka na veiqaravi ena noda kabani cokovata.

Na itukutuku e kacivaka na Matanitu ni sana dola tale na curuvana ena Tiseba e sa bau veivauqeti saraga ka sa maqusa na Veiliutaki me cakacaka kei ira na veikabani tale eso ena kena tekivutaka vakavinaka na nodra kidavaki na saravanua.

E sa kunei talega kina Kabani Cokovata eso na ivakatakilakila ni sa tiko na veisau vinaka, sa vakanuini tikoga nina vakadeitaki na vanua sa vakanamata kina qo me yacova ni cava na yabaki vakailavo me rawa ni soli na itukutuku ni tubu vakailavo vei ira na itaukei ni sea ena gauna vata va qo ena yabaki vou.

Vakavinavinaka

Au taura na gauna qo meu vakavinavinakataka na Liuliu ni Matabose kei ira kece na lewe ni Matabose ena nodra veitokoni, veivakasalataki ena gauna dredre oqo. E dodonu talega meu vakavinavinakataka ira na Veiliutaki ni veikabani ena kena vakataudeitaki tiko na nodra qaravi bisinisi kei na veivakabauti kina kabani.

Kena ikuri, e vagolei tiko na vakavinavinaka vei ira na itaukei ni kabani (taukeni ni sea) ena nodra veitokoni.

Au via vakavinavinataki ira talega o ira keitou qarava, vakabibi o ira era qaravi ena veikabani ni FHL ena nodra veitokoni vakabisinisi kina kabani.

Keitou vakanamata tiko kina dua na yabaki vinaka vakailavo 2022 ka yavutaki mai ena veika eda sa vulica ena YV21 ka meda gumatua me rawa ni kacivaki na tubu ni rawaka.


Jaoji Koroi
Group Chief Executive Officer




MALMALA
BEACH CLUB
PUNJ

THE YEAR IN REVIEW

NA RAICI LESU NI YABAKI VAKAILAVO

The report provided our shareholders with highlights of the 2021 financial year. The year review not only highlights our financial performance but also the market announcement made regarding significant activities that contributed to our positive results.

July 2020

- Fiji TV wishes to disclose to the South Pacific Stock Exchange (SPX) in line with section 43 of its listing rules of a change in substantial shareholding that took place on the 30th of June, regarding FHL Media Shares.

August 2020

- RBG released its audited financial statements for 2020.
- RBG announced its Board has declared a Final Dividend of 1.3cents per share, amounting to \$1,950,000 to be paid by 8th September 2020. This will bring the total dividends paid for the financial year to 2.7cents per share amounting to \$4,050,000.
- FHL confirmed the appointment of 3 new Directors, Mrs. Nadakuitavuki, Mrs. Volavola and Mr. Dayal to its Board effective 15th August 2020. Fiji TV released its audited financial statements 2020.

September 2020

- FHL released its audited financial statements 2020.
- Fiji TV announced the resignation of its Chief Executive Officer (CEO), Ms. Karen Lobendahn and Manager Finance Mr. Upendra Goundar. The Board accepted both resignations and their last days in office in early October 2020.

October 2020

- Fiji TV announced the premiere of a new locally produced television program in partnership with Fiji Corrections Services titled: "From Containment to Corrections".
- Fiji TV announced that it has signed an executive agreement with Dranikula Sevens Organizing Committee to broadcast 2020 Dranikula Sevens on its free to air channel (Fiji One).
- FHL announced the appointment of Ms. Mereoni Matavou as FHL's Group Manager Legal & Company Secretary effective immediately.
- FHL declares second interim dividend of 0.41cents per share amounting to \$1.249m. This will bring the total dividends paid for the financial year to 1.65cents per share amounting to \$5.027m based on the group performance for the year ending 30 June 2020.
- FHL confirms the appointment of Mr. Isikeli Tikoduadua as the Chairman of Merchant Finance Pte Limited.
- FHL released the notice of Annual General Meeting which will be held at the FMF

Gymnasium, Laucala Bay Road, Suva on 19th November 2020 at 12.30pm.

- FHL released its Annual Report 2020.
- RBG released its Annual Report 2020.
- RBG released notice of Annual General Meeting which will be held at Tower 11, Reserve Bank of Fiji, Pratt Street, Suva on Wednesday the 18th of November 2020 commencing at 4.30pm.

November 2020

- FHL released its Annual Compliance on Corporate Governance.
- Fiji TV announced that it has signed an exclusive agreement with Royal Fiji Military Forces to broadcast 2020 Ratu Sukuna Bowl Challenge on its free to air channel (Fiji One).
- Fiji TV announced the appointment of its new General Manager - Mr. Sitiveni Halofaki.
- FHL announced the appointment of Mr. Jaoji Koro'i as FHL's Group Executive Officer (GCEO) effective from March 8, 2021.
- RBG released its resolutions that was tabled and unanimously approved at the Company's Annual General Meeting held on Wednesday 18th of November, 2020.
- FHL Annual General Meeting Resolutions and Presentation was tabled and unanimously approved at the Company's Annual General Meeting held on the 19th of November, 2020 at 12.30pm at the FMF Gymnasium, Laucala Bay in Suva.
- Fiji TV released its resolutions that was tabled and unanimously approved at the Company's General Meeting held on Friday the 20th of November at 3.00pm at Tanoa Plaza in Suva.

December 2020

- Fiji TV announced the appointment of its new Manager Finance Mrs. Poonam Nandani. She was previously employed as Chief Financial Officer with Ramada Resort based in Port Villa, Vanuatu.

January 2021

- RBG declared an interim dividend of 1.5cents per share totaling \$2.25million to be paid on 24 February 2021.

February 2021

- Fiji TV announced the appointment of Ms. Poonam Nandani as Company Secretary. Ms. Nandani is currently Fiji TV's Manager Finance and Administration and replaces Ms. Takena Alexander who has been re-designated as Manager Local Programs and Human Resources.
- Fiji TV clarified the issues raised in the article

in the Fiji Sun regarding former employees of Fiji TV. Fiji TV has terminated three former employees due to serious breaches of their employment contracts and the company's policies. Further internal investigation is continuing in some cases. The matter raised relating to Fiji Football Association was a simple internal matter and has already been resolved.

- Fiji TV announced that it has signed an exclusive agreement with Suva Rugby Union to broadcast the "2021 TC Yasa 7's" on its free to air channel - Fiji One
- FHL announced that it has applied to the South Pacific Stock Exchange for a voluntary suspension in trading of FHL shares on the trading platform.
- Fiji TV has announced that SPX has today placed a suspension in trading of FTV shares with immediate effect.

March 2021

- FHL announced that its new Group Chief Executive Officer, Mr. Jaoji Koro'i is officially starting in office today.
- FHL announced that the FHL Group total net assets stood at \$288.66m as at 31 Dec 2020 compared to \$290.40m as at June 2020. The group revenue fell by 34%. Total revenue recorded for 6 months was \$119.09m compared to \$179.47m for the same period reported in the prior year.
- Fiji TV has released its Reissued Annual Report for the year 30 June 2020 and provided further update on the market.
- Fiji TV released its half year report for the six months ended 31st December 2020.
- Fiji TV announced the signing of an exclusive agreement with Fiji Fashion Week Ltd to broadcast the Fiji Fashion Week 2021 on its Free to Air Channel (Fiji One). Fiji TV also advised the resignation of its Manager Sales & Marketing In-house Production and Live-Stream Ms. Lisa Van Santen.
- FHL released its Newsletter March 2021

May 2021

- Fiji TV announced the appointment of its new Manager Sales & Marketing - Ashnil Chand.
- FHL released COVID-19 Update.

June 2021

- Fiji TV released COVID-19 Update
- RBG released COVID-19 Update;
- Fiji TV announced the appointment of BDO, Chartered Accountants as the external auditors for the company for the financial year ended 30 June 2021.

FINANCIAL HIGHLIGHTS

USUTU NI RAWA KA



50.5%
Retailing

Tabana ni Veivoli



10.9%
Tourism

Tabana ni Sara
Vanua



10.8%
Finance

Tabana ni Soli Lavo
Dinau Cakacaka



7.7%
Media

Tabana ni Vakau i
Tukutuklu



6.5%
Building & Construction

Tabana ni Tara Vale



8.2%
Properties

Tabana ni Voli Vale
ni Cakacaka



4.5%
Manufacturing

Tabana ni Buli Yaya



0.9%
Printery

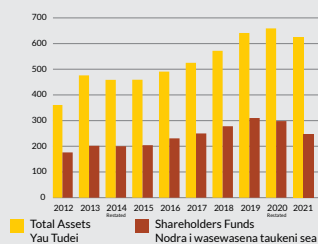
Tabana ni Taba i Vola

	(\$'000)	(%)
Tourism	57,250	10.9%
Finance	56,576	10.8%
Retailing	264,971	50.5%
Media	40,267	7.7%
Building & Construction	34,041	6.5%
Manufacturing	23,475	4.5%
Properties	42,964	8.2%
Printery	4,693	0.9%
Total	524,237	100.0%

YEAR END 30 JUNE	HOLDING COMPANY			GROUP		
	2021	2020	Change %	2021	2020 Restated	Change %
Operating Results						
Total Revenue (\$, '000)	12,379	20,624	-40%	223,411	290,764	-23%
EBITDA (\$, '000)	10,919	17,893	-39%	12,931	31,665	-59%
EBIT (\$, '000)	10,612	17,589	-40%	-9,990	14,394	-169%
NPBT (\$, '000)	8,398	14,995	-44%	-15,959	7,689	-308%
NPAT (\$, '000)	7,886	14,825	-47%	-17,597	6,043	-391%
Operating Ratios						
EBIT / Total Revenue [%]	86%	85%	0%	-4%	5%	-9%
EBITDA / Total Revenue [%]	88%	87%	1%	6%	11%	-5%
NPAT / Total Revenue [%]	64%	72%	-8%	-8%	2%	-10%
Financial Position						
Total Assets (\$, '000)	582,485	577,357	1%	624,736	648,307	-4%
Total Liabilities (\$, '000)	60,677	61,072	-1%	358,597	360,396	0%
Financial Position Ratios						
Gearing [%]	10%	11%	0%	57%	56%	2%
Net Debt to Equity [%]	12%	12%	0%	135%	125%	10%
EBIT interest cover [times]	4.8	6.8	-29%	-1.7	2.1	-178%
Cash Flows						
Net cash from/ (used in) operating (\$, '000)	-122	-2,670	-95%	29,183	41,784	-30%
Purchases of Investments (\$, '000)	-	6,540	-100%	300	6,800	100%
Shares						
Earnings per share (EPS) [CENTS]	N/A	N/A	N/A	-4	2	-300%
Dividends per share [CENTS]	0.41	2.47	-83%	0.00	0.00	0%
Net Tangible Asset per share	1.71	1.69	1%	0.68	0.75	-9%
Key Measures						
Return on Net Assets [%]	1.5%	2.9%	-1.4%	-6.6%	2.1%	-9%

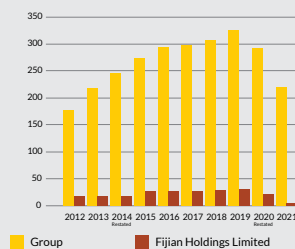
Total Group Assets and Shareholders Funds (\$M)

Yau Tudei kei na Nodra i Wasewase na Taukeni Sea (\$Millioni)



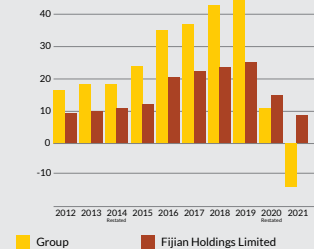
Operating Revenue (\$M)

Lavo e rawa ena volivolitaki (\$Millioni)



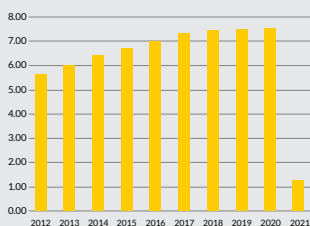
Profit Before Tax (\$M)

Tubu ni kabani ni se bera ni musuki nai vakacavacava kei na veika sega ni namaki (\$Millioni)



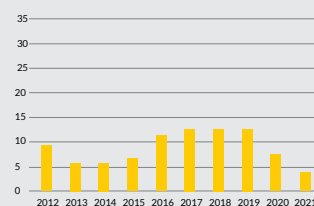
Dividend Payments (\$M)

Tubu ni lavo e wasei (\$Millioni)

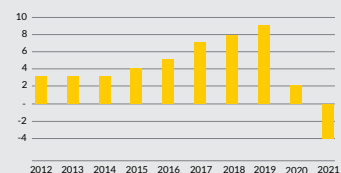


FHL Return on Investment (% - at cost)

Tubu ni lavo e rawa



FHL Earnings per Share (cents)



FIJIAN HOLDINGS LIMITED TOP 30 SHAREHOLDERS

NAI MATAI NI 30 NI TAUKEI NI SEA LEVU TAUDUA

Shareholder Name	No. of Shares	Total % Holdings
I TAUKEI AFFAIRS BOARD	107,800,400	35.39
I TAUKEI TRUST FUND BOARD	100,000,000	32.82
ITAUKEI LAND TRUST BOARD	8,846,660	2.90
CAKAUDROVE PROVINCIAL HOLDINGS COMPANY LIMITED	3,001,521	0.99
RATU SIR K MARA EDUCATION TRUST FUND	3,000,000	0.98
CICIA PLANTATION CO- OPERATIVE SOCIETY LTD	3,000,000	0.98
TAILEVU DAIRY FARMERS CO- OPERATIVE ASSOCIATION LTD	2,200,000	0.72
MACUATA PROVINCIAL COUNCIL	2,109,940	0.69
VANUA KO LOVONI INVESTMENT LTD	1,798,050	0.59
BUA PROVINCIAL COUNCIL	1,623,570	0.53
DUAVATA HOLDINGS LTD	1,410,000	0.46
SAKIUSA & ANASEINI RAIVOCE	1,351,326	0.44
ITAUKEI LAND TRUST BOARD ATF MATAQALI SERAU, NABITI, DREKETI, MACUATA	1,170,609	0.38
SERUA PROVINCIAL COUNCIL	1,166,860	0.38
MUALEVU KORO INVESTMENT LTD	1,087,540	0.36
KADAVU PROVINCIAL COUNCIL	1,037,738	0.34
LOMATI VILLAGE INVESTMENT LTD	1,023,019	0.34
MOALA TIKINA COUNCIL	1,010,050	0.33
INOKE LUVENI	1,008,393	0.33
DOGOTUKI TIKINA COUNCIL	1,000,000	0.33
MAVANA INVESTMENT LTD	1,000,000	0.33
NABUKEBUKE HOLDINGS LTD	1,000,000	0.33
NAQARANI HOLDINGS LTD	1,000,000	0.33
KIRI VEREWALE RICHMOND	992,403	0.33
VATULELE ISLAND HOLDINGS LTD	979,900	0.32
MUNIA HOLDINGS LTD	972,622	0.32
ETA & RADIKE QEREQERETABUA	956,231	0.31
REWA PROVINCIAL COUNCIL	936,010	0.31
VUKICEA INVESTMENTS LTD	900,000	0.30
MATAQALI NATABUTALE	847,430	0.28
ISIRELI & SALOTE DUGU	820,040	0.27
NADROGA/NAVOSA PROVINCIAL COUNCIL	817,020	0.27
NAITASIRI PROVINCIAL INVESTMENTS	796,870	0.26
TUKULA HOLDINGS LTD	696,959	0.23
TOTAL	257,361,161	84.47



CORPORATE GOVERNANCE STATEMENT **TUKUTUKU NI KENA CICIVAKI NA KABANI**

Fijian Holdings Limited is committed to delivering best practices in corporate governance and transparency in reporting in accordance with the Listing Rules of the South Pacific Stock Exchange, Companies Act 2015 of Fiji and Reserve Bank of Fiji's Corporate Governance Code for Capital Markets.

Annexure P: FHL's Annual Compliance Report on Corporate Governance For the Financial Year ended on 30th June 2021

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	The FHL Board is responsible for the overall corporate governance of the Company. 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.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	A Board Charter is in place and specifies the Board's responsibilities and functions towards the company. The Charter is reviewed annually.
2. Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	FHL's Articles of Association 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 8 Directors of which 3 are Independent Directors.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	FHL continues to maintain gender diversity throughout the group. As much as we believe that Gender diversity increases corporate board effectiveness and that women on boards bring different perspectives, more creative and innovative insights to the difficult issues facing today's corporations, we have established 29% female directors in the Group and 40% of the company employees are female.
	<u>Nomination Committee:</u> Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	FHL has a Board Nomination & Remuneration Sub-Committee within the FHL Board. The role of the Sub-Committee is to assist the FHL Board in fulfilling its duties by providing independent and objective review, advice and assistance to the Board and the CEO (as appropriate), on matters concerning Board Nomination and Remuneration related issues within the FHL Group.
	<u>Board Evaluation:</u> Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.	The Board Evaluation process and guidelines is in place. It ensures that individual directors and the Board as a whole work efficiently in achieving their functions towards the company.
	<u>Directors Training:</u> Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	Directors training is in place and induction is carried out for all newly appointed Directors to the Board. Workshops for Directors are also organised with external stakeholders.
	<u>Board Sub-committees:</u> Board must have sub-committees which must at a minimum include - <ul style="list-style-type: none"> • Audit Committee; 	The Board has formally constituted five (5) sub committees namely:

Principle	Requirement	Compliance Status
	<ul style="list-style-type: none"> • Risk Management Committee; and • Nomination Committee/Recruitment Committee. 	<ol style="list-style-type: none"> 1. Audit & Risk Sub-Committee; 2. Investment & Strategy Sub-Committee 3. Board Nomination & Remuneration Sub-Committee 4. People & Leadership Sub-Committee 5. Finance Sub-Committee
3. Appointment of Chief Executive Officer/Managing Director	<p><u>Group Chief Executive Officer:</u></p> <p>To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director.</p>	<p>The appointment of the GCEO is a role vested in the office of the Board of FHL. The Board of Directors exercised due diligence in the appointment of GCEO. The qualification and criteria of the Group CEO is at the discretion of the HR Committee in consultation with the Board. Total remuneration package for the Group CEO is the final decision of the Board. The remuneration has been structured to reward corporate and individual performances.</p>
4. Appointment of a Board and Company Secretary	<p><u>Company Secretary:</u></p> <p>Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.</p>	<p>The appointment of the Company Secretary is the prerogative of the Board. As a listed public entity, FHL has appointed a suitably qualified and competent Board Secretary.</p>
5. Timely and balanced disclosure	<p><u>Annual Reports:</u></p> <p>Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.</p>	<p>Disclosures made as per SPX Listing Rules.</p>
	<p><u>Payment to Directors and Senior management:</u></p> <p>Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.</p>	<p>Relevant disclosures are made in the Annual Accounts</p>
	<p><u>Continuous Disclosure:</u></p> <p>General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.</p>	<p>Disclosures made as per SPX Listing Rules.</p>
6. Promote ethical and responsible decision-making	<p><u>Code of Conduct:</u></p> <p>To establish a minimum code of conduct of the listed entity applicable to Directors, Senior Management and employees and conduct regular training on the same.</p>	<p>A Code of Conduct for Directors and Senior Management and employees is in place.</p> <p>Internal trainings are conducted for all new Directors, Senior Management and employees.</p>
7. Register of Interests	<p><u>Conflicts of Interest:</u></p> <p>Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.</p>	<p>All conflicts of interest (including all Directors and members of the senior management team) are disclosed and formally recorded.</p>

Principle	Requirement	Compliance Status
8. Respect the rights of shareholders	<p><u>Communication with shareholders:</u></p> <p>To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.</p>	<p>The Shareholder Communication Policy of the Company encourages and promotes effective communication with shareholders and effective participation at General Meetings.</p> <p>FHL frequently examines how best to take advantage of technology to enhance shareholder's communications and how to use General Meetings to enhance a two-way communication.</p> <p>FHL maintains an up-to-date website to compliment the official release of information to the market</p> <p>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.</p>
	<p><u>Website:</u></p> <p>To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.</p>	<p>The Website www.fijianholdings.com.fj is in place and reviewed annually.</p>
	<p><u>Grievance Redressal Mechanism:</u></p> <p>To establish a Grievance Redressal Mechanism for Shareholders to address shareholder's complaints and grievances.</p>	<p>A Policy is in place and sets out FHL Grievance Redressal mechanism with respect to ensuring that adequate steps are taken for expeditious redress of shareholders complaints or questions by FHL as per the applicable statutory and regulatory requirements.</p>
	<p><u>Shareholders' Complaints:</u></p> <p>To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.</p>	<p>There were none received from the Shareholders during the year.</p>
	<p><u>Corporate Sustainability:</u></p> <p>To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.</p>	<p>Fijian Holdings adopts an integrated approach to corporate sustainability. The Group is committed to continuously improving its business practices to maximise positive and minimise negative social, environmental and economic impacts. This enhances employee engagement and retention, supports corporate reputation, manages risk and protects the social license to operate.</p>
9. Accountability and audit	<p><u>Internal Audit:</u></p> <p>To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.</p>	<p>There is an Internal Audit Division in place and reports directly to the Audit & Risk Committee.</p>

Principle	Requirement	Compliance Status
		The Audit & Risk Committee has overall responsibility to assist the Board, through a systematic and disciplined approach, with its responsibilities in the oversight and effective management of all risk management, audit and compliance activities of the company.
	<p>External Audit:</p> <p>To appoint an external auditor who reports directly to the Board Audit Committee.</p>	External Auditors are appointed by the Shareholders at the AGM and report to the Audit & Risk Committee.
	<p>Rotation of External Auditor:</p> <p>To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.</p>	The signing partner of the external auditors rotates every three years.
	<p>Audit Committee:</p> <p>To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.</p>	The Audit Committee comprises of five members of which four are independent members.
10. Risk Management	<p>Risk Management Policy:</p> <p>To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.</p>	<p>Every member of the FHL continuously manages risk which includes the identification of all potential risks. However, specific risk management responsibilities are allocated to the FHL management team to ensure the Risk Management Policy is effectively implement, maintained and monitored at all levels of the organization including:</p> <ul style="list-style-type: none"> • Board of Directors • Audit & Risk Committee • Group Chief Executive Officer • Group Chief Financial Officer • Group Manager Audit, Risk & Compliance • Executive Management • Employees & Contractors <p>Details of specific risk management responsibilities for these Directors, Officers and Committees nominated above. Effective implementation and application of risk management initiatives, systems and plans is a responsibility of all FHL staff. FHL staff are also obligated to communicate our Risk Management Policy and supporting systems to all of our stakeholders.</p>
	<p>Whistle Blower Policy:</p> <p>As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behaviour, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act. [Refer Rule 68 of the Listing Rules]</p>	A policy is in place to address unethical behaviour, actual dishonesty, fraudulent, corrupt or illegal behaviour; accounting or internal control matters. The policy is reviewed and updated annually.

CORPORATE SOCIAL RESPONSIBILITY

TUKUTUKU NI QARAVI NI BULA RARABA

Fijian Holdings Limited approach to Corporate Social Responsibility (CSR) is a natural extension of our commitment to giving back to the community and our mission of considering how our products can build a more robust society, reducing the impact on environment and supporting our shareholders and community that the company serves.

With the re-emergence of COVID-19 in the country, the uncertainty surrounding the pandemic has not only affected the country but also the company's operations and its members.

- **Pinktober**

FHL and some of its subsidiaries hosted a PINKTOBER Morning Tea on 28th October 2020 for our invited guests supporting the work of the Fiji Cancer Society in creating awareness and offering financial assistance for cancer patients and survivors. All funds raised went directly to the Fiji Cancer Society.



- **COVID-19 Vaccination Drive**

In light of the COVID-19 restrictions and safe measures imposed by the Fijian Government, FHL with its subsidiary company, FHL Properties PTE Ltd, organized a Covid vaccination drive with the Oceania Hospitals PTE Ltd team at the FHL Properties car park for our staff and tenants.

We integrated corporate social responsibility into all our business activities with the belief that success is not only measured by financial results. Employees are also the greatest assets and strength for the success of the group. The vaccination drive assisted our staff with their first jab and get business back to some normalcy.



- Serendib Investment Limited, a subsidiary of FHL conducted the following CSR activities as they aimed to improve communities, the environment and the economy.

- **Tree Planting and Cleanup campaign**

Tree planting and clean up initiative is recognized as one of the most engaging environmentally friendly activities that people can take part in to better the planet. Our team participated in the tree planting at the Suva Grammar School Grounds and clean-up at the Fiji Society of the Blind.



- **Blood Drive**

The team knows the importance of this life saving initiative and was eager to donate and be part of this worthy cause.



- **Engaging with our Shareholders**

We believe that creating shareholder value through disclosing of fair, transparent and appropriate information has been one of the factors contributing to the success of the company. FHL is committed to continue to do so to further strengthen and enhance this long-term relationship building process by participating in provincial and annual general meetings, as well as hold various events during the year with our business partners.

FHL Team visited few Provincial Council Meetings late last year. The visit proved to be a good opportunity for many to highlight some of

their concerns pertaining to the Groups operational and financial achievements as well as the services rendered. The team led by the Acting Chief Executive Officer Abilash Ram provided key updates for shareholders.

The Team visited the following:

1. Serua Provincial Council Meeting – 28th October,2020
2. Namosi Provincial Council Meeting – 5th November,2020
3. Lau Provincial Council Meeting – 26th November, 2020
4. Tailevu Provincial Council Meeting – 27th November,2020



- FHL conducted its Annual General Meeting at the FMF Gymnasium, Laucala Bay Road, Suva on 19th November, 2020.



INVESTMENT AND STRATEGY SUB-COMMITTEE

TUKUTUKU NI KOMITI KA QARAVA NA VAKATUBUILAVO

Sub-Committee Members

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Yogesh Karan	Chairman	Existing	1	-
Sakiusa Raivoce	Director	Existing	1	1
Tony Whitton	Director	Existing	1	1
Abilash Ram	Member	Existing	1	1

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.

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

The members of the Investment and Strategy Sub-Committee are appointed by the main Board from amongst the Directors of the Company and consist of four board members of which all are existing committee members. In addition, Group CEO and members of Senior Management Team attends the committee meetings. Meeting of the Investment and Strategy Sub-Committee are held at least once a year.

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

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



BOARD NOMINATION & REMUNERATION SUB-COMMITTEE

KOMITI KA QARAVA NA VEIDIGITAKI KEI NAI SAU NI DAIREKITA

Sub-Committee Members

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Yogesh Karan	Chairman	Existing	1	1
Sereana Matakibau	Member	Existing	1	-
Abilash Ram	Member	Existing	1	1
Adrian Sofield	Member	Appointed 25/09/20	1	-

The Board Nomination & Remuneration Sub-Committee is one of the committees of FHL Board tasked to assist the Board and Group CEO by providing advice, independent and objective review on matters concerning board nomination and remuneration related issues within the FHL Group.

The primary function of the 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; and
- Recommendations for the appointment and evaluation of Directors.

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

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

- a. Process for the nomination and selection of non-executive directors to the FHL Subsidiary Board;
- b. Succession plans for FHL Group non-executive and independent directors;
- c. Induction programs for FHL Group non-executive and independent directors;
- d. Assess the requirement for non-executive and independent directors and set a transparent process to review whether they are meeting those requirements;
- e. Establish and monitor strategies on gender diversity for the FHL Board;
- f. 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; and
- g. Other relevant matters identified from time to time, or requested by the FHL Board.



AUDIT & RISK SUB-COMMITTEE

KOMITI KA QARAVA NA RIRIKO

Sub-Committee Members

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Mereia Volavola	Chairperson	Appointed (25/09/21)	4	2
Roy Singh	Member	Resigned	4	2
Sangeeta Bhikha	Member	Existing	4	2
Kavin Rathod	Member	Existing	4	1
Esira Kini	Member	Appointed (25/09/21)	4	2

The Audit and Risk Sub-Committee provides objective advice and recommendations around the sufficiency, quality and results of assurance over the Group's financial management practices, risk management, internal control systems and governance frameworks.

Audit and Risk Sub-Committee oversees the work of the Group in discharging its responsibilities in the areas of risk management, statutory reporting, internal & external audit and assurance, monitoring of compliance with laws and regulations (including health and safety), and significant projects and programs of work focusing on the appropriate management of risk.

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

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

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

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



FINANCE SUB-COMMITTEE

TUKUTUKU NI KOMITI KA QARAVA NA VEIKA VAKAILAVO NI KABANI

Sub-Committee Members

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Mereia Volavola	Chairperson	Appointed 30/09/20	2	2
Savendra Dayal	Director	Appointed 30/09/20	2	2
Kalpana Lal	Director	Appointed 30/09/20	2	1
Abilash Ram	Member	Appointed 30/09/20	2	2

The primary purpose of the finance committee is to assist the board with monitoring and overseeing the company's balance sheet and provide recommendations to the Board of FHL on the company's capital management strategy.

Below are 5 key responsibilities of the Finance Committee:

1. Provide direction to the Board for fiscal responsibility, long term planning and the development of strategies to back up the plan.
2. Ongoing review of the organisations' revenue and expenditure, balance sheet, investments and other matters related to its continued solvency.
3. Approve the annual budget and submit it to the Board for approval.
4. Ensure the maintenance of an appropriate capital structure.
5. Oversee the maintenance of Organisational-wide assets, including prudent management of Organisational investments and risk exposure.

The members of the Finance Committee are appointed by the main Board of Directors. The committee consists of three board members who are also Directors of FHL Board. In addition to these members, Group CEO and CFO also attends the committee meetings. In the year under review, the Sub-Committee met two times:

During the year, the Finance committee reviewed Group finance reports and met with management to discuss further enhancements needed in Group finance related activities.



PEOPLE & LEADERSHIP SUB-COMMITTEE

KOMITI KA QARAVA NA TAMATA CAKACAKA

Sub-Committee Members

Name	Capacity	Status	No of Meetings held	No of Meetings Attended
Sakiusa Raivoce	Chairman	Existing	2	2
Yogesh Karan	Director	Existing	2	2
Kalpana Lal	Director	Existing	2	2
Mereia Volavola	Director	Appointed 30/10/2020	2	1

The objective of FHL People & Leadership Sub-Committee is to provide effective and sound advise to the FHL Board on staff recruitment and remuneration related issues, policies and practices. These advises will assist the Board to independently ensure that FHL, the holding company and subsidiaries establishes appropriate Human Resources strategies and policies consistence with best practices required of businesses to adopt and comply with:

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

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

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

The following issues were deliberated by the Sub-Committee during the financial year which were further recommended to the main Board for approval:

- Performance Assessment Framework;
- Appointment of Group Chief Executive Officer;
- Review of FHL Structure; and
- Other related Human Resources issues.



ONE for ALL

Protect yourself and others



"Vaccination is the only way forward for Fiji and for the world. The team at South Sea Cruises are pleased to be 100% vaccinated, and ready to welcome back visitors as soon as it's safe and sustainable to do so."

Brad Rutherford
CEO
(South Sea Cruises)

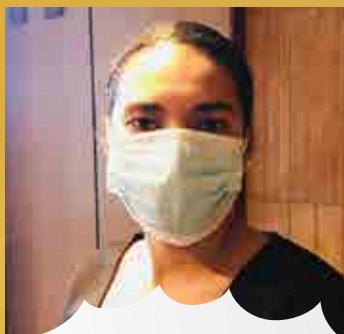
"To protect and safeguard myself, my families and my employees from this COVID-19 virus and ensure that my beloved nation is safe from this pandemic."

Tevita Ravulo
Factory Manager
(Pacific Cement Limited)



"To stop the pandemic, we need to use all available prevention tools. Choose the vaccine as it is the safest and one of the most effective tool to protect your health and prevent the spread of the disease. I chose to get vaccinated as I care for my family, friends, workmates and Fiji. Get vaccinated and be immune for FIJI."

Pradeep Mendis
Head of Operations
(Serendib Investment Limited)



"I chose to get vaccinated for the greater good"

Talei Bulamainiusiladi
Internal Auditor
(Fijian Holdings Limited)



"To save lives"

Achal Nand
Internal Auditor
(Fijian Holdings Limited)



"Getting vaccination is the only way to return life to the way they were used to be thus, I made the decision to get vaccinated and to protect my family, friends and workmates."

Patricia Nakai
Sales & Administration
(Humes Division)



"To protect our families, our workmates and everyone around us from getting COVID-19"

Mereti Cokanasiga
Operation Manager
(Fijian Holdings Unit Trust)

(L-R)

"To protect my family"
Shally Rogorogomou Supervisor (RB Patel Group)

"To minimize the spread of COVID to the community since we are interacting with customers daily."
Jojiana Rogorogowalu Sales Assistant (RB Patel Group)

"To keep myself COVID free"
Kristin Ashika Lal Purchasing Officer (RB Patel Group)

"To prevent from spreading to our loved ones"
Sera Balewai Cashier (RB Patel Group)



BOARD OF DIRECTORS

LEWE NI MATABOSE



Yogesh J. Karan
Acting Chairman

Is currently the Permanent Secretary to the Office of Prime Minister, Sugar Industry and Immigration. He holds a Masters Degree in Management, Graduate Certificate in HRM, Advanced Diploma in Quality Management, Diploma in Civil Engineering, Cert IV in Business Excellence Evaluation from respective Universities in Australia and other professional qualifications from International Institutions. Mr Karan

was the former High Commissioner to India, Non-Accredited Ambassador to SAARC Countries and Fiji's Rep. on Colombo Plan Secretariat. He has also served as Fiji's Alternate Dir. with the Asian Productivity Organisation-Japan. A Fellow at the Aust. Institute of Management, Snr. Mem. of the American Society for Quality, Mem - Aust. Institute of Company Directors, Mem - American Society for Public Administration and Former Mem. of Aust. Inst. of Training Development. He is also a Board Member of Investment Fiji, Member of the Employment Relations Advisory Board (ERAB), Member of the Financial Literacy Committee of RBF, was the former Vice President of the Fiji Human Resources Institute, Member-Panel of Review of the Fiji Business Excellence Award and Member of Judges on the Panel for Investment Fiji's Prime Ministers Award. He was former Chairman of FHL Stockbrokers Limited. He is currently the Acting Chairman of Fijian Holdings Limited, Chairman of R.B.Patel Group, Chairman of FHL Board Nomination & Remuneration Sub-Committee and member of People & Leadership Sub-Committee



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). During his service he held senior appointments in the RFMF and the United Nations Peace Keeping Operations. He graduated

at the International Security Academy in Tel Aviv, Israel. He spearheaded the enlistment of Fiji men and women into the British Army in 1998, when he lead the RFMF Band to participate in Edinburgh Military Tattoo at the invitation of the Ministry of Defense, United Kingdom. He also served as Field Security Adviser in East Timor from September 1999 to December 2000. He served as Director for the British Security Firm Global Risks International as its Representative in Fiji from 2003 to 2012. Col. Raivoce is an experienced Board Director and has completed Director Course conducted by the Australian Institute of Company Directors. He has participated in the Australian Governance Summit and World Business Forum on behalf of the company. Col. Raivoce was a former Chairman of Pacific Cement Limited, Fijian Holdings Property Limited and Basic Industries from 2014 to 2017. He is currently the Chairman of South Sea Cruises Limited (SSC) and FHL People & Leadership Sub-Committee, Basic Industries Limited, Serendib Investment Limited, Committee Member of the Investment and Strategy Sub Committee and Board member of Fijian Holdings Limited.



Litiana Loabuka
Director

Is currently the Chief Executive Officer of the Fiji Sports Council, an appointment she has held since January 2011. Ms. Loabuka holds a Degree in Economics and Management in Public Administration and a Post Graduate Certificate in Human Resource Management along with a Post Graduate Diploma in Business in Public Administration from the University of the South Pacific. She completed her Masters in Business Administration at the

University of the South Pacific in 2019. She has more than 15 years' experience as executive management and holds professional qualification as a Member of the Australia Institute of Company Directors (AICD). Ms. Loabuka formerly sat on the RB Group Board as an Independent Director and also as Chair of the HR Sub Committee for the RB Group. She is currently a Board Director of the Fiji National Sports Commission. She is presently the Chairperson of FHL Properties Limited and Board member of Fijian Holdings Limited.



Kalpana Lal
Director

Ms. Lal, is a Fellow of CPA Australia, holds a Master's in Business Administration with Distinction from Deakin University, Australia, Bachelor of Arts Degree from the University of the South Pacific in Accounting, Financial Management and Information Systems and is a graduate of Fiji Directors Course with AICD. She is an accomplished executive with over 17 years of experience in executive management roles covering disciplines of accounting, financial management, project management, investments and

corporate governance. Ms. Lal is the first female to have been awarded the Chartered Accountant of the Year by Fiji Institute of Accountants at their Annual Congress in April 2017, has been awarded Excellence in Executive Leadership by Women in Business in 2019 and recognized by Rotary International as a Paul Harris Fellow for her contribution to the local communities in Fiji. She is a Chartered Accountant (CA) with the Fiji Institute of Accountants. She is also the Chairperson of Amalgamated Telecom Holdings Limited (ATH), Chairperson of Vodafone Fiji Limited (VFL), Board Director of Fiji National Provident Fund (FNPF), Board Member of Pacific Governance Institute (PCGI) and Board Member of Women in Business (WIB Fiji). Ms. Lal also currently serves as Chair of the FNPF Board Audit and Risk Committee and member of FHL People and Leadership Committee.



Anthony Whitton
Director

Is a Corporate Executive by profession and holds a Bachelor Degree from the University of New South Wales, Sydney, Australia. He is the Managing Director of the family-owned Rosie Group of companies: Rosie Holidays and Ahura Resorts (Likuliku Lagoon and Malolo Island Resort). Mr. Whitton has worked in the Tourism industry for over 25 years, developing expertise from his experience working in Australia and the Pacific. He is a member of the Australia Institute of Company Directors (AICD).

Mr. Whitton has served on numerous corporate boards, including Tourism Fiji, and is currently on the board of The Reserve Bank of Fiji, Chairman and Trustee of Cure Kids Fiji and the International School Nadi, and Trustee of the Koroipita Model Towns Charitable Trust. In 2019 Mr. Whitton was awarded the Officer of the Order of Fiji (OF) by his Excellency the President of Fiji for distinguished service of a high degree to Fiji and humanity. He was appointed to the Fijian Holdings Limited Board in 2016.



Savendra Dayal
Director

Savendra Dayal is a businessman and holds various executive role at Johnson & Johnson in Fiji & Australia for the past 20 years. He holds a Master in Business Administration and a Post Graduate in Economic from USP. He is currently a Board member of Fiji Sugar Corporation Ltd and Director of Dayal Company Ltd. He sits as Chairman of Basic Industries Limited and Pacific Cement Limited. Mr. Dayal also serves as a board director for FHL Properties Limited and a member of the FHL Finance Sub-Committee.



Eseta Nadakuitavuki
Director

Eseta Nadakuitavuki is a Senior Manager Microfinance and Women's Markets for Westpac Banking Corporation. She has been in leadership role for 20 years and is responsible for connecting likeminded individuals and empowering the community in Fiji through financial education. In 2019, Eseta presented at the Pacific Leaders Forum in Tuvalu on behalf of the Private Sector. The same year, she attended the Aspen Leadership program hosted by the

Aspen Leadership Institute in Colorado USA. In 2018, she was part of the panelists at a Regional conference in Bangkok addressing "Women in business & management driving inclusive growth & more sustainable enterprises. Recently, Eseta joined the Board of Directors of the Fijian Holdings Limited, Vice President of the Fiji Commerce and Employers Federation Board, Vice Chair of the Governance Board for the Fiji Women's Rights Movement and a Chairperson of the Women Entrepreneurs Business Council. Eseta holds a double major degree in Management and Public Administration and Industrial Relations from the University of the South Pacific. She is a Leadership Fellow from the Leadership Fiji Training.



Mereia Volavola
Director

Mereia Volavola is a Business Consultant specifically working in the private sector in the Pacific region. She works with companies, government ministries, local and regional organizations and undertakes consultancies with international agencies like the International Fund for Agriculture Development (IFAD), International Trade Centre (ITC) in Geneva, COLEACP in Brussels and Market Development Facility (MDF) in Fiji. Previously she was the Chief Executive Officer of the Pacific Islands

Private Sector Organization (PIPSO) undertaking private sector development work in the Pacific region. She was also the former CEO of the Capital Markets Development Authority and worked at the Reserve Bank of Fiji for more than 14 years at managerial level. She has an undergraduate degree from the University of South Pacific (USP) with a Bachelor of Arts majoring in Economics, Management and Public Administration in 1989. As a Chevening Scholar, she obtained her MBA with Banking and Finance with Distinction from the University of Wales in the United Kingdom in 2004. She is Fellow (F Fin) of the Financial Services Institute of Australasia and Associate Fellow (AFAIM) of the Australian Institute of Management.

FHL GROUP MANAGEMENT TEAM

MANIDIA LIU NI KABANI COKOVATA E FHL



JAOJI KOROI
Group Chief Executive Officer



MOSESE VOLAVOLA
Basic Industries Pte Limited



ROWENA FONG
Merchant Finance Pte Limited



DEEPAK RATHOD
RB Patel Group Limited



BRAD RUTHERFORD
South Sea Cruises Pte Limited



CATHERINE GREY
FHL Properties Pte Limited



SITIVENI HALOFAKI
Fiji Television Limited



AMRISH LAL
FHL Fund Management Limited



TEVITA RAVULO
Pacific Cement Pte Limited



PRADEEP MENDIS
Serendib Investment Pte Limited



DANIEL VIKASH
Life Cinema Pte Limited

FHL MANAGEMENT TEAM

MANIDIA VEILIUTAKI LIU E FHL



JAOJI KOROI
Group Chief Executive Officer



ABILASHRAM
Finance & Investments



MEREONI MATAVOU
Legal & Company Secretary



ASISH KUMAR
Information Technology



LUI LANYON
Human Resource



SHAIZA ALI
Audit Risk & Compliance



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



Sakiusa Raivoce
CHAIRMAN



Brad Rutherford
CEO

SOUTH SEA CRUISES PTE LTD

South Sea Cruises Pte Ltd including subsidiaries Blue Lagoon Cruises Pte Ltd, Blue Lagoon Holdings Pte Ltd and the Yasawa Trust Foundation continued to be significantly affected by the impacts of COVID-19. With the country's borders remaining closed throughout the entire twelve-month period, the Company continued to suspend all operations except for some heavily discounted local offerings over the holiday periods. These local operations generated the \$845k in Revenue achieved in FY21. Despite best efforts including an 86% reduction in Operating Expenses & Overheads, the Company posted a Net Loss After Tax of (\$8.808m) across the group for the full year.

The Company continues to focus on maintaining minimum expenditure and reducing overheads where possible. These initiatives included large rental reductions for our leased properties and terminating our airport lease. The Company's six brands, South Sea Cruises, Blue Lagoon Cruises, Awesome Adventures Fiji, Malamala Beach Club, South Sea Sailing and Vinaka Fiji, have been managed by a core team of employees, all of whom are working heavily reduced hours and/or at significant reduced remuneration. This will ensure that the business's assets remain in sound operational order and will be ready to operate as soon as the borders reopen. The team have also focused on our customer base to ensure the Company remains front of mind and is able to move quickly when conditions change.

The most important and difficult facet that we have had to manage throughout the past year has been the Company's cashflow. This has been managed daily by the Management Team and with the ongoing support of FHL and our bankers.

During much of FY21 the Company had close to 275 staff on mandatory leave without pay. The Company assisted these staff members with \$122k in relief assistance during this period. The relief assistance was provided in the form of RB Patel shopping vouchers to ensure funds were retained within the FHL Group. The Company also raised close to \$20k through donations and delivered six tonnes of food and essential supplies to the people of the Yasawa Islands just in time for Christmas. This contribution by South Sea Cruises was in addition to the continuing work by Vinaka Fiji which carried on throughout the year providing the people of the Yasawa Island an additional 135 water tanks, 500 bio-stoves, enough books to open a library at Naviti District School and over 2000 volunteer hours to further assist in literacy and other educational needs. Vinaka Fiji also continues to work with NGOs on several large projects in the region related to the improvement of food, agriculture, and better access to fresh water.

In addition to the pandemic, the Company had to cope with two weather events which required the Company to mobilize 70 marine staff to evacuate Port Denarau and ensure the safety of vessels during these cyclones. These events in themselves come at a considerable cost to the Company.

The outlook for FY22 at time of writing this report remains unclear despite the Company continuing to hold \$4.52m in forward bookings. With vaccination rates across Fiji increasing daily, South Sea Cruises has budgeted to resume operations in the fourth quarter of FY22 however remains ready and able to recommence operations as and when Fiji's border re open and we can safely welcome back international visitor numbers on a sustainable basis.

South Sea Cruises Pte Ltd e vakarurugi kina na Blue Lagoon Cruises Pte Ltd, Blue Lagoon Holdings Pte Ltd kei na Yasawa Trust Foundation e se vakila tikoga vakalevu na revurevu ni COVID-19. Ena kena se sogo tuga na curuvanua ena loma ni tinikarua (12) na vula, na Kabani e vadaroya kece tu na nona veiqaravi vakavo ga ena so na tuvatuva ka valutuki sara vakasivia na kedra isau me baleti ira na nodalewenivanua ena gauna ni vakacagicagi. Na veiqaravi oqo vei ira na nodalewenivanua e rawati kina e \$845k me nona rawaka ni YV21. Ena neitou gu ni sasaga keitou valutuma kina na isau ni veiqaravi kei na isau tale eso kina 86%, na Kabani e mai lusidina (Net Loss) ena (\$8.808m) ni cava na yabaki.

Na Kabani ena vakuria tiko na nona vakalailai taka na isau ni veiqaravi kei na isau tale eso ena kena levu ga e rawata. Na ituvatuva oqo e okati kina na kena vakalailaitaki eso na rede lelevu ni kabani mai na iyau e lisitaka tu kei na kena bokoci na nona lisi ena rara ni waqavuka e Nadi. Na ono (6) na nona ivoli na Kabani oya na South Sea Cruises, Blue Lagoon Cruises, Awesome Adventures Fiji, Malamala Beach Club, South Sea Sailing kei na Vinaka Fiji, era qaravi sara tuga mai vei ira e vica na ivakalesilesi ka sa vakalailaitaki sara valevu na yaua ni cakacaka se musuki vakalevu sara na kedra isau. Qo ena kena gadrevi mera vakarautaki vakavinaka tuga na iyau ni kabani kara tu vakarau tu ke mani vakatarai na curuvanua. Eratou gumatua sara tiko na vakalesilesi kara wanonovi matua na neitou vulagi saravanua ena kena vakarautaki tu ni Kabani me cavu vakadalo matua ke dua na veisau.

Na tikina bibi duadua ka drakidrakita ena lomaniyabaki oya na kena qaravi na bula vakailavo ni Kabani. Qo e wanonova matua ena veisiga mai vei ira na Veiliutaki kei na veitokoni ni FHL kei ira na neitou baqe.

Ena YV21 e rauta ni 275 na vakalesilesi ni Kabani e lewai mera livi ka sega ni saumi. Ena loma ni gauna vata oqori ea veivuke voli vei ira na Kabani ka rauta ni \$122k na levu ni lavo ni veivuke. Na veivuke oqo e okati kina na tikidua ni

volivoli vei RB Patel me rawa talega ni lesu na ilavo kina loma ga ni vuvala vaka FHL. Ea soqona rawa talega na Kabani e rauta ni \$20k ka rawati vakaveivuke ka vakauti rawa e rauta ni 6 na tani na kakana kei na veika e gadrevi vabibi vei ira na lewenivanua mai na Yatu Yasawa donumaka na Siganiisucu. Na cau ni South Sea Cruises e vakuri tikoga kina na nodratou cakacaka na Vinaka Fiji ena veiyabaki ena kena soli kina Yatu Yasawa e 135 na taniwai, 500 na suenivasaga (bio-stoves), vola ni wilivola me dolavi rawa kina na valeniwilivola ena Naviti District School ka sivia ni 2000 na yaua ni veiqaravi bole ena nodra vukei ena wilivola, volavola keina veika vakavuli tale eso. Na Vinaka Fiji e vakuria tikoga nona cakacaka kei na veitabana Sega ni Okati Vakamatanitu (SOV) ena vica na ituvatuva lelevu ena yasayasa oqo, ena kena vadaumakataki na kakana, teitei kei na rawati ni wainigunu savasava.

Kuri ni revurevu ni matedewa COVID-19, na Kabani ea mai sotava talega e rua na drakiveisau ka gadrevi kina ena gauna oya e 70 na vakalesilesi veiqaravi e wai ena vuetaki ni Port Denarau keina kena laurai mera maroro vinaka tu na waqa ena gauna ni cagilaba. Na draki veisau vakaoqo e dau vayagataki kina na Kabani edua na uma ilavo vinaka.

Na tuvatuva kina YV22 e sega tuga ni se matata vinaka sara ena gauna e volai voli kina na itukutuku, dina mada ni sa lai yacova tu na \$4.52m na ivakadei kina Kabani mai vei ira na saravanua. Ena kena sa mai tubu tikoga na iwiliwili ni lewenivanua e Viti era cula ni tatarovi, na South Sea Cruises esa biuta koto edua na tuvatuva ni vakayagataki lavo me tekivu nona veiqaravi ena iotioti ni vula tolu ena YV22. Sa tu vakarau sara tale tuga ka rawata, me veiqaravi ena gauna cava ga ena dolavi kina na curuvanua e Viti ka kidavaki ira tale na saravanua ena kedra iwiliwili me vakataudeitaki kina na veiqaravi.





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



Litiana Loabuka
CHAIRPERSON



Catherine Grey
GM

FHL PROPERTIES PTE LIMITED

The 2021 financial year came with new sets of challenges for the FHL Properties team. As the year came to a close, Fiji was once again exposed to a new variant of the COVID-19 disease that was accompanied by multiple lockdowns and many new restrictions to business operations in Fiji.

With the effects of COVID-19 being felt around the world, real estate companies are being impacted in different ways. As a landlord, FHL is largely concerned with preserving value for our stakeholders and keeping our tenants and visitors safe including increased cleaning measures, and complying with governmental agency requirements. Additionally, with the experiences gained and lessons learnt from the previous outbreak that occurred in 2020, the team was able to readapt to the COVID-19 protocols and finish the financial year on a positive note.

The profit before tax from operations of the Company was \$1,783,511, (2020: \$1,875,361), this excludes the gain in fair value of the FHL investment properties.

The profit after income tax expense of the Company for the year ended 30 June 2021 was \$6,403,194 (2020: \$3,081,689), this large profit is mainly attributed to the gain in fair value (before tax) of \$6,535,000 and (2020: \$1,159,659). Since the FHL property tenancy portfolio consists largely of embassies, government agencies and commercial tenants, our properties have gained value when compared to similar properties consisting largely of retail tenants.

Despite the current economic situation, the Company was able to maintain an acceptable level of occupancy throughout all its property portfolio. Apart from this, one of the key challenges is that the smaller retail tenants are faced with liquidity pressures that resulted in deferring contractual lease payments. The FHL team is working closely with the affected tenants in assisting them during these tough times in hope that all stakeholders emerge from this pandemic successfully.

The major capital works that occurred during the financial year is the continuation of the FHL Tower project. So far the Tower core walls and area floor slabs (inclusive of reinforcement and concrete works) for Levels 1 to 9 are now completed. With the pandemic forcing borders to shut and limiting the working capacity of the construction team and all businesses, we anticipate some changes to the completion date. However, the team along with the Board of Directors are committed to getting the project completed within the appropriate time frame and the approved budget.

With the increased efforts by the Fijian Government to reach its vaccination targets by the end of 2021, the team remains positive towards the progress of the FHL Tower and the occupancy of the vacant spaces from its remaining properties.

Na yabaki vakailavo 2021 e basika mai kei na so na bolebole vovou ena veiqaravi ni FHL Properties. E vakarau me mai cava na yabaki, e yacovi Viti talega mai kina edua tale na mataqali COVID-19 ka vakavuna na sogosogo kei na vuqa na vakatatabu vovou kina qaravi ni bisinisi e Viti.

Na kena vakilai tiko na revurevu ni COVID-19 e vuravura taucoko, e valeqai sara talega kina na bisinisi ni kena taukeni na veitabavale ena sala duidui eso. Me vaka ni taukena na veitabavale oqo na FHL e kauwai vakalevu ena kena vakadeitaki na veiqaravi vei ira era rede kei ira era vulagi yani ena kena vaqacacotaki na nodra taqomaki ena tosoicake ni tiko savasava kei na kena muri na veika e gadrevi mai na veitabana vakamatanitu. Qai kena ikuri, ni veika e sotavi ka vulici ena kena yaco mai na matedewa ena 2020, sa rawa kina kabani me vakamatautaki koya kina bula vakaivakarau ni COVID-19, ka rawaka vakavinaka ni cava na yabaki vakailavo.

Na tubu ni Kabani bera ni lavaki na ivakacavacava e \$1,783,511, (2020: \$1,875,361), ka sega ni okati kina na matua ni iyau e taukena tu na FHL.

Na tubudina ni Kabani ni cava na yabaki ena 30 ni Jiune 2021 e \$6,403,194 (2020: \$3,081,689), e dua na iwase levu ni tubu oqo e vakavu mai na matua ni iyau (bera ni vakacavacavataki) ka tiko ena \$6,535,000 (2020: \$1,159,659). Me vaka ni dua na iwase levu ni veitabana era rede ena tabavale ni FHL era Mataniveimatani, Tabana Vakamatanitu, Veikabani lelevu eso, e vakilai gona kina na tubu ni matua ni iyau ni vakatauvatani kei na veitabavale ena rede kina na veivolau ni volivolitaki eso.

Dina mada ni sotavi na gauna drakidrakita ni bula vakailavo, e rawata tikoga na Kabani me tawani na kena veitabavale ena dua na ivakatagede e veiganiti. Edua ga na bolebole levu vei ira na veivolau ni volivolitaki na kena rawati na ilavo qaqa ka lokuyara kina na nodra saumi rede. Ia, e cakacaka vakavoleka sara na matatimi ni FHL kei ira na rede tiko kara sotava na revurevu ni matedewa, me rawa tikoga nira vorata na dredre kara saumaki mera rawaka vinaka tale.

Na cakacaka levu ga me bau qaravi ena lomaniyabaki vakailavo oya na kena tosoi tiko na FHL Tower. Ena gauna oqo na yavu ni vuloa kei na lalaga ni vale (okati kina na ivaqata kei na vasimede) mai na taba dua kina ciwa e sa vakacavari kece vakavinaka. Ena kena mai yaco tiko na sogosogo ka revurevu tiko ni matedewa, e sa mai yalana talega na levu ni tamata cakacaka kei na cakacaka e vakayacori ka namaki mena veisau kina na tikinisiga ena oti kina na taravale. Ia, e nuidei tikoga na Veiliutaki ni kabani kei na kena matabose e cake nina vakacavari na taravale ena gauna e veiganiti kei na lavo e vakadonui me vakayagataki kina.

Ena gumatua ni nona sasaga na Matanitu me rawati vakavinaka na takete ni tamata me cula ena mua ni 2021, e vakanuini tiko kina na kabani ni sana rawa me tosoi tale na tara ni FHL Tower kei na kedra tawani na veitabavale ni FHL era lala tu.



OPERATIONAL REPORT OF SUBSIDIARY COMPANIES | TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



100%

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Wase ni Sea ena Kabani qo a taukena na FHL



Nesbitt Hazelman
CHAIRMAN



Amrish Lal
ACTING GM

FHL FUND MANAGEMENT LIMITED

"Through all the obstacles and challenges of the pandemic affecting the local and international markets, FHL FML continues to explore new investment opportunities and putting investor's needs on top priority"

FHL Fund Management Limited, the Fund Manager for Fijian Holdings Unit Trust, recorded a NPAT of \$801k, as compared to \$875k for the same period last year, decrease of 8%. The impact of COVID-19 on business activities of the Fund has a direct impact on the revenue received by the company from the Fijian Holdings Unit Trust. Due to the socio-economic impact of COVID-19, the Trust had continued experiencing the impact of COVID-19 outbreak as withdrawals trend escalate and sales trend dropped which has affected the overall portfolio of the Trust. The major impact was felt when the second wave of COVID-19 affected Fiji during the last quarter of financial year. The total investment portfolio for the Fund is \$126m as at 30th June 21. Against a challenging and competitive operating environment, FHL FML continues to explore new investment opportunities for the Fund and ensures that our investors get what they really deserve. We are dedicated to warranting that the FHUT product is accessible through continuous and aggressive marketing in various division throughout Fiji. Through all the obstacles and challenges of the pandemic affecting the local and international markets, FHL FML continues to explore new investment opportunities and putting investor's needs on top priority.

"Ena levu kece ni dredre kei na bolebole e sotava mai na revurevu ni matedewa ena noda vanua kei vanuatani, e segata tikoga na FHL FML me vakasaqara na veivanua ni vakatubuiyau eso salavata kei na kena okati me bibi duadua na veika e baleti ira na daunivakatubuilavo."

Na FHL Fund Management Limited, ka qarava vatabakidua na katoniyou na Fijian Holdings Unit Trust, e rawata na tubudina e \$801k, ni vatauvatani keina \$875k ena gauna vata va qo ena yabaki sa oti, sa lutu ena 8%. Na revurevu ni COVID-19 kina qaravi bisinisi ni Katoniyou e lai vakilai vakalevu kina nona rawaka na Fijian Holdings Unit Trust. E vakila valevu na Trust na revurevu ni COVID-19 ena bula ni veiqaravi ena veisiga vei ira na lewenivanua baleta ni tubu na iwiliwili ni tauri lavo ka lailai era vakacuruilavo, ka lai lutu kina na levu ni nona iyau na Trust. E vakilai vakalevu na revurevu oqo ena ikarua ni wasewase ni COVID-19 ka tarai Viti mai ena iotioti ni vula va ni yabaki vakailavo 2021. E levu kece ni lavo e tiko ena Katoniyou me yacova mai na 1 ka 20 ni Jiune 2021 e \$126m. E vakuria tikoga na FHL FML na kena vakasaqarai na veivanua vovou eso ni vakatubuiyau me rawa ni soli na ivakayaga uasivi duadua vei ira na daunivakatubuilavo, dina mada ni sotava tiko na bolebole kei na veiqati vakabisinisi. Keitou sasagataka na kena yacova na veiyasai Viti na ivoli ni FHUT ena kena maketetaki vagumatua. Ena levu ni dredre kei na bolebole e sotavi ena makete ni vakayaco bisinisi ena noda vanua kei vanuatani, na FHL FML e vakuria tikoga na kena vakasaqarai na veivanua vovou ni vakatubuiyau ka vakaliuci kina na veika e vinaka vei ira na daunivakatubuilavo.



FHL STOCKBROKERS LIMITED

"FHLS has set up tactics on ways to face challengers and obstacles of the current Pandemic and help investors meet their needs"

FHL Stockbrokers Pte Limited recorded the Net Loss of \$25k compared to the Net Profit of \$150k from last financial year. FHLS has seen an impact on our business to date, there was a decline in the brokerage income due to the loss of investor confidence. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain. It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments varying effort to combat the outbreak and support businesses. This being the case, FHLS does not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time. However, the company has worked out strategies and plans to work on in next financial year and turn the company numbers around. FHLS has set up tactics on ways to face challengers and obstacles of the current Pandemic and help investors meet their needs.

"Na FHLS e sa vakarautaka edua na ituvatuva me vorata rawa kina na bolebole kei na dredre ena revurevu ni matedewa ka sotava na nodra gagadre na dauvakatubuilavo. Na FHL stockbrokers Limited e yacova na \$25k na lusidina ni vakatauvatani keina \$150k na tubudina ea rawati ena yabaki sa oti. E vakila vakalevu na FHLS na bolebole me yacova nikua, ena kena mai lutu na isau lavaki ni voli sea ni sa mai yali nodra veivakabauti na daunivakatubuilavo kina makete. Na matedewa kei na vakatulewa ni Matanitu e valeqa vakalevu na veiqaravi vei ira na lewenivanua, na bula vakailavo kei na qaravi ni bisinisi. Na kena revurevu kei na kena dede e sega ni se vakadeitaki rawa ena gauna qo kei na vakatulewa ni Matanitu ena valuti ni mate se na tokoni ni veibisinisi eso. Ena vuku ni tikina qo e sega gona kina ni okata na FHLS ni dodonu me vakarautaki edua na itukutuku matailalai ni revurevu kina Kabani. Ia, sa biuta vata na kabani na ituvatuva matau ni yabaki vakailavo me rawa ni saumaki kina na nona rawaka."



OPERATIONAL REPORT OF SUBSIDIARY COMPANIES | TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



MERCHANT
FINANCE

80%

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



Isikeli Tikoduadua
CHAIRMAN



Rowena Fong
CEO

MERCHANT FINANCE PTE LIMITED

The 2021 financial year continued to remain challenging in light of the prevailing health and economic conditions instigated by COVID-19. It has been detrimental to Fiji's economy, coupled with uncertainty and the second wave affecting asset quality and our return to shareholders.

The net loan portfolio closed at \$166m, a 9% decrease from FY20 whilst our term deposit portfolio closed at \$152m a decrease of 9% from FY20. Overall, the financial year ended on a positive note with a \$5.7m profit before tax, an improvement from \$2.6m in FY20 with a total of \$1.875m in dividend was declared and paid during the year which was maintained compared to the previous year.

MFL's income reduced to \$23.4m compared to \$24.5m in the previous year. In light of the pandemic, stringent cost control measures were implemented by Management, this proved to work positively to maintain operational cost at a minimum. Other cost cutting strategies included the release of surplus deposits and reduction in the overall borrowing rates to reduce expenses and align our deposits to the reduced loan portfolio.

The impact on the expense line was from impairment which continues to weigh heavy on our profits as the second wave was more severe with extended lockdowns and restricted movements with only essential services allowed to open which resulted in businesses being shut since April 2021. This was unfavorable for MFL as loan repayment defaults increased. This impacted asset quality which led to an increase in impairment expenses. As at 30 June 2021, impairment expenses stood at \$5.8m compared to \$7.5m last year where there was a significantly high level of uncertainty.

Our Capital Adequacy Ratio and Unimpaired Liquid Asset Ratio was well maintained above regulatory requirements during the year.

In light of all the challenges, Merchant Finance relocated its Nabua Office to RB Patel Centerpoint Complex. The move allowed better visibility and provided easier access to our customers in the greater Nasinu area.

Our first independent Chairman, Mr. Isikeli Tikoduadua was appointed to the MFL Board in September 2020 which has been well received as he brings a wealth of knowledge and industry experience to compliment the current members.

During the first wave and more so recently the second wave of the pandemic, MFL has been assisting its customers through the challenging times. Over 2,000 MFL customers have been assisted through some form of financial hardship assistance over the last 18 months. The assistance has been in the form of reduced repayments over a period of time or repayment deferrals (extensions). MFL stands committed to its customers to work with them with the goal to ensure that we both get through this difficult time.

Throughout the year our main focus was to continue to maintain the Merchant brand with all our stakeholders and customers – existing and potential. There was a shift in advertising focus from the usual norm of print, television and radio to social media and other digital platforms due to the current pandemic. We also continued to educate our customers on the modes of payments, interest rates, investment options and other financial assistance through this platform.

Our community plays a vital role in our success every year so in response to the negative impact of this global pandemic MFL focused our Corporate Social Responsibility (CSR) Program on the community and the people. Each region hosted its own CSR program with our West team assisting the Sigatoka Town Council in their Clean Up Campaign with the teams picking up rubbish on the Kings Highway, planting trees in Sigatoka town and assisting families in the Naidovi Primary School that have been affected by COVID-19 with food hampers. Our North team in partnership with Drive Smart conducted a blood drive in Labasa whilst our Central team hosted a Pinktober morning tea to create awareness and collect donations for the Fiji Cancer Society who continues to support cancer patients and survivors.

Looking ahead, MFL is determined to overcome its challenges, maintain its competitiveness in the market and deliver better and quality services to its growing clientele and stakeholders. Our strategic plan is currently being finalized to ensure we achieve the objective set by our shareholders. We are positive with the improvement in vaccination rate, eased restrictions and the confirmed border openings, the new year will be set in a more positive direction for Fiji's economy and in turn MFL.

Na yabaki vakailavo ni 2021 e vakuri tikoga na kena sotavi na bolebole ni noda bula kei na veika vakaiyau ka vakavuna tiko na COVID-19. E sa valeqa vakalevu sara na bula vakailavo e Viti, ka salavata kei na veika tawakilai keina karua ni wasewase ni matedewa e valeqa na ituvaki ni veika e taukena keina tubu e wasei vei ira na itaukei ni Kabani.

Na levu kece ni Ioni e soli e yacova na \$166m, e lailai mai na 9% ena YV20 keina Vakatabuilavo ena ilavoqaqa e \$152m na kena levu, qo e lailai talega ena 9% mai na YV20.

Ia, e vakacavari na yabaki vakailavo ena dua na delana cecere ni rawaka ni rawati na tubu bera ni lavaki na ivakacavacava ena \$5.7m qo e tubu ena \$2.6m mai na YV20 ka rauta ni \$1.875m e saumi me ivakayaga ni sea ena lomaniyabaki ka tautauvata kei na yabaki sa oti.

Na ilavo e rawata na MFL e lutu kina \$23.4m ni vakatauvatani kei na \$24.5m e rawati yabaki sa oti. Ena vuku ni matedewa, ea vakayacora kina na Velitaki eso na ituvatuva ni manitaki ni yau ka vakilai na kena vinaka ni mai lailai sara na vakayagataki lavo ni kabani. Eso tale na ituvatuva ni kena vakalailaitaki na vakayagataki ilavo, oya na kena vakasukai na nodra iyau na via vakatabuilavo ka vakalutuki sara na tubu ni vakatabuilavo ena veiyabaki me rau veiraurau kina na katoniya ni vakatabuilavo kei na katoniya ni soli Ioni.

Na revurevu ni vakayagataki ilavo ni kabani e vakilai vakalevu na kedra mai lutu na isau dina ni nona iyau na kabani ka vakilai ena tubu e rawati, vakauasivi ena ikarua ni wasewase ni matedewa ka salamuria na sogosogo kei na vakatatabu eso ka dola ga kina veitabana era gadrevi vakabibi, qo e vakavuna mera sogo na veibisini tale eso me vakatekivu mai na Epereli ni 2021. Na veika oqo e sega ni vinaka kina MFL baleta ni levu na Ioni era sega ni saumi vakavinaka, ka lai valeqai na ituvaki ni iyau e taukeni na tubu kina na kedra isau. Me yacova mai na 30 ni Jiune 2021, na isau ni yau e taukena na kabani esa lai tiko ena \$5.8m ni vakatauvatani kei na \$7.5m ena yabaki sa oti ni a tu sara icake na ivakatagedege ni veika e tawakilai.

Na ivakarau ni ilavoqaqa ni Cakacakalevu (Capital Adequacy Ratio) kei na iSaudina ni iYau (Unimpaired Liquid Asset Ratio) ni kabani e vakadeitaki tiko na kena iyalayala vakalawa me vaka e gadrevi ena veiyabaki.

Ena vuku ni bolebole e sotavi, e sa mani tokitaka kina na MFL na nona valenivolavola e Nabua kina RB Patel e na ikava (4 miles). Na toki oqo e vinaka vakaoti kina kabani baleta ni sa qai laurai vakavinaka kina, ka yacovi vakarawarawa mai vei ira na lewenivanua ena yasayasa vaka Nasinu.

O Isikeli Tikoduadua e ivesu ni Jemeni tu vakaikoya ka sa digitaki me lewena na matabose eake ni MFL ena Seviteba 2020 ka marautaki sara vakalevu na veidigitaki oqo baleta ni kauta vata mai kei koya na kila me tokoni ratou kina na lewe ni matabose ea sa tiko oti.

Ena imatai ni wasewase ni matedewa ka vakauasivi sara na kena ikarua sa vakaitavi vakalevu tiko na MFL ena nodra vukei o ira keitou qaravi (customers) ira. E sivia na 2,000 keitou qaravi ira e MFL era vukei ena vuku ni dredre vakailavo era sotava ena loma ni 18 na vula sa oti. Na veivuke oqo e okati kina na vakalailaitaki na saumi lesu ni dinau ena loma ni dua na gauna vakarautaki se na kena vakabalavutaki na gauna ni sausaumi. E yalodina tiko na MFL vei ira era qaravi me rawa ni rau botea vata yani na gauna dredre eda sotava tiko.

Ena lomaniyabaki e vakanamata tikoga na MFL ena kena vakadeitaki na nona ivoli vei ira keitou qarava kei ira keimami veiwekani vakabisinisi. E veisau talega na iwalewale ni kaburaki voli mai niusiveva, retio yaloyaloyalo kei na walesi (retio) kina vatavata ni monalivaliva eso ena vuku ni matedewa. E vakuri tikoga na nodra vakaramataki o ira keitou qarava ena iwalewale ni sausaumi, na tubu e lavaki, na vakatabuilavo eso kei na veivuke vakailavo tale e vuqa.

O ira na lewenivanua era tiki ni neitou rawaka vinaka ena veiyabaki, ena vuku ni revurevu ka ni matedewa e vuravura taucoko, sa nanuma gona kina na MFL me vakanamata na porokaramu e baleta na Veiqaravi ni Bula Raraba kina bula vakaitikotiko kei ira na lewenivanua. Na dui wasewase era dui qarava ga na nodra dui tuvatuva, na Wasewase mai na Muaira eratou lai veivuke veiratou na Matabose ni Tauni e Sigatoka ena sasamaki, qo na kena vakayacori na tomi benu ena gaunisala levu na Kings Highway, tei kau ena tauni e Sigatoka kei na nodra vukei na kakana na vuvale ni gonevuli era vuli tiko ena Naidovi Primary School nia vakaleqai ira na revurevu ni COVID-19. O ratou mai na Vualiku eratou cakacakavata kei na Drive Smart ena kena qaravi na soli dra e Labasa kei ratou ena Wasewase e Loma qaravi na Katalau ni kumuni ilavo na Pinktober ka vagolei na veika e rawati kina Fiji Cancer Society ka qarava na nodra tokoni o ira era tauvi kenisa (cancer) kei ira era sa bula mai kina.

E vakanamata tikoga na MFL kina veisiga ni mataka ka nuidei tu nina rawa ni vorata na dredre e donumaki ka vakadeitaka na veiqati vinaka vakabisinisi kei na nodra qaravi vakavinaka na lewenivanua kei ira na daunibisinisi. Na tuvatuva levu ni kabani ka raici lesuvi tiko qo e vakabibitaki na kena rawati na inaki ni kabani ka lavaki mai na taukei ni kabani. E marautaki vakalevu na macala ni porokaramu ni veicula, laveti ni vakatatabu kei na kena vatarai tale na curuvanua, sa vakadeitaka tu ni yabaki vou ena yabaki vinaka kina bula vakailavo ni noda vanua ena vakakina kina MFL.





OPERATIONAL REPORT OF SUBSIDIARY COMPANIES | TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



75%

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



Anthony Whitton
CHAIRMAN



Pradeep Mendis
HOO

SERENDIB INVESTMENT PTE LIMITED

Serendib Investment Pte Ltd (SIL) started the 2020/2021 financial year with hopes of recovering from the economic impact of COVID-19 as many other businesses in a shrinking Fijian and World economy. SIL experienced significant decrease in sales and collection due to prevailed restrictions and economic downturn in the market. The cost of production increased due to the rising cost of raw materials and disruption to the supply chain. Current second outbreak in April 2021 is having a large implication on sustaining the business.

In terms of financial result, the sales for the 2020/2021 financial year was increased by 25% from \$1.5m to \$2m this was the result of printing of MOE text books and new jobs that SIL manage to secure during the year. The loss decreased from \$2.4m to \$2m, a reduction of 20% due to cost efficiency measures introduced in response to the precedent crisis.

SIL is focusing in the new financial year to commission the 5 color printing machine and operate which has been pending due to COVID-19 and increase the output capacity. Various cost/waste reducing measures and processes has been emplaced to ensure business is successful for the forthcoming financial year. SIL is targeting key segments such as the education sector, consumer retailing super stores and new markets to increase the market share for better profitability.

Na Serendib Investment Pte Ltd (SIL) e tekivutaka na yabaki vakailavo 2020/2021 ena vakanuinui ni sana daumaka cake na bula vakailavo mai na revurevu ni matedewa e vakilai e Viti kei na vuravura taucoko. E vakila na SIL na lailai ni rawaka kei na saumi ni cakacaka e vakayacori baleta na vakatatabu e sotavi kei na gogo ni bula vakailavo. E tubu na isau ni cakacaka levu baleta ni tubu na isau ni uma kei na ivakatatao e sotavi ena nona veiqaravi. Na ikarua ni wasewase ni matedewa ena Evereli 2021 e vakilai vakalevu sara na kena revurevu ena kena sagai me vakadeitaki tikoga na bisinisi.

Ena veika vakailavo, e rawaka ni yabaki vakailavo 2020/2021 e tubu ena 25% mai na \$1.5m kina \$2m, e vakavu oqo ena tabaka ni vola ni vuli kei na so tale na bisinisi vovou e rawati ena lomaniyabaki. Na lusi ni kabani e vakalailaitaki mai na \$2.4m kina \$2m, e lailai mai na 20% ka vakavu mai na vakalailaitaki ni vakayagataki lavo me sotavi kina na gauna drakidrakita e donumaki.

E vakanamata tiko na SIL ena yabaki vakailavo vou oqo ena kena vakayagataki na misini vou ni tabaivola ka vakabera tiko ena vuku ni sogosogo, e namaki me vukea na veika ena rawati. E sa vakamuri eso na ituvatuva me maninitaki kina na vakayagataki ilavo ni kabani ka vukea na rawaka vinaka ena veiyabaki vakailavo sa vavaci. E vakanamata tiko na SIL me rawa bisinisi ena tabana ni vuli, volau ni volivolitaki kei na veimakete vovou tale eso me vukea na rawa tubu vinaka ni kabani.



OPERATIONAL REPORT OF SUBSIDIARY COMPANIES | TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



71.6%

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



Sakiusa Raivoce
CHAIRMAN



Daniel Vikash
BM

LIFE CINEMA PTE LIMITED

“The impact of the COVID-19 restrictions and protocols in Fiji and elsewhere together with the effect on the production and distribution of movies have completely decimated the industry. The outlook for the industry is also not looking good for the coming year.”

During the year cinemas were operational at 50% capacity from July 2020 to April 2021 i.e. some 10 months. Unfortunately, due to impact of the pandemic most movie distribution and production had come to a halt. This created major issues for the owners of cinema houses in Fiji as well as throughout the world.

Over the last 12 months new movies were not available for screening and therefore cinemas could not tap into the revenues that new movies normally generate. The cinemas although not fully operational had to be maintained and kept in good condition. This continuous process requires work to be done and therefore costs have to be incurred for this purpose. If left unattended the equipment would become inoperable in due course.

Production of movies is slowly starting with a limited number of new movies being released but these numbers remain very limited and there is no guarantee of continuity in future due to the constantly changing conditions in the industry as well as the world economies.

We remain optimistic and look forward to the industry coming back into the forefront this year.

“Na revurevu ni COVID-19 ena vakatatabu kei na bula vakaivarau e gadrevi e Viti raraba ka salavata na drakidrakita ni caka yaloyalo kei na kena veivotayaki e sa mai valeqa saraga vakadua na tabana ni bisinisi oqo. Na veika e namaki ena yabaki veitaravi mai oqo e sega talega ni vinaka.”

Ena lomaniyabaki e a veiqaravi tiko na valeniyaloyalo ena 50% mai na Jiulai ni 2020 kina Epereli ni 2021, rauta ni 10 na vula. E ka ni rarawa ni vuqa sara na vanua ni caka yaloyalo era mai sogo ka valeqai talega na kena veivotayaka ena revurevu ni matedewa. Qo e vakavu leqa vakalevu vei ira na itaukei ni valeniyaloyalo e Viti kei na veiyasai vuravura.

Ena vula 12 e mai vakanadakui e sega sara ni dua na iyaloaloyalo vou e tauri rawa ka mai dredre gona kina me kunei na veika vakailavo edau rawati ena gauna e tu kina na yaloyalo vovou eso. E dina ni sega ni dola vakataucoko tiko na valeniyaloyalo, ia ena dodonu me vakarautaki me tuvaki vinaka tuga. Ena vuku ni tikina qo e vakayacori tikoga kina na cakacaka kei na ilavo e vakayagataki kina. Ke sana vakalaivi tuga sana rawa ni valeqa na misini ni veiqaravi ena gauna ena qai gadrevi kina.

Na caka yaloyalo e sa tekivu tale tiko vakamalua ka sa tekivu saravi sara tale tikoga, ia e sega soti ga ni levu, baleta ni sega ni levu sara na iyaloaloyalo vovou, e sega ni vakadeitaki tiko nina taladrodro vinaka tale ena vuku ni veiveisau e yaco tiko kina bisinisi oqo kei na bula vakailavo e vuravura.

Keitou nuidei tiko ka nanamaki mena saumaki tale na bisinisi vaka oqo ena yabaki oqo.



OPERATIONAL REPORT OF SUBSIDIARY COMPANIES | TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA

FijiTV

59.4%

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

FIJI TELEVISION LIMITED



Deepak Rathod
 ACTING CHAIRMAN



Sitiveni Halofaki
 GM

Fiji Television Limited has been in existence over the past 27 years and continues to provide 'free to air' television service to its viewers and advertisers since the 15th of June, 1994.

We continue to strive for growth and returns to our shareholders and continue to serve our community by giving back to them through community service via our existing platforms.

Fiji TV is not immune to the impact of this pandemic. With the global impact of COVID-19 in Fiji, many business have had to re-look at their advertising spend in order to prioritize what is important for their respective organizations and to ensure Business Continuity. This greatly impacts Fiji TV as we are a private company whose premium product is the sale of commercial bookings on Fiji One. Over the last year we have seen a vast decrease in spend from our advertisers, with most of our small to medium advertisers declining packages.

However, in line with our Business Continuity plans, management has had to re-strategise on the way forward for the company. This has led to a more resilient way of work in line with the COVID-19 safety Business protocols. Fiji Television has had to relook at the advertising packages and worked with religious organisations and NGO's to push on COVID-19 related awareness programs and broadcast of religious programs and church services on our Fiji One platform. This has allowed us to grow our viewership and we have made our product more accessible on a variety of platforms and devices which has made our channel accessible to everyone.

Fiji Television Limited is known for its leading role in the acquisition of compelling content that is not only entertaining for our viewers but also provides a diverse portfolio of content of Local and International Entertainment, Sports, news and much more. This year saw the cancellations or postponement of most of the sporting events internationally and this proved a challenge for us. However Fiji TV was able to secure local sporting events which were broadcasted over the first three months of the year before the severity of the pandemic put a hold on all sporting events.

Because of the hold on all sporting events, this left a gap on our on air schedules which resulted in a vast increase in our local shows with the launch of our first ever iTaukei breakfast show – Na I Katalau, and the launch of Green Pillars which is an agriculture based program that was designed to provide our viewers with tips on how to create DIY gardens that will assist them with food security during this pandemic. It also provided awareness and tips to farmers on sustainability of their farms. Other programs that also launched this year were Tovolea Mada, an I-Taukei cooking show, Hot Spots – which is an educational historical journey to the local hot spots around Fiji and their historical backgrounds.

The financial performance for the month of July 21 was impacted by the challenges of the COVID-19 pandemic's second wave lockdowns. Total sales for the month was \$340,593 which was below budget by \$102,565 (23%). Loss for the month was \$172,546, which was short of budget by \$41,058 (24%).

July saw a major decline in local sponsorship revenues by 32% versus budget. Olympics on the other hand was the major contributor to Fiji One Sales.

Pacific Services was not able to procure and sell any international events as the major test matches rights were pre owned by Digicel under the Sanzar agreement.

All major costs during the month were controlled. Overseas programming costs were higher due to payment for Olympics delivery rights fee.

Operations at Fiji TV remains as is, with a unit on standby and a second transmission unit offsite is ready should there be a decontamination of the office premises due to a positive COVID-19 case. This ensures that our Business remains operational throughout the pandemic. We also have other revenue generating units (Pactok) who have come into full effect with the sales of radio products etc, which are being used by our frontline organisations. Being a media industry, we also have opened up our services to overseas media agencies through the selling of footage on the impact of COVID-19 in Fiji.

We understand that this pandemic is here long term and management sits and reviews the processes and procedures that are already in place in order to improve and ensure Business Continuity, without risking the safety of our employees. Reinventing every facet of the business is a daily challenge that the team have all come to realize and adjust to. Fiji TV continues to serve its viewers and advertisers daily with the best in TV Content.

Fiji TV broadcasts to its viewers via Fiji One, Channel 2 and Fiji TV Stream. Fiji TV is also home to Pactok who is a supplier of Radio Telecommunication services and solar energy equipment providers.

Na Fiji Television Limited esa sivia na 27 yabaki na nona veiqaravi voli mai, ka vakuria tikoga na kena vakarautaki na siteseni ni retio yaloyalo sega ni saumi vei ira na dausarasara kei ira na daukacivaki voli me tekivu mai na 15 ni Jiune, 1994.

E vakuria tikoga na kabani na kena sasagataka na tubu kei na saumi ni vakayaga vei ira na itaukei ni Kabani qai salavata na nona qaravi ira na lewenivanua ena vatavata ni retio yaloyalo. E sega ni galala mai na Fiji TV ena revurevu ni matedewa. Na revurevu ni COVID-19 e Viti e sa vakavuna mera dikeva tale e vuqa na kabani na ituvatuva ni kena kacivaki nodra ivoli, oya na kena vakabibitaki eso tale na ituvatuva me rawa ni tosoti tikoga kina na nodra bisinisi. Qo e vakilai vakalevu sara kina Fiji TV me vaka ni vakararavi vakalevu na nona rawaka vakailavo ena kena kacivaki na ivoli ni veikabani ena Fiji One. Ena lomaniyabaki e vakadinadinataki na lutu sara na vakayagataki lavo ni veikabani ena kacivaki ni nodra ivoli ka so sara vei ira na kabani lalai era vakadaroya na kena kacivaki na nodra ivoli.

Ia, e tiki ni tuvatuva ni kena vakuri tikoga na qaravi ni bisinisi oya na kena raica lesuvi na ituvatuva eso me tosoti tiko kina na veiqaravi ni kabani. Qo e okati kina na kena vagumatutaki eso na ivakarau ni veiqaravi e rokovi tiko kina na Bula Vakavakarau ni COVID-19. E raillesuva na Fiji Television na isau ni kacivaki ni voli ka cakacaka vakavoleka kei ira na veisoqosoqo ni lotu ena porokaramu vaka lotu eso, keina na lotu kaburaki, ka qaravi ira na soqosoqo sega ni vakamatanitutaki (SSM) ena kena kaburaki na itukutuku ni veivakasalataki ni COVID-19. Qo esa vakavuna me tubu na iwiliwili ni dausarasara ka vakarawarawataki na saravi ni veisiteseni ena vatavata eso keina gacagaca ni Vakaitukutuku ena gaunavou oqo.

E kilai tani na Fiji Television Limited ni vakaraitaka na veiporokaramu e sega walega ni veivakamarautaki vei ira na dausarasara e okati talega kina na porokaramu e vakarautaki ena Noda Vanua, Vanuatani, porokaramu ni Qito, Tabana ni Tukutuku kei na vuqa tale. E kuri ni bolebole ena yabaki oqo ni mai vakadaroi e vuqa sara na qito lelevu ni vuravura. Ia, na Fiji TV ea qai vakaraitaka rawa eso na qito ena noda vanua ena imatai ni tolu na vula ni bera ni tarai keda na revurevu ni matedewa ka vakadaroi kina na qito kece.

Ena kedra mai daro na qito lelevu eso e mai vakavuna na kena vakarautaki e vuqa na porokaramu ena noda vanua me sosomitaka na gauna era dau vakaraitaki kina na veisotasota oqori, ka vuna na kena mai sevutaki na imatai ni porokaramu vakaitaukei ena veimataka na – Na I Katalau. Na Green Pillars e baleta na noda rawa ni teivaka na keda kakana me vukea na vurevure ni keda ena gauna ni matedewa oqo. Ka vakarautaka na veivakasala eso vei ira na dauteitei me rawa ni vakadeitaki tuga kina na nodra i teitei. E so na porokaramu era sevutaki ena yabaki oqo e wili kina na Tovolea Mada, na porokaramu vakaviti ni vakasaqa, Hot Spots – e baleta na veivanua makawa eso ka vakaibalebale vei keda ka vakamacalataki vata kei na kedra itukutuku.

Na rawaka vakailavo ni Jiulai 2021 e valeqai vakalevu ena revurevu e basika ena ikarua ni wasewase ni Covid 19. Levu ni lavo e rawati e \$340,593 ka lailai mai na \$102,565 (23%) ena tuvatuva vakailavo. E lusi na vula o Jiulai ena \$172,546, ka lailai mai na \$41,058 (24%) ena tuvatuva vakailavo.

Na vula o Jiulai e laurai talega kina ni lutu na ilavo e rawati ena veitokoni ena 32% mai na tuvatuva vakailavo. Na sotasota levu ni Olympics e cau vakalevu ena rawaka ni Fiji One.

Na Pacific Services e sega ni volitaki rawa edua na porokaramu mai vanuatani me vaka nia sa veidinadinataki oti tu na Digicel keina Sanzar ena valataki vanua ena lomaniyabaki.

Na vakayagataki lavo ni veivula ea lewai vakamatua. Na isau ni porokaramu mai vanuatani e levu duadua ena vakayagataki ilavo ni kabani baleta na isau ni kena vakaleleci mai na sotasota levu ni Olympics. Na veiqaravi ni Fiji TV e vakacagau tikoga, ka sa vakarautaki tu edua na vanua me tokitaki kina na veiqaravi ke vaka e basika edua na kisi ni COVID-19 e valenivolavola ka qai nanumi me vakasavasavataki. Qo e sana vakadeitaka nina tosoti tikoga na kabukaburaki ena gauna ni matedewa. E tiko talega e vica na tabana ka rawa ilavo tiko kina na kabani oya na Pactok, ka sa kenadau vakatabakidua ena volitaki na retio ni veivosaki kei na vuqa tale me vaka era vakayagataki tiko na iyatu eliu ni veiqaravi



ena matedewa. Me vaka ni okati ena Tabana ni Vakaitukutuku, esa dolava talega na Fiji TV edua na nona tabana me volitaki na katokatoni eso kina veitabana ni tukutuku e vanuatani ena vuku ni COVID-19 e Viti.

E sa matata vakasigalevu ni na mai balavu na revurevu ni matedewa ka sa yadrava tiko na Veiliutaki na kena raica lesu se dikevi na veituvatuva sa goleva tiko ena gauna qo me rawa tikoga ni tosoti tiko na bisinisi salavata kei na nodra taqomaki na ivakalesilesi. Na kena vakavou tiko na dui vakatagedegede ni veiqaravi ni kabani e bolebole ni veisiga yadua, ia era kila na vakailesilesi na kena yaga kara sa vakamatautaki ira kina. Na Fiji TV e vakuria tikoga nona qaravi ira na dausarasara kei ira na kacivaki na nodra ivoli ena porokaramu uasivi eso.

Na Fiji TV e kakaburaki voli na gauna qo ena Fiji One, Channel 2 keina veilava ni Fiji TV. Na Fiji TV e taukena talega na Pactok – ka veivotayaka na Retio ni Veivosaki kei na vurevure ni kaukauwa vakalivaliva na sola ena noda vanua.



OPERATIONAL REPORT OF SUBSIDIARY COMPANIES | TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



RB PATEL GROUP LTD

54.3%

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



Yogesh J. Karan
CHAIRMAN



Deepak Rathod
COO

"Although it has been a very challenging year, we are pleased to announce that the results have been extremely pleasing. Our focus continues on the health and wellbeing of our team and customers together with providing security of employment for our employees."

RBG's Operating Profit increased by 3.6% to 12.3M from \$11.9 million last year.

Revenues including other income decreased by 2.9% to \$135.5M from \$140M last year.

Net cash generated from operations was maintained at \$14M the same as last year.

The COVID-19 pandemic continues to bring challenges to businesses in general and the retail industry in particular. Although being essentially contained until April 2021 the second wave of the virus has brought many restrictions and challenges. These have had significant impact on our operations with the restricted hours of operations and reduced capacity in the supermarkets.

RBG shares were trading at \$3.38 as at 30 June 2021 with a high of \$3.62 during the year.

The Stage 5 three level building at the JetPoint Complex in Nadi was completed during the year and has already been partly tenanted. The construction of the Stage 2 building in Lami commenced December 2020 and should be completed towards the end of the year.

We are proud of the manner in which our employees continue to adapt to the ongoing changing and challenging environment created by the pandemic and the spread of the virus. We salute their commitment and dedication which has contributed greatly to the results for the year.

The incentives and policies introduced by Government in the 2021-2022 Budget should provide further impetus for economic recovery in Fiji.

"E dina ni sotavi edua na yabaki bolebole, ia e marautaka sara vakalevu na kabani na nona rawaka. E vakanamata tikoga na veiqaravi ena nodra maroroi keina bula vinaka ni vakailiesilesi kei ira na dauvolivoli, salavata kei na nodra maroroya nodra cakacaka na vakailiesilesi."

Na tubu ni RBG e yacova na 3.6% oya e \$12.3M mai \$11.9 milioni ena yabaki sa oti.

Na rawaka e okati kina na vurevure tale eso, e lutu kina 2.9% oya e \$135.5M mai na \$140M ena yabaki sa oti.

Na lavobula mai veiqaravi ni kabani e vakadeitaki tikoga ena \$14M ka tautauvata ena yabaki sa oti.

Na matedewa na COVID-19 e vakavurea tikoga e vuqa na bolebole vakauasivi ena makete ni veivoli. E dina ni sa mai tarovi rawa ena Epereli 2021, na ikarua ni wasewase ni kena dewa e kauta vata mai e vuqa na vakatatabu keina bolebole. E vakilai vakalevu na kena revurevu ni mai vakalailaitaki na yaua ni dola kei na iwiliwili ni dauvolivoli.

Na sea ni RBG ea volitaki tiko ena \$3.38 ena i ka 30 ni Jiune 2021 ka lai yacova sara na \$3.62 ena lomaniyabaki.

E sa mai vakacavari ena lomaniyabaki na Stage 5, vale taba tolu ena JetPoint Complex e Nadi, ka sa tawani vakatikina talega. Na tara ni tabavale na Stage 2 e Lami e tekivu ena Tiseba 2020 ka namaki me vakacavari ena mua ni yabaki.

Keitou marautaka vakalevu na nodra vakamatautaki ira na vakailiesilesi kina bolebole keina drakidrakita ni veika e kauta mai na matedewa kei na kena veitakavi voli. Keitou doka na nodra yalodina kei na nodra solibula na vakailiesilesi, e vakilai vakalevu ena rawaka ni yabaki oqo.

Na veivuke kei na tuvatuva eso ni vakayagataki lavo ni Matanitu ni yabaki 2021-2022 ena dodonu me vueta tale na bula vakailavo ni noda vanua e Viti.



OPERATIONAL REPORT OF SUBSIDIARY COMPANIES | TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



51.1%

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



Savendra Dayal
CHAIRMAN



Mosese Volavola
CEO

BASIC INDUSTRIES LIMITED

Basic Industries Limited (BIL) is the largest local manufacturer and supplier of quarry aggregates and concrete products in Fiji. Its various products include ready-mix concrete, concrete blocks & pavers, other concrete masonry products, tile glue, concrete aggregates, sealing chips, road-base material, river sand & gravel, concrete pipes, concrete power poles and various precast and pre-stressed concrete products, that are sold under our well-known local brands Standard Concrete and Humes. BIL also exports its products overseas, mainly to neighboring Pacific Island countries.

FY21 was a very tough year as expected. The ongoing COVID-19 Pandemic has continued to adversely affect the level of activity in the local construction industry that was already declining from two years ago. As a result, BIL recorded a 37% drop in annual revenue from \$77.2million in FY20 down to \$47.1million in FY21. In FY20 BIL had recorded a 25% drop in annual revenue from the previous year. Over the last two years the BIL business shrunk by more than half, causing a major strain on the company's ability to maintain profitability. A major market decline of this magnitude brings with it many consequential challenges. For example, competition in the market has become very fierce as competitors fight over the limited work that is available, resulting in low market prices that have little or no profit margins. Also, maintaining fixed costs at low revenue levels is very difficult.

BIL unfortunately suffered a number of other setbacks apart from the COVID-19 Pandemic that further worsened its overall performance in FY21. These were the completion of the remaining Basic Homes Projects that were already running at a loss, the closure of two main quarry sites for most of the year because of statutory approval delays by the Department of Environment, a major product failure incident on one of our major projects, and a major negative stock adjustment made on quarry aggregate stocks.

Moving forward, BIL is focusing on a handful of major projects that are still ongoing at this time in order to maintain business continuity until the market recovers. Construction activity is expected to start picking up again towards the end of this year when current COVID-19 movement restrictions and international border closures are planned to reopen. BIL is also making use of this time to make whatever preparations necessary to be ready for when the market bounces back.

Na Basic Industries Limited (BIL) e kabani levu duadua e Viti ena kedra buli ka veivotayaki na ivoli buli ena qereqere kei na simede. Na veimataqali voli e vakarautaka e okati kina na qereqere, nuku wakirawa, buloko & vatunisala (pavers), kei na mataqali buluko ka kilai mera 'masonry', na ivakabi ni 'tile' (tile glue), ivoli eso buli mai na simede, isogo vuruvuru (sealing chips), uma yavunisala (road-base material), nuku & qereqere ni ucivai, paipo semedi, durulivaliva simede kei na veimataqali voli ena iyaya ni simede ena precast keina pre-stressed, eratou volitaki na neitou kabani kilai levu e Viti na Standard Concrete keina Humes. Na BIL e volitaka talega na nona ivoli i vanuatai, vakabibi ena yanuyanu veivolekati ena Pasifika.

Na YV21 e yabaki drakidrakita dina, me vaka e namaki. Na kena vakilai tikoga na COVID-19 esa sa vakaleqa sara vakalevu na cakacaka ni taratara ena noda vanua, ni sa vakanaulu sobu tiko madaga mai na yabaki rua sa oti. Ena vuku ni tikina qo, e mai lutu kina 37% na levu ni rawaka mai \$77.2milioni ena YV20 kina \$47.1milioni ena YV21. Ena YV20 na BIL ea lutu talega nona rawaka ena 25% ni vakatauvatani kei na yabaki yani muri. Ena loma ni rua na yabaki na bisinisi ni BIL e sivia na veimama na kena vakalailaitaki, ka vuna levu ni dredre kina me rawa tubu. Na va tu oqo na lutu ni rawaka ena makete e sana kauta vata mai e vuqa sara na bolebole. Me vaka, na kena sa tubu cake na kaukauwa ni veiqati vakabisinisi ena makete ni taratara ena kedra yalani na cakacaka me vakayacori, qo ena vakavuna me vakalutuki sobu na isau ni cakacaka ka rawa ni lailai se sega saraga na tubu ena dau rawati kina. Qai kena ikuri, ni dredre vakalevu me vakadeitaki tuga na isau ni veiqaravi ni lailai tiko na rawaka.

E kaniseva kina BIL ni so tale na yavu ni veiqaravi e mai valeqa na rawaka ni YV21 ka sega walega ni revurevu ni COVID 19. Qo na kedra mai caka vakaoti eso na nodratou cakacaka na Basic Homes ka sa vakadeitaki tu ni lusi kina na kabani, na nodrau mai sogo tu ena dua na iwase levu ni gauna ena lomaniyabaki e rua na vanua ni qaqivatu ni a vakaberai na soli ni veivakadonui mai na Tabana ni Veikabula, na lusu levu e yacova edua na sasaga ni kabani, kei na kena raici vakavinaka na uma e vo tu ena iqaqi.

E vakanamata na BIL ena wanonovi matua ni vuqa sara na sasaga lelevu era qaravi tiko ena gauna qo, me rawa ni tosoya tiko na bisinisi ni bera ni saumaki tale na makete. Na cakacaka ni taratara e namaki mena tubu tale ena mua ni yabaki ni sana laveti na vakatatabu ni veilakoyaki kei na dolavi ni noda curuvana ena gauna sa lokuci. Sa vakavakarau rawa sara tale tikoga na BIL ena gauna e sana saumaki na makete ni bisinisi oqo.



OPERATIONAL REPORT OF SUBSIDIARY COMPANIES | TUKUTUKU MAI VEI IRA NA VEIKABANI COKOVATA



50.3%

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

PACIFIC CEMENT PTE LIMITED



Savendra Dayal
CHAIRMAN



Tevita Ravulo
FM

Pacific Cement Pte Limited (PCL) is renowned for producing high quality cement since 1958. Most part of FY21 was faced with immense challenges from the impact of the COVID-19 pandemic. These challenges include Market Competition for both local and regional market, import inflation and Environmental issues on dust emissions.

The pandemic also created some opportunities for PCL to Rethink. Recreate, Reset its strategies for the future. Realising these opportunities is extremely important for PCL in order to embrace and excel in the future.

The review of the strategy and key changes leadership saw the company reduce losses and notable improvement going into the new financial year. These positive changes did not see an immediate impact because of the challenges such as increase in raw material price directly linked to high freight costs and the ability to pass the same to customers being a price regulated entity. "Prioritizing quality customer service with scientific proven solutions is our competitive advantage."

PCL relies on its quality and aggressive marketing along this line as most government and private projects demand for Pacific Cement. We have done well in this area and will continue to be the market leader in the provision of quality and consistent cement products tested by our international accredited Laboratory.

ERP System were also changed for greater efficiency. Technical support services have also been revamped to accommodate the changes in the company, providing timely unparalleled technical advice.

PCL is now warier of the environment as ever

PCL has addressed the root cause of the dust issue by changing it suppliers of raw material and ensure the benchmarks are clearly documented in the raw material supply contract for future references.

The company is working together with the community to eradicate and improve the environmental issues. The team is proactive in monitoring dust emissions and rectifying the issues in the factory as soon as it is identified.

PCL has plans in place to restructure based on operational need. On the same line PCL is on reset mode and positive signs of progress is now visible which will ensure long term sustainability.

Na Pacific Cement Pte Limited (PCL) e kilai tani ni vakarautaka na taga simede tuvaki uasivi duadua me tekivu mai na 1958. E dua na iwase levu ni YV21 e sotavi voli kina na bolebole ka revurevu ni matedewa na COVID 19. Na veibolebole oqori e okati kina na Veiqati Vakabisinisi ena noda vanua kei na Pasifika, tubu na isau ni yaya vakau mai vanuatani kei na leqa ni Veika Bula Tuwavokiti keda ena vuku ni kuvunisimede.

Na COVID-19 e solia edua na gauna vinaka kina ituvatua ni PCL na "Rethink, Recreate, Reset" me rawa ni tu vakarau baleta na nona veisiga ni mataka. Na kena kilai na veigauna vinaka vakaoqo e rui bibi sara kina PCL me rawa ni vakadeitaki koya ka rawata vakavinaka na veisiga ni mataka.

Na kena mai dikevi na ituvatua ni kabani kei na veisau ni veiliutaki e mai lailai kina na lusi ni kabani e vakilai talega ni saumaki vinaka kina yabaki vou vakailavo. E sega ga ni vakilai vakalevu sara na veiveisau oqo baleta ni tikoga na vuqa na bolebole me vaka na tubu ni sau ena uma ka vakavu mai na tubu ni kena vakau mai kei na kena sagai me okati ena isau ni voli qai kenaseva ni tagasimede e dua na ivoli e lewai na kena isau.

"Vakabitaki na veiqaravi uasivi vei ira keitou qarava ka sa vakadinadina tani na kena mana qo na tikina keitou duatani kina."

PCL e vakararavi vakalevu ena uasivi ni nona ivoli kei na kena maketetaki vagumatua me vaka ni dau gadrevi vakalevu me vakayagataki na Pacific Cement ena sasaga ni matanitu kei na veikabani tale eso. E toso vakavinaka neitou veiqaravi ena tikina oqo ka keitou na liutaka tikoga na ivoli uasivi duadua ka vakadeitaki na kena vinaka baleta ni dauvakatovelei ena kedra vale (Lab) kilai e vuravura.

E veisautaki talega na ivakarau ni kena yadravi na gacagaca kece ni bulibuli (ERP System) me rawa ni totolo ka vakasakiti. Na veitokoni talega mai vei ira na kenadai e mai vakavou era soli na veiqaravi vakakenadai ena kena gauna totolo edau gadrevi kina.

E qaqarauni vakalevu na PCL ena gauna qo

Na PCL e sa walia rawa na leqa ni kuvunisimede ena kena veisautaki na vanua e kau mai kina na uma ka vakaivolataki sara vakavinaka me rawa ni yacova tikoga na uma kece e kau mai na ivakatagedegede ena toqai ena konitaraki.

E cakacaka vakavoleka sara na kabani kei ira na vakaitikotiko voleka ena kena vagalalataki se vakalailaitaki na vakacacani ni noda iyaubula. Sa gumatua tiko na Veiliutaki ena kena wanonovi matua na leqa ni kuvunisimede ka wali ena gauna ga e kilai kina.

Na PCL esa tu na nona ituvatua ni baleti ira na tamata cakacaka vakatautaki mai na cakacaka e gadrevi. Ena gauna oqo, e dua na tosovou e lako tiko kina na kabani ka laurai ni sasaga vinaka kece ena dodonu me vakasamataki vakavinaka me rawa ni vakataudeitaki na raiyawa ni kabani.



OPERATIONAL REPORT OF ASSOCIATE COMPANIES | KEDRA | TUKUTUKU NA KABANI VEIWEKANI



GOLDEN MANUFACTURERS PTE LTD

Golden Manufacturers Pte Limited's secret to success is service, quality and sustainability. Throughout its 40 years in operation, such traits have provided the foundations to enable the company to build a client list that today includes an array of worldrenowned brands.

A recognised leader in Corrugated Packaging in Fiji and the wider Pacific Islands region, Golden Manufacturers specialises in Die-Cut, Pre-Printed, Wax, Heavy Duty Cartons, Cores and Corner Boards.

They have further enhanced their capabilities with a label plant that can print a variety of Self-Adhesive Labels up to 11 colours with a combination of gravure and flexo printing, including lamination, over varnished or cold foiled on different substrates – on gloss art paper, BOPP White, BOPP Clear printed on surface and reverse side.

Golden has obtained ISO 9001:2015 Quality Management System certification, achieving outstanding performance and compliance with the quality requirements. Golden also has Safe Quality Food (SQF) and HACCP certifications. In October 2019, they also attained the Forest Stewardship Council FSC® Chain of Custody Certification, supporting the FSC sustainable global forestry conservation initiative and the company's commitment to using packaging products from responsible sources.

Golden has earned much recognition, including receiving the Fiji Prime Minister's Exporter of the Year Award on several occasions, as well as the Fiji Trade and Investment Board Exporter of the Year Award, and an Excellence in Flexography Printing Award.

Our team is committed to supporting and empowering our people to uphold the highest standards of quality with continual improvements to our manufacturing processes.

Golden's success comes from continuous improvement, investing in research and development and continuing to provide superior quality products and service to its clients.

30%

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

Na Golden Manufacturers Pte Limited e yavutaka na nona rawaka kina taucoko ni veiqaravi, vakasakiti ni voli kei na Veivakadeitaki. Ena loma ni 40 na yabaki ni nona veiqaravi e vakadeitaka tiko na veiyavu oqori kara malele mai kina na veikabani era volitaki na ivoli kilai levu e vuravura.

E kilai e Viti kei na veiyanyanu ena Pasifika me liu ena buli katani ni tawaiyaya, e kenadau na Golden Manufacturers ena Die-Cut, Pre-Printed, Wax, Heavy Duty Cartons, Cores kei na Corner Boards. E vakauasivitaki na nodratou veiqaravi ena misini ni tabayaca ka rawa ni lavetaka na yaca era Kabi-Rawarawa tu ena 11 na roka duidui na gravure & flexo printing, e okati kina na vakapalasisitakati ni pakete, vanisi se ologi ena foil ena duidui vakatagede – pepa sisisi, BOPP White, ka rawa ni tabaki na yasana ruarua.

Na Golden e sa rawata na ISO 9001:2015 na sitivikiti ni Quality Management System, vakasakiti nona rawaka ka muria na ivakarau vakalawa ni veiqaravi uasivi. Sa rawata talega na Golden na Safe Quality Food (SQF) keina sitivikiti ni HACCP. Ena Okotova 2019, e mai taura kina na sitivikiti ni Forest Stewardship Council FSC Chain of Custody, ena nona tokona na FSC ena vayagataki vakavuku ka maroro na veikau kei na sasaga ni kabani me vakayagataka na uma ni buli pakete mai na ivurevure nuitaki.

Na Golden e sa cavuisausau ka okati kina na rawati na Fiji Prime Minister's Exporter of the Year Award ena vica vata na gauna, e vakakina na Fiji Trade and Investment Board Exporter of the Year Award keina Excellence in Flexography Printing Award.

Na Veiliutaki e vakaitavi ena nodra tokoni ka nuitaki na neitou ivakalesilesi ena kena rawati na ivakatagedegede uasivi ni veiqaravi qai vakuri tikoga na kena vakadaumakataki na gagagaca ni neitou bulibuli. Na nona rawaka na Golden e vakavu mai na vuki vakavinakataki ni veiqaravi, vakanamata kina vakadidike, na vakatoroicaketaki kei na kena vakuri na ivoli uasivi eso salavata nodra qaravi vinaka na daunibisinisi eso.



OPERATIONAL REPORT OF ASSOCIATE COMPANIES | KEDRA | TUKUTUKU NA KABANI VEIWEKANI



MARSH PTE LIMITED

Marsh Pte Limited Fiji is part of Marsh & McLennan Companies (MMC), which is listed on the New York Stock Exchange and is a global leader in insurance broking and risk management.

It comprises of over 60,000 colleagues globally with presence in over 130 countries.

Marsh Fiji's 35% of earnings are retained in Fiji with Fijian Holdings (25%) and Unity Trust of Fiji (10%).

Marsh Fiji operates from offices in Suva and Lautoka with seamless access to MMC's global capabilities. We have been servicing clients and placing insurance into the local and international insurance markets for over 50 years.

Our vision for the enterprise we are building together is to:

- Create an environment where people have the opportunity to develop personally and professionally.
- Work collaboratively to bring the best ideas forward.
- Deliver exceptional value for our clients, colleagues, and shareholders.

We are united by a common purpose to make a distinctly positive impact on the businesses, people and societies we serve by providing guidance and support during critical moments. We make a difference in the moments that matter by helping clients navigate an increasing dynamic and complex environment.

Marsh Risk Consulting services in Australia and New Zealand compliments our core capabilities to help our clients navigate an increasingly dynamic and complex environment. We manage 55% of the total premiums of the insurance broking industry by advising individual and commercial clients on insurance broking and innovative risk management solutions.

Despite the COVID-19 pandemic challenges, Marsh Fiji has achieved another successful year in 2020 with client retention and new and expanded business growth. We continue to invest in recruiting talented individuals to ensure that we do not compromise our service delivery. Marsh continues to attract talent and has the most experienced and dedicated local team that has inherent advantages.

25%

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

Na Marsh Pte Limited Fiji e vakarurugi ena Marsh & McLennan Companies (MMC), ka volitaki na kena sea ena New York Stock Exchange ka kilai e vuravura ena vakarautaki ni inisua keina na qaravi ni ririkio.

E sivia na 60,000 na kena ivakalesilesi e vuravura taucoko ka veiqaravi ena 130 na matanitu.

E 35% ni nona rawaka na Marsh Fiji e vakalesui e Viti, e 25% kina Fijian Holdings keina 10% kina Unit Trust of Fiji.

Na Marsh Fiji e tiko nona valenivolavola e Suva kei Lautoka ka semati vakavinaka tu kina gacagaca ni veiqaravi ni MMC ena veiyasai vuravura. Sa sivia e 50 na yabaki na neitou dau vakarautaka na veiqaravi vakainisua ena noda vanua kei vanuatani.

Na raivotu keitou taracake kina veiwekani vakabisinisi oqo e okati kina na:

- Me varautaki edua na vanua ni cakacaka e tokona na nodra vakatoroicaketaki na tamata yadua kei na nodra kila vakacacacaka.
- Cakacakavata me rawa ni vakavurea na veivakasama vivinaka eso.
- Vakarautaka na veiqaravi uasivi duadua vei ira na daunibisinisi, tokani kei ira na itaukei ni kabani.

Keimami duavata ga ena inaki bibi me vakayaco veisau vinaka kina veibisinisi, tamata yadua kei na veitokotiko ena veivakasalataki kei na veitokoni ena veigauna bibi eso. Ena neitou vukei ira ena lewa matau ena gauna drakidrakita ka toqetoqea e donumaki.

Na Marsh Risk Consulting e Ositerelia kei Niusiladi edau veitokoni mai ena so na yavu bibi ni veiqaravi me rawa ni levei kina na vei ririkio eso ena gauna bolebole ka drakidrakita eda donuya. Keitou qarava tiko 55% na ilavo kece ni inisua ena nodra vakasalataki na tamata yadudua se na veikabani eso, ena inisua e vakarautaki vei ira kei na iwali vakasakiti ni veirikio eso.

Dina ni vakilai na bolebole ni COVID-19, e cavu isausau na Marsh Fiji ena yabaki 2020 nira vakataudeitaki tiko na qaravi keina rabailevu ni nona tubu vakabisinisi. E vakuri tikoga na neitou vakacacacakataki ira na ivakalesilesi era vutucoqa ena taledi, me kua ni lutu na veiqaravi ni kabani. Qai levu ga era veiqaravi tiko ena Marsh, era kauta vata mai kei ira na taledi, kila vakacacacaka kei na yalodina ni cakacaka vata.



OPERATIONAL REPORT OF ASSOCIATE COMPANIES | KEDRA | TUKUTUKU NA KABANI VEIWEKANI



PERNIX
(FIJI) PTE LIMITED

PERNIX (FIJI) LIMITED

A remarkable year ended on a high note for Pernix (Fiji) Pte Limited ("Pernix"). The profit after tax slightly increased in 2020 comparing to year 2019 (2.68m vs 2.23m). Once again, Pernix has performed ahead of budgeted revenue and EBITDA for the Financial year ending 31 December 2020. Some of the additional highlights of 2020 was positive change management, smart procurement and operational excellence to name a few.

Pernix Management has adopted a new way in reviewing its achievement by learning from our failures and identify why and how we succeed; combine both and you have a recipe for success. This approach was inspired from a speech by Canadian Prime Minister Justin Trudeau in Toronto during the "Alibaba Gateway '17" in September 2017 about the difference between running a business and governing a country. The inspiring script is as follows:

"Why do we succeed? When you think about what you actually learn from your mistakes versus your successes. When you succeed, you don't ask why you succeeded. You know why you succeeded, because you're awesome, because you're amazing, because you did great and you just keep going. If you don't succeed, if you make a mistake, if you fail, you don't say 'oh, it's because I'm terrible'. You say 'oh, it's because I didn't prepare right' or 'I didn't have the right advise' or 'I didn't choose the right investors' or 'the product wasn't quite right'. You look for all sorts of reasons why you failed, and we don't spend enough time looking for reasons why we succeed. That's sort of human nature."

Pernix has undertaken major planned maintenance for three of its largest power generating sets in 2020 which is the largest cost factor (3million) of the year. As reported in the past, the Variability in power station operation and maintenance revenue is primarily driven by the level of diesel generation determined by EFL coupled with the planned life cycle maintenance intervals of the power generating sets.

Pernix continues to employ majority local Fijians. The local work force represents 95% of the total number of employees (80 to date). Pernix continues to break the record on its risk score audit by achieving top results; this is achieved through the implementation and constant review of its Safety & Environmental Program.

Part of Pernix focus in 2020 was to promote the OnePernix initiative. OnePernix is the foundation of uniting all Pernix businesses and locations. Every employee needs to believe and live OnePernix; coworkers and customers alike should look to you to set an example of how Pernix operates. Our culture is about "Always striving to be the best." We know all businesses and locations have their own history and culture, which we very much respect. The goal of OnePernix is to find commonalities that bring us together. We believe those commonalities center around our four pillars: 1) Respect, 2) Innovation, 3) Operational Excellence, and 4) Extreme Customer Service. The 360 degrees employee and customer focus, will only bring fruitful results to the organization and ensures that all employees are engaged in the process no matter the rank.

21%

Fijian Holding's Shareholding

Wase ni Sea ena Kabani qo a taukena na FHL

Edua na yabaki vinaka kina Pernix (Fiji) Pte Limited ("Pernix") nia vakacavari ena delana cecere ni veiqaravi. Na tubudina ea levu vakalailai ena 2020 ni vakatauvatani keina 2019 (2.68m kei 2.23m). Na Pernix esa rawata siviva na nona iyau mai na tuvutuvu ni rawa ilavo kei na tubu ni bera na lalavaki (EBITDA), ni mai cava tiko na Tiseba ni 2020. Eso tale na cau lelevu ni 2020 oya na lewa matau ni Veiliutaki, volivoli vakayalomatua kei na veiqaravi uasivi.

Na Veiliutaki ni Pernix esa susuga edua na iwalewale vou ni veiqaravi oya na kena raillesuvi na veika e rawati ena nodra vuli mai na malumalumu e basika ka vakadeuca na veika e rawata vakavinaka; ni rau okati vata na vakasama erua ogori sana isaluwaki uasivi ni rawaka vinaka. Na vakasama ogo era veivauqeti kina na Paraiminisita mai Kenada o Justin Trudeau ena nona vakaitavi ena "Alibaba Gateway '17" mai Toronto ena Seviteba ni 2017 ena ulutaga levu, na duidui e tiko ena vakacaci bisinisi kei na liutaki ni matanitu. E vakoto ogo na malanivosa ni veivauqeti ogo:

"Cava eda rawaka kina? Na nomu vakasamataka vakavinaka na veika dina o malumalumu kina keina na ogo o rawata vinaka. Io nio rawaka vinaka, o na sega ni taroga na vuna. O rawata vakavinaka baleta nio vakasakiti, baleta nio veivakurabuitaki, baleta nio sa gumatua kina ka sega ni cegu. Nio sega ni rawata vinaka, nio vakacala edua na ka, nio datuvu, ena sega nio kaya, 'ou, baleta ga nio tamata veilecayaki'. Ona tukuna, 'ou, e baleta ga nio sega ni vakavakarau vakavinaka' se 'e cala na noqu digidigi' se 'sega ni daumaka sara na ivoli'. Eda vasaqara e levu na ulubale ka vu ni noda sega ni rawata na itavi ka lailai na gauna meda vakasaqara na vu ni noda rawaka. Qori sa itovo ga ni tamata."

Na Pernix e tuvutuvu ka tiko ena kena vakavou e tolu na nona vanua lelevu ni qaqi Livaliva ena 2020, ka cakacaka sau levu duadua (3 milioni) ena lomaniyabaki. Me vaka esa dau talaucaki wasoma, ni levu ni kena vakayagataki na siteseni ni qaqi Livaliva keina veika e rawati mai na cakacaka ni veivakavou ena vakatautaki vakalevu ena qaqi livaliva ka vakayagataki kina na waiwai (diesel) mai vei EFL ka salavata na tuvutuvu ni kena vakayacori ni vakavou ni qaqi Livaliva.

Na Pernix e vakuria tikoga na nona vakacakacakataki ira vakalevu na lewenivanua e Viti. E rauta ni 95% na kedra levu na gone ni Viti ka tiko na kedra iwiliwili ena 80 nikua. Na kabani e cavu isausau tiko ena kena raici na ririkio, sa rawa me yacova na ulunivanua cecere ogori ena kena vakayagataki ka raiclesu vakawasoma na nodratou Safety & Environmental.

E tiki ni sasaga ni Pernix ena 2020 na kena tokoni tiko na porokaramu na OnePernix. Na OnePernix edua na porokaramu ka yadrava na nodra duavata na veitabana kece sara vakabisinisi ni Pernix ena duidui ni vanua era tiko kina. O ira kece na ivakalesilesi e dodonu mera vakabauta ka bulataka na OnePernix; oya mo dau ivakaraitaki vei ira na itokani vakacakacaka kei ira na lewenivanua ena ivakarau ni nona veiqaravi na kabani. Na kena itovo e baleta na "Gumatua mo uasivi duadua" ("Always striving to be the best"). Keitou kila ni veibisinisi kece keina veivanua ni nodra veiqaravi e dui tu ga na kena ivakarau ka keitou doka sara talega vakalevu. Na sasaga ni OnePernix me vakasaqara na yavu keimami tautauvata kina ka vauci keimami vata. Ka neitou vakabauta ni veika keimami tautauvata kina e umani koto ena 4 na duru ogo: 1) Veidokai, 2) Vakasama Vou, 3) Veiqaravi Uasivi, keina 4) Sotavi ni Veiqaravi. Na kena veisautaki vakadua na rai me baleti ira na ivalesilesi kei ira na qaravi mai na kabani ena vakavurea walega na rawaka vinaka kina kabani ka vakadeitaka na nodra vakaitavi kece kina na vakalesilesi veitalia mada na nodra itutu.



OPERATIONAL REPORT OF ASSOCIATE COMPANIES | KEDRA | TUKUTUKU NA KABANI VEIWEKANI



NEWWORLD PTE LIMITED

2021 was the most difficult and challenging year for the entire Fijian economy. Whilst supermarket retail industry was classified as essential business and allowed to operate, frequent closures due to lockdowns in the latter part of the year posed many challenges. Second wave of the pandemic in the first quarter of 2021 also resulted in shop closures due to some of our employees contracting the virus. The Company stood up to the challenges whilst ensuring compliance and safety of our customers and employees.

We ensured a safe and hygienic environment for them. Frequently used items were sanitised while necessary protective equipment were provided to our employees.

Such situations requires businesses to quickly adopt to new and changing norms. Management envisaged various scenarios and were able to implement them as the norms required, some of which were first for Fiji.

With the increase in inward remittances, there has been a shift in consumer shopping patterns and this has seen a slight improvement in margins.

Product range and prices were closely monitored to ensure our customers were provided with a wide range of quality and nutritional products at competitive prices.

Difficulties and uncertain times often come with opportunities, management and the Board is continuously in search of investments in new supermarkets and other investments in line with our trade.

Despite the difficult and challenging times, the Company is confident that with the strategies in place, it will strive to be a leading player in the industry, by providing quality products and service coupled with a safe and hygienic environment for all its customers and employees.

20.3%

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

Na 2021 e dua na yabaki dredre qai bolebole vakalevu kina bula vakailavo e Viti. E dina ni bisinisi ni volivolitaki e okati me bisinisi e gadrevi me dolavi tikoga ena vuku ni matedewa, ia na kena dau yaco veitaravi tiko na tao ni bisinisi ena vuku ni sogosogo e vakilai sara kina valevu na dredre. Na ikarua ni ua taletale ni matedewa ena i matai ni vula tolu ni 2021 e vakavuna na kena mai sogo eso na neitou sitoa baleta ni so vei ira na vakaillesilesi e kunei vei ira na manumanu ni matedewa. E gumatua ga na Kabani ena vei bolebole oqori ka yadrava matua me vakaivakarau na veiqaravi ka ra taqomaki na dauvolivoli kei ira na vakaillesilesi. E laurai mera taqomaki ka savasava vinaka na vanua ni nodra cakacaka. E vakasavasavataki veitaravi na iyaya era vakayagataki vakawasoma ka soli na iyaya ni tataqamoki ena gauna ni cakacaka vei ira na vakaillesilesi.

Ena mataqali gauna vakaoqo ena gadrevi kina vei bisinisi mera vuki totolo sara ka vayacora eso na veisau vovou e veiganiti. Era vatavatairalagotaka na veliutaki na duidui vakaraitaki eso ka qai vakayacori na veisau ena gauna e gadrevi kina, e vuqa era qai kena isevu e Viti.

Na kena tubu na vakau ilavo mai vanuata ni ki Viti e mai vakilai ena ivakarau ni nodra volivoli na lewenivanua ka vakadinadinataki na kena vinaka ena veika e rawati ena Kabani.

Na duidui voli kei na kedra isau e wanonova matua ena kena vinakati me vakarautaki vei ira na dauvolivoli na duidui voli ena kena veimataqali keina ivoli e bulabula ena isau vinaka sara.

Na gauna dredre ka tawamacala ena dau kauta talega mai na ka vinaka ena so na gauna, era gumatua tiko gona na Veiliutaki kei na Matabose ena kena tauyavu vou eso tale na Supermarkets kei na vakatubuiyau ena veivanua tale eso ka veiganiti keina bisinisi e qaravi tiko.

E dina mada ni donumaka na gauna dredre ka bolebole, ia e nuidei na Kabani ena tuvatuva vou ni veiqaravi ena rawa meratou liutaki kina na makete ni bisinisi oqo ena kena vakarautaki na ivoli uasivi kei na veiqaravi e vakasakiti salavata ena kena taqomaki ka savasava na ituvaki ni vanua ni veiqaravi vei ira na dauvolivoli kei ira na vakaillesilesi.



OPERATIONAL REPORT OF ASSOCIATE COMPANIES | KEDRA | TUKUTUKU NA KABANI VEIWEKANI



GOODMAN FIELDER INTERNATIONAL (FIJI) PTE LTD

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

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

Goodman Fielder is proud to have been producing "Fijian Made" and "Fijian Grown" products for over four decades now, with key household names including Crest Chicken, Tuckers Ice Cream, Twisties, Lelei Premium Ice Cream, Meadow Lea, Meadow Fresh, Edmonds, and Sunshine. Brand names that have joined this family in more recent years are Fortune Rice and Simply Oil. The Country Kitchen brand of lamb products was another exciting venture that was introduced.

Poultry remains the biggest revenue driver for the business followed by ice-cream and snacks. The Company continues to enjoy number one market position in key categories with good growth in the past few months despite major setbacks with the current economic situation.

As part of our ongoing commitment towards growth and development, Goodman Fielder has invested heavily in sourcing and developing new product categories designed to expand beyond traditional food categories and offer complementary products to health-conscious Fijians. New product ranges include fresh quality Crest Eggs and Fielders Rice.

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

10%

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

Na Fijian Holdings e taukeni sea ena Goodman Fielder International (Fiji) Pte Limited.

Na Goodman Fielder edua vei ira e liu taumada ena tabana ni buli ivoli ka sotava vakatabakidua na nodra gagadre na dauvolivoli, e vakabauti vakalevu na nodratou ivoli qai kena ilutua e levu era a susu kaya mai ka dau marautaka nodratou ivoli ena veisiga. Eratou kenadua ena veimataqali ivoli ena toa, ice cream, kakana curukoso (snack foods), kakana ni manumanu susu (stock feed) e vaka kina na kena veimataqali eda vakayagataka na lewenivanua, e dau cibitaka ena veiyabaki na Kabani na ivakatagedegede ecake ni nona ivoli kei na kena bulabula.

E sakitaka na Goodman Fielder ni veivotayaka na ivoli e okati me "Fijian Made" (buli e Viti) keina "Fijian Grown" (teivaki e Viti) e siviva e 40 na yabaki, era ivoli kilai levu sara, me vaka na Crest Chicken, Tuckers Ice Cream, Twisties, Lelei Premium Ice Cream, Meadow Lea, Meadow Fresh, Edmonds kei na Sunshine. Na ivoli tale eso era qai okati tikoga ena vica na yabaki oqo me vaka na Fortune Rice kei na Simply Oil. Edua tale oya na Country Kitchen e varautaka na leweni sipi ena kena veimataqali, ea marautaki sara na kena sevutaki.

Na ivoli na toa e levu duadua na nona rawaka ena kabani, rau veitaravi mai na ice-cream kei na kakana curukoso (snacks). Na Kabani e marautaka tikoga na nona liutaka na makete ni ivoli ena so na tabana, salavata kei na tubu vinaka ena loma ni vica na vula sa oti, dina mada ni vakilai tiko na gauna drakidrakita ena noda bula vakailavo.

Edau tiki ni nona sasaga na Goodman Fielder me tubu ka vakatoroicaketaka na nona ivoli, edau vakasaqara na ivoli vovou eso mai na kena edau kilai tu kina, ka laurai me tokona na bulabula vakayago na ivoli vovou oqo. Na ivoli vovou oqo e okati kina na Crest Eggs kei na Fielders Rice.

Ena veitabatamata, e udolu na lewe i Viti era vakararavi kina ivoli kilai levu ni Goodman Fielder na Fijian Made kei na Fijian Grown me vakarautaka na kakana veiganiti me tekivu ga ena nodra yadra ena veimataka me yacova na nodra moce ena veibogi. Nikua, na Goodman Fielder e Viti e cibitaka na ivakatagedegede e cake sara ni nona ivoli kei na kena bulabula me vakarautaki ena veivuvale, veikoro ena veisiga yadudua.



FINANCIAL HIGHLIGHTS

USUTU NURAWATI



	2018	2019
Revenue	12,300	13,500
Profit	3,400	3,700
Sales	24,500	26,800
Working Capital	1,500	1,600
Receivables	2,200	2,300
Payables	1,200	1,300
Total	12,400	13,300

	2018	2019	2020	2021	2022
Revenue	1,200	1,300	1,400	1,500	1,600
Profit	300	350	400	450	500
Sales	2,400	2,600	2,800	3,000	3,200
Working Capital	150	160	170	180	190
Receivables	220	230	240	250	260
Payables	120	130	140	150	160
Total	1,200	1,300	1,400	1,500	1,600



Fijian Holdings Limited and Subsidiary Companies

FINANCIAL REPORT

2021

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DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the directors of Fijian Holdings Limited ('the Company') present their report together with the financial statements of the Company and the Fijian Holdings Limited Group ('the Group') being the Company, its controlled entities (see note 21 for investments in subsidiaries, individually referred to as "group entities") and associates for the year ended 30 June 2021.

1. DIRECTORS

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

Yogesh Karan – Acting Chairman

Sakiusa Raivoce

Anthony Whitton

Litiana Loabuka

Kalpana Lal

Mereia Volavola – Appointed 15 August 2020

Savendra Dayal – Appointed 15 August 2020

Eseta Nadakuitavuki – Appointed 15 August 2020

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 and loan financing and acceptance of term deposits, provision of sea transportation services and boat charters, cruise ship operations, commercial free to air broadcasting services, selling and servicing of radio, television and communications, retailing and wholesaling of general merchandise, printing and publishing, sale of stationery, and owners and administrators of properties.

3. TRADING RESULTS

The loss after income tax of the Group attributable to the members of the Company for the year ended 30 June 2021 was \$12.509 million (2020: restated profit after income tax of \$6.864 million).

The profit after income tax for the Company was \$7.886 million (2020: \$14.825 million).

4. DIVIDENDS

The directors declared and paid a final dividend of \$1.249 million (2020: \$3.747 million) from the profits for the year ended 30 June 2020. The Company paid \$nil (2020: \$3.778 million) interim dividend during the year.

5. BAD DEBTS AND ALLOWANCE FOR EXPECTED CREDIT LOSS

The directors took reasonable steps before Company's and the Group's financial statements were prepared to ascertain that all known bad debts were written off and adequate allowance was made for expected credit loss.

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 expected credit loss, inadequate to any substantial extent.

6. ASSETS

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

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

DIRECTORS' REPORT

(CONTINUED)

7. SIGNIFICANT EVENTS

The social, health and economic consequences of the COVID-19 pandemic continue to evolve rapidly and have major impacts across the globe. Since its declaration as a pandemic in March 2020, and its ongoing impact since then, COVID-19 and the associated government, business and consumer response has had an impact on the operations and financial performance of the Group.

The unprecedented travel bans imposed as a response to minimising the spread of COVID-19 continues to adversely impact the tourism segment of the Group.

Further, an economic slow-down in the construction segment of the Group was being felt pre COVID and this was further exacerbated by COVID-19 as the level of construction has significantly reduced.

For the media segment of the Group, the subsidiary company, Life Cinema Pte Limited, continues to be severely impacted by COVID-19 including its liquidity and cash flow position. In 2021, the cinemas were operational for around 10 months after the initial closure of cinemas in March 2020 was lifted in July 2020 and reimposed in April 2021. However, the restrictions on patronage capacity, unavailability of new movies from distributors, extended curfew hours and public reluctance to go to cinemas, due to the infectious nature of the virus, resulted in increased losses for the financial year. The subsidiary company continues to implement cost-control measures to reduce its expenses. In August 2021, the subsidiary company's bankers extended the loan repayment moratorium (principal only) to December 2021. The subsidiary company continues to monitor and assess its business operations progressively, and will undertake further actions as appropriate. Directors believe that with the current plans and strategies in place, the subsidiary company can manage the future impact of COVID-19 on the overall operations and performance of the subsidiary company.

The finance segment of the Group has also been adversely impacted by COVID-19. Forward looking economic assumptions have been used in determining the provision against loans and advances including a growth in GDP of 6.2%. In assessing forecast economic conditions, consideration has been given to both significant government support measures being undertaken and relief offered to borrowers by the Group. This includes deferred repayment periods on loans and advances.

The impact of COVID-19 on the group entities has had an impact on the dividend income for the Company and assumptions used to fair value equity securities held by the Company.

While the ultimate disruption which may be caused by the outbreak is uncertain, it may result in continued adverse impact on the Group's financial position, performance and cash flows, should it result in ongoing economic downturn.

The Group continues to monitor developments of the COVID-19 pandemic and the measures being implemented to control and slow the outbreak. Given the second wave of COVID-19 outbreak in April 2021, the dynamic nature of the circumstances and the significant increase in economic uncertainty, the Group's and the Company's results of operations, cash flows and financial condition has been significantly impacted by the estimates and underlying assumptions which have been used to determine certain balances including impairment of loans, advances and receivables, impairment of non-financial assets and fair value of equity securities.

8. RELATED PARTY TRANSACTIONS

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

DIRECTORS' REPORT

(CONTINUED)

9. OTHER CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which render any amounts stated in the financial statements misleading.

10. UNUSUAL TRANSACTIONS

The results of the 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.

11. EVENTS SUBSEQUENT TO BALANCE DATE

The recent announcement by the Government on the lifting of restrictions on trading for businesses and reduction of curfew hours and opening of containment zones and international borders provides some confidence in the improvement of the Group's and the Company's financial performance.

Except for the above, 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.

12. GOING CONCERN

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

13. DIRECTORS' INTERESTS

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

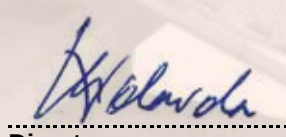
	<u>Beneficially</u>		<u>Non-beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Sakiusa Raivoce	-	1,351,326	-	-

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

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

Dated this 15 day of October 2021.


.....
Acting Chairperson


.....
Director

DIRECTORS' REPORT

(CONTINUED)

STATEMENT BY DIRECTORS'


In the opinion of the directors:

- (a) the accompanying statements of profit or loss and other comprehensive income of the Company and the Group is drawn up so as to give a true and fair view of the results of the Company and the Group for the year ended 30 June 2021;
- (b) the accompanying statements of financial position of the Company and the Group is drawn up so as to give a true and fair view of the state of the affairs of the Company and the Group as at 30 June 2021;
- (c) the accompanying statements of changes in equity of the Company and the Group is drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 30 June 2021;
- (d) the accompanying statements of cash flows of the Company and the Group is drawn up so as to give a true and fair view of the cash flows of the Company and the Group for the year ended 30 June 2021;
- (e) at the date of this statement, there are reasonable grounds to believe that the Company and the group entities will be able to pay their debts as and when they become due and payable;
- (f) all related party transactions have been adequately recorded in the books of the Company and the group entities; and
- (g) the financial statements have been prepared in accordance with the Companies Act 2015.

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

Dated this 15 day of October 2021.


.....
Acting Chairperson


.....
Director



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
FIJIAN HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIJIAN HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fijian Holdings Limited ("the Company") and the consolidated financial statements of the Company and its controlled entities (the "Group"), which comprise the statements of financial position as at 30 June 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 30 June 2021, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.5 of the accompanying financial statements, which describes the effects of COVID-19 on the Group and the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We also draw attention to Note 3.26 of the accompanying financial statements, which indicates that the comparative information presented as at and for the year ended 30 June 2020 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Valuation of goodwill; and
- Valuation of unlisted securities.

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

Goodwill amount (\$41m) – the Group	
Refer to Notes 3.9, 3.10 and 19 to the financial statements	
The key audit matter	How the matter was addressed in our audit
A key audit matter for us was the Group's annual testing of goodwill for impairment, given the size of the balance (being 7% of total assets) and the higher estimation uncertainty continuing from the business disruption impact of the COVID-19 global pandemic. Certain conditions impacting the Group increased the judgement applied by us when evaluating the evidence available. We focussed on the significant forward-looking assumptions the Group applied in their value in use models, including:	Working with our valuation specialists our procedures included: <ul style="list-style-type: none"> • considering the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • assessing the integrity of the value in use model used, including the accuracy of the underlying formulas applied.

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Document classification: KPMG Public



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
FIJIAN HOLDINGS LIMITED**

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> Forecast cash flows – the Group has experienced significant business disruption as a result of COVID-19. COVID-19 impacted the Group through a complete shutdown of the subsidiary company, South Sea Cruises Pte Limited, for a major part of the year ended 30 June 2021, stand down of significant employee numbers for the subsidiary company and loss of revenue. These conditions and the uncertainty of their continuation increase the possibility of goodwill being impaired, plus the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider. We focused on the expected rate of recovery for the Group and what the Group considers as its future business model when assessing the feasibility of the Group's forecast cash flows. forecast growth rates and terminal growth rates – In addition to the uncertainties described above, the Group's models are highly sensitive to small changes in these assumptions, reducing available headroom and indicating possible impairment. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy. discount rate - these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time, together with the models approach to incorporating risks into the cash flows or discount rates. The Group's modelling is highly sensitive to small changes in the discount rate. We involve our valuations specialists with the assessment. <p>The Group uses complex models to perform their annual testing of goodwill for impairment. The models are largely manually developed, use adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. Complex modelling, using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<ul style="list-style-type: none"> meeting with management to understand the impact of COVID-19 to the Group. This included understanding changes in the Group's plans resulting from COVID-19, and potential future impacts to the Group. compared the forecast cash flows contained in the value in use model to Board approved forecasts. assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models. challenging the Group's significant forecast cash flow and growth assumptions in light of the expected continuation of unprecedented uncertainty of business disruption and impacts of the COVID-19 global pandemic. We compared forecast growth rates and terminal growth rates to authoritative published studies of industry trends and expectations, and considered differences for the Group's operations. We assessed key assumptions such as what the group considers as their future business model. We used our knowledge of the Group, business and customers, and our industry experience. We sourced authoritative and credible inputs from our specialists. Checking the consistency of the growth rates to the Group's revised plans and our experience regarding the feasibility of these in the industry and COVID-19 economic environment in which they operate. independently developing a discount rate range considered comparable using publicly available information for comparable entities, adjusted by risk factors specific to the Group and the respective industries it operates in. considering the sensitivity of the models by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
FIJIAN HOLDINGS LIMITED**

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Valuation of unlisted securities (\$514m) – the Company

Refer to Note 3.4 and 20 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Unlisted securities are measured at fair value and classified as fair value through other comprehensive income in the Company level non-consolidated financial statements. The valuation of unlisted securities is a key audit matter due to the nature of these investments in unlisted companies (investee companies) and the greater judgement associated with valuing them. We focused on gathering evidence in respect to the valuation techniques used by the Company, unobservable inputs used in the valuation techniques and the performance of the investee companies.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>Working with our valuation specialists our procedures included:</p> <ul style="list-style-type: none"> • Assessing the capitalisation of dividends approach, net tangible assets approach and future maintainable earnings valuation techniques used by the Company considering the extent of controlling interest, purpose, nature and the profitability history of the investee companies. • Assessing the significant unobservable inputs in the investee company valuations of capitalization rates, adjusted market multiples, forecasted earnings and recoverable amount of net tangible assets as follows; <ul style="list-style-type: none"> • Comparing investee companies' performance included in the future maintainable earnings valuation technique to the respective audited financial statements and Board approved forecasts of the investee companies. • Considering dividends received from investee companies over the last three years to the future profitability included in the capitalisation of dividends approach valuation technique. • Comparing investee companies' net assets included in the net tangible assets valuation technique to the respective audited financial statements of the investee companies. • Comparing Price Earnings ratios/EBITDA multiples included in the future maintainable earnings valuation technique to publicly available information for similar listed entities. • Independently developing a range for capitalization rates and adjusted market multiples considered comparable using publicly available information for comparable entities, adjusted by risk factors specific to the investee companies and the industries they operate in. • Considering events that occurred subsequent to the year end up until the date of this audit report and their impact to the underlying assumptions of the valuations; • Performing sensitivity of the valuation by varying key assumptions, such as capitalization rates, adjusted market multiples and forecast earnings, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures; and • Considering the appropriateness of the disclosures in the financial statements in respect of unlisted securities against the requirements of the accounting standards.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
FIJIAN HOLDINGS LIMITED**

Report on the Audit of the Financial Statements (continued)

Other Information

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

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Company and the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
FIJIAN HOLDINGS LIMITED**

Report on the Audit of the Financial Statements (continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

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

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

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Steve Nutley
Partner
Suva, Fiji
15 October, 2021



INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2021

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 395 OF THE COMPANIES ACT 2015

To the Directors of Fijian Holdings Limited

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 30 June 2021 and up to the date of this report there have been:

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

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Steve Nutley
Partner
Suva, Fiji
15 October, 2021



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

	Note	Group		Company	
		2021 \$'000	2020 \$'000 Restated*	2021 \$'000	2020 \$'000
Revenue					
Operating revenue	35	222,254	289,764	12,176	20,354
Other income	6(a)	1,157	1,000	203	270
		<u>223,411</u>	<u>290,764</u>	<u>12,379</u>	<u>20,624</u>
Expenses					
Changes in inventories of finished goods and work in progress		(106,375)	(112,082)	-	-
Raw materials and consumables used		(39,943)	(48,057)	-	-
Direct operating expenses		(7,270)	(22,186)	-	-
Staff costs		(21,054)	(29,205)	(919)	(1,475)
Depreciation and amortisation	9,16,19	(17,076)	(16,746)	(307)	(304)
Impairment loss on property, plant and equipment and intangible assets	9,16,19	(5,845)	(525)	-	-
Impairment loss on loans, advances and receivables	13,14	(6,939)	(12,426)	-	-
Impairment loss on equity accounted investments	23	(5,797)	-	-	-
Other operating expenses	6(b)	(30,628)	(41,170)	(1,015)	(1,684)
		<u>(240,927)</u>	<u>(282,397)</u>	<u>(2,241)</u>	<u>(3,463)</u>
Operating (loss)/ profit		<u>(17,516)</u>	<u>8,367</u>	<u>10,138</u>	<u>17,161</u>
Finance income – interest revenue		379	556	474	428
Finance income – other		-	131	-	-
Finance costs – other		(5,969)	(6,705)	(2,214)	(2,594)
Net finance costs	7	<u>(5,590)</u>	<u>(6,018)</u>	<u>(1,740)</u>	<u>(2,166)</u>
Share of profit in associates, net of tax	23	7,147	5,340	-	-
(Loss)/ profit before income tax		<u>(15,959)</u>	<u>7,689</u>	<u>8,398</u>	<u>14,995</u>
Income tax expense	8(a)	<u>(1,638)</u>	<u>(1,646)</u>	<u>(512)</u>	<u>(170)</u>
(Loss)/ profit after tax		<u>(17,597)</u>	<u>6,043</u>	<u>7,886</u>	<u>14,825</u>
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Equity investments at FVOCI – net change in fair value		(630)	(2,943)	(1,114)	150,810
Credit loss reserve derecognised		-	(3,000)	-	-
Revaluation of property, plant and equipment	16(e)	-	(1,305)	-	-
Total items that will not be reclassified to profit or loss		<u>(630)</u>	<u>(7,248)</u>	<u>(1,114)</u>	<u>150,810</u>
Items that are or may be reclassified subsequently to profit or loss					
Net change in foreign currency translation reserve		(2)	(2)	-	-
Total items that are or may be reclassified subsequently to profit or loss		<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Other comprehensive (loss)/ income, net of tax		<u>(632)</u>	<u>(7,250)</u>	<u>(1,114)</u>	<u>150,810</u>
Total comprehensive (loss)/ income		<u>(18,229)</u>	<u>(1,207)</u>	<u>6,772</u>	<u>165,635</u>

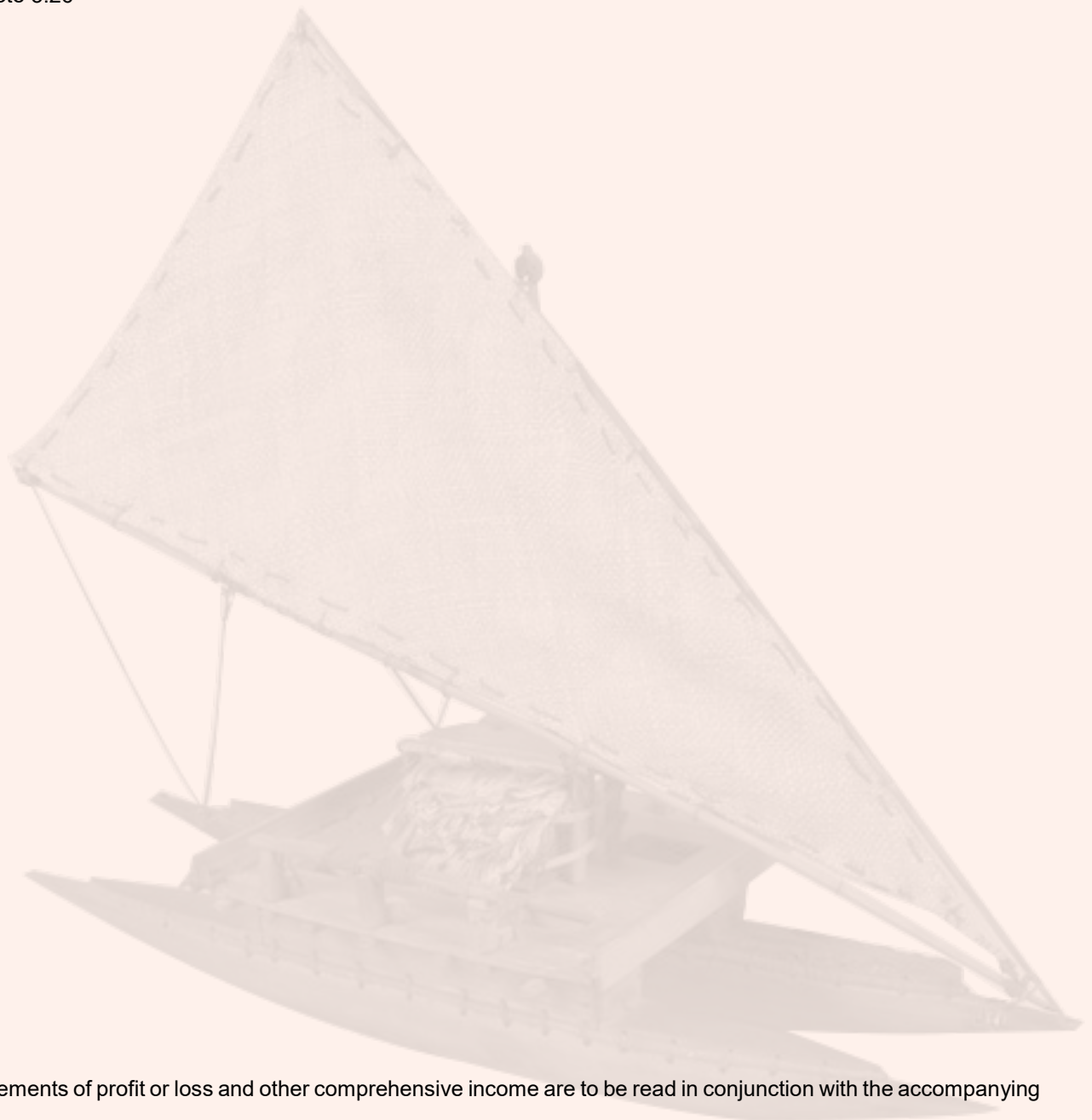
* See Note 3.26

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

		Group	
	Note	2021 \$'000	2020 \$'000 Restated*
(Loss)/profit attributable to:			
Equity holders of the holding company		(12,509)	6,864
Non-controlling interest	22	<u>(5,088)</u>	<u>(821)</u>
		(17,597)	6,043
		=====	=====
Total comprehensive (loss)/income attributable to:			
Equity holders of the holding company		(13,140)	241
Non-controlling interest	22	<u>(5,089)</u>	<u>(1,448)</u>
		(18,229)	(1,207)
		=====	=====
		Cents	Cents
Basic and diluted (loss)/ earnings per share	31	(4)	2
		=====	=====

* See Note 3.26



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

CONSOLIDATED STATEMENT OF

FINANCIAL POSITION

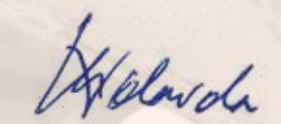
	Note	30 June 2021 \$'000	Group 30 June 2020 \$'000 Restated*	1 July 2019 \$'000 Restated*	Company 30 June 2021 \$'000	30 June 2020 \$'000
ASSETS						
Cash and cash equivalents	11(a)	33,735	32,787	20,038	154	154
Debt securities	12	13,962	6,232	10,942	-	-
Inventories	15	34,491	38,777	41,029	-	-
Equity securities	20	25,229	24,667	29,366	524,237	525,179
Investments in associates	23	36,878	38,964	30,784	-	-
Trade and other receivables	13	22,837	27,113	36,279	56,413	50,396
Loans and advances	14	141,618	161,164	164,974	-	-
Current tax asset	8(b)	2,798	3,060	1,109	350	325
Investment properties	18	77,632	62,158	53,954	-	-
Property, plant and equipment	16	150,044	164,755	156,055	431	594
Intangible assets	19	60,204	60,865	61,450	-	-
Right of use assets	9	15,551	18,138	20,179	853	125
Other assets	17	1,634	3,199	4,765	26	26
Deferred tax assets	8(c)	8,123	6,428	7,407	21	558
Total assets		624,736	648,307	638,331	582,485	577,357
LIABILITIES						
Payables and provisions	24	42,061	33,682	30,740	442	371
Contract liabilities		3,658	3,344	5,829	-	-
Dividends payable	26	4,918	4,180	4,045	-	-
Employee entitlements	25	1,086	1,013	1,919	73	77
Lease liabilities	9	15,001	16,644	17,866	853	150
Borrowings	27	280,080	290,362	258,940	59,309	60,474
Deferred tax liabilities	8(c)	11,793	11,171	15,141	-	-
Total liabilities		358,597	360,396	334,480	60,677	61,072
Net assets		266,139	287,911	303,851	521,808	516,285
SHAREHOLDERS EQUITY						
Share capital	28	30,465	30,465	30,465	30,465	30,465
Reserves	29	28,861	29,492	38,667	322,815	323,929
Retained earnings		167,031	180,789	181,450	168,528	161,891
Attributable to members of the Company		226,357	240,746	250,582	521,808	516,285
Non-controlling interest	22	39,782	47,165	53,269	-	-
Total shareholders' equity		266,139	287,911	303,851	521,808	516,285

* See Note 3.26

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

For and on behalf of the Board.


.....
Acting Chairperson


.....
Director

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

CONSOLIDATED STATEMENT OF

CASH FLOWS

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from operating activities:					
Cash receipts from customers		209,509	278,315	149	255
Cash paid to suppliers and employees		(191,028)	(251,848)	(9,087)	(15,708)
Cash generated from/ (used in) operating activities		18,481	26,467	(8,938)	(15,453)
Dividends received		5,119	4,373	9,442	12,861
Management fees received		-	-	1,442	1,946
Management fees paid		(3,615)	(3,781)	-	-
Net customer loan collected/ (granted)		13,767	(6,550)	-	-
Net (decrease)/increase in deposits		(13,837)	17,282	-	-
Interest received		23,829	25,111	88	456
Other income received		23	29	-	-
Interest paid		(12,489)	(15,032)	(2,156)	(2,476)
Income taxes paid	8(b)	(2,095)	(6,115)	-	(4)
Net cash from/ (used in) operating activities		29,183	41,784	(122)	(2,670)
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(1,041)	(7,719)	(19)	(536)
Acquisition of investment properties		(15,526)	(19,806)	-	-
Refund of /(payment for) share deposit		147	(310)	(656)	(310)
Investment in equity securities		(300)	(6,800)	-	(6,540)
Proceeds from disposal of equity securities		17	-	17	-
Proceeds from disposal of property, plant and equipment and assets held for sale		111	147	-	14
Acquisition of intangible assets		(113)	(124)	-	-
Net cash used in investing activities		(16,705)	(34,612)	(658)	(7,372)
Cash flows from financing activities:					
Dividends paid to the Company's shareholders	10	(1,249)	(7,525)	(1,249)	(7,525)
(Payment for)/proceeds from debt securities, net		(7,438)	2,152	-	-
Dividends paid to non-controlling interest	22	(2,293)	(4,118)	-	-
Payment for lease liabilities	27	(2,539)	(1,242)	(150)	(147)
Proceed from issue of shares		-	100	-	-
Loans to related party		-	-	-	(270)
Proceeds from related party loans		258	-	2,800	1,150
Repayment of loans by related party		-	-	357	2,466
Net movement in loans	27	(3,102)	17,273	1,072	13,552
Net cash (used in)/ from financing activities		(16,363)	6,640	2,830	9,226
Net (decrease)/ increase in cash and cash equivalents		(3,885)	13,812	2,050	(816)
Cash and cash equivalents at beginning of year		4,902	(8,908)	(9,828)	(9,012)
Effect of exchange rate changes on cash held		(10)	(2)	-	-
Cash and cash equivalents at end of year	11(a)	1,007	4,902	(7,778)	(9,828)

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

CONSOLIDATED STATEMENT OF

CHANGES IN EQUITY

Group	Attributable to owners of the Company					Non-controlling Interests \$'000	Total Equity \$'000
	Share Capital \$'000	Reserves ¹ \$'000	Other Reserves ¹ \$'000	Retained Earnings \$'000	Total \$'000		
Balance 1 July 2019	30,465	38,667	-	184,879	254,011	55,972	309,983
Impact of restatement of comparatives (See Note 3.26/36)	-	-	-	(3,429)	(3,429)	(2,703)	(6,132)
Restated balance at 1 July 2019	30,465	38,667	-	181,450	250,582	53,269	303,851
Total comprehensive loss	-	-	-	6,864	6,864	(821)	6,043
Restated profit (See Note 3.26/36)	-	(6,623)	-	-	(6,623)	(627)	(7,250)
Other comprehensive loss	-	(6,623)	-	-	-	-	-
Total comprehensive loss	-	(6,623)	-	6,864	241	(1,448)	(1,207)
Transactions with owners of the Company							
Contributions and distributions							
Dividends paid to owners of the Company	-	-	-	(7,525)	(7,525)	(4,817)	(12,342)
Total contributions and distributions	-	-	-	(7,525)	(7,525)	(4,817)	(12,342)
Changes in ownership interests							
Increase in non-controlling interest through disposal	-	650	-	-	650	250	900
Decrease in non-controlling interest through acquisition	-	(3,202)	-	-	(3,202)	(89)	(3,291)
Total changes in ownership interests	-	(2,552)	-	-	(2,552)	161	(2,391)
Total transactions with owners of the Company	-	(2,552)	-	(7,525)	(10,077)	(4,656)	(14,733)
Restated balance at 30 June 2020	30,465	29,492	180,789	240,746	240,746	47,165	287,911
Balance 1 July 2020	30,465	29,492	180,789	240,746	240,746	47,165	287,911
Total comprehensive loss	-	-	-	(12,509)	(12,509)	(5,088)	(17,597)
Loss	-	-	-	-	-	(1)	(632)
Other comprehensive loss	-	(631)	-	-	(631)	(1)	(632)
Total comprehensive loss	-	(631)	-	(12,509)	(13,140)	(5,089)	(18,229)
Transactions with owners of the Company							
Contributions and distributions							
Dividends paid to owners of the Company	-	-	-	(1,249)	(1,249)	(2,294)	(3,543)
Total transactions with owners of the Company	-	-	-	(1,249)	(1,249)	(2,294)	(3,543)
Balance at 30 June 2021	30,465	28,861	167,031	226,357	226,357	39,782	266,139

(1) See note 29.

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

Company	Share Capital \$'000	Other Reserves ¹ \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance 1 July 2019	30,465	173,119	154,591	358,175
Total comprehensive income	-	-	14,825	14,825
Profit	-	-	14,825	14,825
Other comprehensive income	-	150,810	-	150,810
Total comprehensive income	-	150,810	14,825	165,635
Transactions with owners of the Company				
Contributions and distributions				
Dividends paid to owners of the Company	-	-	(7,525)	(7,525)
Total contributions and distributions	-	-	(7,525)	(7,525)
Total transactions with owners of the Company	-	-	(7,525)	(7,525)
Balance at 30 June 2020	30,465	323,929	161,891	516,285
Balance 1 July 2020	30,465	323,929	161,891	516,285
Total comprehensive income	-	-	7,886	7,886
Profit	-	-	7,886	7,886
Other comprehensive expense	-	(1,114)	-	(1,114)
Total comprehensive income	-	(1,114)	7,886	6,772
Transactions with owners of the Company				
Contributions and distributions				
Dividends paid to owners of the Company	-	-	(1,249)	(1,249)
Total contributions and distributions	-	-	(1,249)	(1,249)
Total transactions with owners of the Company	-	-	(1,249)	(1,249)
Balance at 30 June 2021	30,465	322,815	168,528	521,808

(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
CONSOLIDATED FINANCIAL STATEMENTS

1. EQUITY SECURITIES

Equity securities are valued in accordance with Note 3.4 of the financial statements.

	Company		Movement \$'000
	2021 \$'000	2020 \$'000	
(a) Listed/ quoted securities			
- Fijian Holdings Unit Trust	7,134	7,284	(150)
- Flour Mills of Fiji Limited	2,713	2,765	(52)
	<u>9,847</u>	<u>10,049</u>	<u>(202)</u>
(b) Unlisted securities			
Shares in subsidiary companies			
- Basic Industries Pte Limited ¹	23,716	17,627	6,089
- FHL Retailing Pte Limited ² RB Patel Group Limited*	254,771	261,841	(7,070)
- FHL Stockbrokers Pte Limited	779	817	(38)
- Pacific Cement Pte Limited ¹	4,200	3,175	1,025
- FHL Fund Management Pte Limited	6,027	6,027	-
- FHL Properties Pte Limited ³	42,964	38,323	4,641
- Merchant Finance Pte Limited	34,000	34,000	-
- South Sea Cruises Pte Limited Blue Lagoon Cruises Holding Pte Limited* Blue Lagoon Cruises Pte Limited*	55,500	55,500	-
- FHL Media Pte Limited ² Fiji Television Limited* Life Cinema Pte Limited*	40,267	52,619	(12,352)
- Serendib Investment Pte Limited ³	4,693	2,065	2,628
	<u>466,917</u>	<u>471,994</u>	<u>(5,077)</u>
Shares in other companies			
- Goodman Fielder International (Fiji) Pte Limited	2,200	2,200	-
- Asian Paints (South Pacific) Pte Limited	3,500	3,500	-
- Marsh Pte Limited	8,636	8,636	-
- Newworld Pte Limited	10,200	10,200	-
- Golden Manufacturers Pte Limited ⁴	18,562	10,000	8,562
- Pernix Fiji Pte Limited	2,625	2,160	465
- Ritam Investment Pte Limited ⁵	1,750	6,440	(4,690)
	<u>47,473</u>	<u>43,136</u>	<u>4,337</u>
Total investments	<u>524,237</u>	<u>525,179</u>	<u>(942)</u>

* The results of these subsidiaries have been consolidated in the carrying value of FHL Retailing Pte Limited, South Sea Cruises Pte Limited and FHL Media Pte Limited respectively.

¹ Fair value is based on the future maintainable earnings approach. Movement in fair value is due to an increase in future maintainable earnings which is based on forecasted results for the respective entities.

² These entities primarily hold investments in listed equity securities. Fair value is based on the net tangible asset approach with investments in listed equity securities being measured at fair value based on the quoted share price at reporting date except for FHL Media Pte Limited's ('FHL Media') investment in Fiji Television Limited ('FTV'). FHL Media's shareholding in FTV has been measured at fair value based on the future maintainable earnings approach due to suspension of trading of FTV shares on the South Pacific Stock Exchange from February 2021.

³ Fair value is based on the net tangible asset approach. For FHL Properties Pte Limited the fair value primarily represents the value of the underlying investment properties which was independently valued at yearend. For Serendib Investment Pte Limited, the increase in fair value is based on an independent valuation of the land and buildings owned by the subsidiary company. The independent valuation was performed during the year.

⁴ Fair value is based on the future maintainable dividends approach, Increase in fair value is due to an expected increase in future maintainable dividends.

⁵ Fair value is based on a recent comparable sale transaction.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS

2. 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 2021 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.

During 2021, the Company elected to present the parent entity financial statements with the consolidated financial statements in the same set of financial statements as permitted by the Companies Act 2015 and the International Financial Reporting Standards.

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

These financial statements were authorised for issue by the Board of Directors on 15 October 2021.

2.1 Statement of compliance

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

2.2 Basis of accounting

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

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

Standards, amendments and interpretations issued but not yet effective

A number of new and amended standards are effective for annual periods beginning after 1 July 2020 and have not been applied in preparing these financial statements. None of the new standards, amendments and interpretations issued is expected to have a significant effect on the financial statements of the Company and the Group, except for the following:

(a) Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group does not intend to apply the amendment until the effective date. The Group and the Company are yet to assess the impact of this change.

(b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments clarify the following in relation to classification of liabilities as current or non-current:

- The right to defer settlement for at least 12 months after the reporting period must have substance and exist at the reporting date – i.e. the requirement for the right to be ‘unconditional’ has been removed;
- The classification of liabilities is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- Settlement of a liability includes transferring an entity’s own equity instruments to the counterparty. If a liability has any conversion options that involve a transfer of an entity’s own equity instruments, then these generally affect the liability’s classification as current or non-current, unless these conversion options are recognized as equity under IAS 32.

The amendments apply for annual reporting periods beginning on or after 1 January 2023. The Group does not intend to apply the amendment until the effective date. The Group and the Company are yet to assess the impact of this change.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS

2. GENERAL INFORMATION (continued)

2.2 Basis of accounting (continued)

New currently effective requirements

In April 2020, the International Accounting Standards Board ("IASB") issued *Covid-19-Related Rent Concessions (Amendment to IFRS 16)*. The pronouncement amended IFRS 16 *Leases* to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.

Since lessors continue to grant COVID-19-related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the IASB decided to extend the time period over which the practical expedient is available for use.

The Changes in *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)* amend IFRS 16 to:

- permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021);
- require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021;
- require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

As at 30 June 2021, the Group has adopted the amendment issued by the IASB in preparing these consolidated financial statements. Refer note 9 for further details.

2.3 Use of estimates and judgments

The preparation of the 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 3.4 – determining the fair value of equity securities
- Note 3.4.6 – measurement of ECL allowance for loans, advances and receivables
- Note 3.6 – determining the fair value of investment properties
- Note 3.10 – impairment test of non-financial assets
- Note 3.13 – recognition of deferred tax assets
- Note 3.18 – recognition and measurement of provisions

COVID-19 impact on the use of estimates and assumptions

On 11 March 2020, the World Health Organization declared COVID-19 a global pandemic. While COVID-19 is a health crisis, it has caused socioeconomic disruption on a domestic and global scale. The Group has considered the impact of COVID-19 when preparing these financial statements and related note disclosures.

The Group has developed various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2021 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgment involved in preparing these forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. GENERAL INFORMATION (continued)

2.3 Use of estimates and judgments (continued)

COVID-19 impact on the use of estimates and assumptions (continued)

Accordingly, actual economic conditions may be different from those forecast since anticipated events may not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates particularly impacted by these associated uncertainties are predominantly related to the fair value of equity securities (see note 1) and investment properties (see note 18), recoverable amount assessments of non-financial assets and expected credit losses for trade and other receivables and loans and advances. The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further below. Readers should carefully consider these disclosures in light of the inherent uncertainty described above.

COVID-19 financial reporting considerations in the preparation of the financial statements

Given the increased economic uncertainties from COVID-19, the Group has enhanced its financial reporting procedures and governance practices surrounding the preparation of the financial statements. In addition to standard financial year end reporting practices, the Group has:

- Developed a detailed program of work to understand and analyse how COVID-19 may impact key disclosures in the financial statements;
- Implemented a risk register and held regular status meetings with component management to monitor, track and report business and financial reporting matters relating to COVID-19;
- Critically assessed estimates, judgments and assumptions used in the preparation of the financial statements, including updating the Group's outlook on economic conditions arising from COVID-19;
- Reviewed external publications and market communications to identify other potential COVID-19 impacts in the preparation of the financial statements;
- Considered emerging market practice and trends along with regulatory pronouncements to assess the completeness of assessed COVID-19 impacts in the preparation of the financial statements;
- Determined the impact COVID-19 has had on the reported amounts and disclosures in the financial statements and updated these disclosures accordingly;
- Increased scrutiny and review by management, Board and board committees; and
- Assessed the carrying value of the Group's assets and liabilities at reporting date. Where there is a significant use of estimates and judgments in determining the carrying value of the Group's assets and liabilities, the procedures in determining the carrying value of these assets and liabilities are summarised below.

Impairment of goodwill

The Group has tested its goodwill for impairment at reporting date. The assumptions underpinning the value-in-use calculations used to evaluate the supportability of goodwill were adjusted to reflect reasonable estimates of the impact of COVID-19 and the increased risks associated with the estimated cash flows. There is a heightened level of uncertainty around key assumptions in the current environment. This has the potential to materially impact the value-in-use assessment moving forward and potentially the carrying value of the respective goodwill. While the ongoing economic uncertainty from the COVID-19 global pandemic has impacted the cash flow forecasts and estimate and assumptions inherent in the goodwill impairment test, the results of the annual impairment test determined the goodwill allocated to the cash generating units (CGUs) is recoverable and no impairment loss was required (refer to note 19).

Expected credit losses

The COVID-19 pandemic, together with measures implemented to contain the virus, has had a profound impact on the Fijian and global economy, driving heightened levels of market uncertainty and a significant deterioration, or expected deterioration, in macroeconomic conditions, notably gross domestic product. This, in turn, has resulted in a significant impact on the provision for impairment on financial assets, as forecast macroeconomic conditions are a key factor in determining the expected credit loss (ECL) for loans, advances and receivables. There is a risk that the economic impacts of COVID-19 could be deeper or more prolonged than anticipated, which could result in higher credit losses than those modelled. Further details on the ECL model methodology, estimates and assumptions are outlined in note 5.1(b).

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. GENERAL INFORMATION (continued)

2.3 Use of estimates and judgments (continued)

COVID-19 financial reporting considerations in the preparation of the financial statements (continued)

Financial risk management

The Group has adopted prudent practices to manage liquidity risk and to ensure an adequate level of liquidity is maintained to meet obligations as they fall due across a wide range of operating circumstances. Given the uncertain outlook, the Group has taken proactive steps to further strengthen the balance sheet. These actions included benefiting from the economic stimulus measures implemented by the Government which amongst other measures included moratorium on debt repayments. Consequently, the Group has been able to renegotiate its borrowing terms and conditions, including related debt covenants, with its main lender.

The Group continues to monitor markets closely and take appropriate action when and if required. For further details, refer to note 5.1(c).

2.4 Functional and presentation currency

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

2.5 Going Concern

The ongoing impact of COVID-19 continues to cause a significant deterioration in economic conditions and increased economic uncertainty which has had adverse impacts for the following group entities:

a) South Sea Cruises Pte Limited

As a result of COVID-19 the Fijian Government enacted its emergency plan which has seen the closure of the Fijian border from 19 March 2020 resulting in a complete closure of the country's tourism industry. As a result, the subsidiary company's operations were suspended on 23 March 2020. The operations largely remained suspended throughout the year ended 30 June 2021 and remain suspended as at the date of this report. This has resulted in a significant reduction in the financial performance and cash flow of the subsidiary company including its liquidity position as at yearend.

The subsidiary company since 23 March 2020, has had no operations and has skeleton staff working at reduced hours including a reduced management team. The only cash flows being incurred are those relating to safeguarding and maintaining the subsidiary company's assets and wages and salaries of skeleton staff. Since the inception of the pandemic, the subsidiary company has been reliant on financial assistance from its financiers. Assistance provided to the subsidiary company has been as follows:

- An extended overdraft facility limit of \$9,000,000 till 31 July 2021 of which \$7,390,000 has been utilised as at 30 June 2021.
- Temporary holiday from 22 April 2020 to 21 February 2021 on interest and principal repayments on long term borrowings with financiers.
- Interest only repayments on long term borrowings from 21 February 2021 to 30 June 2021. These interest repayments have been met from the extended overdraft facility.

For the year ended 30 June 2021, the subsidiary company incurred a loss after tax of \$7,417,000 (2020: profit of \$863,000). The subsidiary company has a working capital deficiency of \$27,491,000 (2020: \$15,112,000) and shareholders deficiency of \$2,759,000 as at 30 June 2021. The large working capital deficiency is due to borrowings from financiers at 30 June 2021 of \$18,119,000 being classified as current as a result of breach of debt covenants (see note 27).

Based on the subsidiary company's liquidity position as at reporting date, and considering the uncertainty around tourism related activities recommencing including the impacts of 'new normal' when borders re-open and tourism related activities recommence, the subsidiary company expects that it will need continued additional financing from its financiers and the Group to meet its financial obligations.

On 30 August 2021, the financiers extended their assistance to the subsidiary company through to 31 March 2022. This assistance comprises of an increase in overdraft facility limit to \$13,650,000 and an extension of interest only repayments on long term borrowings till 31 March 2022. The overdraft facility limit will reduce to \$1,500,000 on 1 April 2022.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. GENERAL INFORMATION (continued)
Going Concern (continued)

a) South Sea Cruises Pte Limited (continued)

In relation to the expected reduction in overdraft facility limit to \$1,500,000 on 1 April 2022, the subsidiary company has been instructed by the financier to sell the freehold island property it owns by 30 June 2022. The property is valued at \$11,150,000 at 30 June 2021 (see Note 16) and this is expected to provide collateral satisfactory to the financiers in the event the financiers cease to provide support and the subsidiary company is unable to reduce the overdraft to \$1,500,000.

b) Life Cinema Pte Limited

In 2021, the subsidiary company continued to be severely impacted by COVID-19 as a result of restrictions on patronage capacity, unavailability of new movies from distributors, extended curfew hours and public reluctance to go to cinemas due to the infectious nature of the virus. This was compounded by the complete closure of cinemas following the second wave in March 2021.

Since the inception of the pandemic, the subsidiary company has been reliant on financial assistance from its financiers. Assistance provided to the subsidiary company included interest only repayments on long term borrowings.

For the year ended 30 June 2021, the subsidiary company incurred a loss after tax of \$7,088,000 (2020: \$1,226,000). The loss after tax includes an impairment loss of \$5,845,000 (see Note 16(g)). The subsidiary company has accumulated losses of \$11,304,000 (2020: \$4,216,000) and working capital deficiency of \$6,290,000 (2020: \$428,000) as at 30 June 2021. The large working capital deficiency is due to borrowings from financiers at 30 June 2021 of \$5,389,000 being classified as current as a result of breach of debt covenants (see note 27).

Based on the subsidiary company's liquidity position as at reporting date, and considering the uncertainty around availability of new movies from distributors and public readiness to go to cinemas, the subsidiary company expects that it will need continued additional financing from its financiers and the Group to meet its financial obligations.

On 25 August 2021, the financiers extended their assistance to the subsidiary company through to 31 December 2021. This assistance comprises of an extension of interest only repayments on long term borrowings till 31 December 2021.

c) Serendib Investments Pte Limited

The subsidiary has been incurring losses since inception and this was compounded by the impacts of COVID19. Further, based on the asset sale agreement between the subsidiary company and the Government of Fiji, the subsidiary company is committed to spend a total of \$5,000,000 over a period of 5 years on new machines and upgrade of the property in Vatuwaqa. To date the subsidiary company has spent \$2,070,000 on building maintenance. The remaining balance has been approved and committed for purchase of new machines, building maintenance and electrical upgrade (see Note 33). These spends are primarily financed through borrowings.

Since the inception of the pandemic, the subsidiary company has been reliant on financial assistance from its financiers. Assistance provided to the subsidiary company included interest only repayments on long term borrowings.

For the year ended 30 June 2021, the subsidiary company incurred a loss after tax of \$2,304,000 (2020: \$2,397,000). The subsidiary company has accumulated losses of \$4,999,000 (2020: \$2,695,000) and working capital deficiency of \$3,078,000 (2020: \$1,787,000) as at 30 June 2021

On 12 August 2021, the financiers for Serendib Investments Pte Limited extended their assistance to the subsidiary company through to 31 December 2021. This assistance comprises of an extension of interest only repayments on long term borrowings till 31 December 2021. The financiers also took charge over the property in Vatuwaqa which has an indicative value of \$10,000,000 based on an independent valuation during the year. This is expected to provide collateral satisfactory to the financiers over the borrowings for the subsidiary company of \$6,236,000 at 30 June 2021.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. GENERAL INFORMATION (continued)
Going Concern (continued)

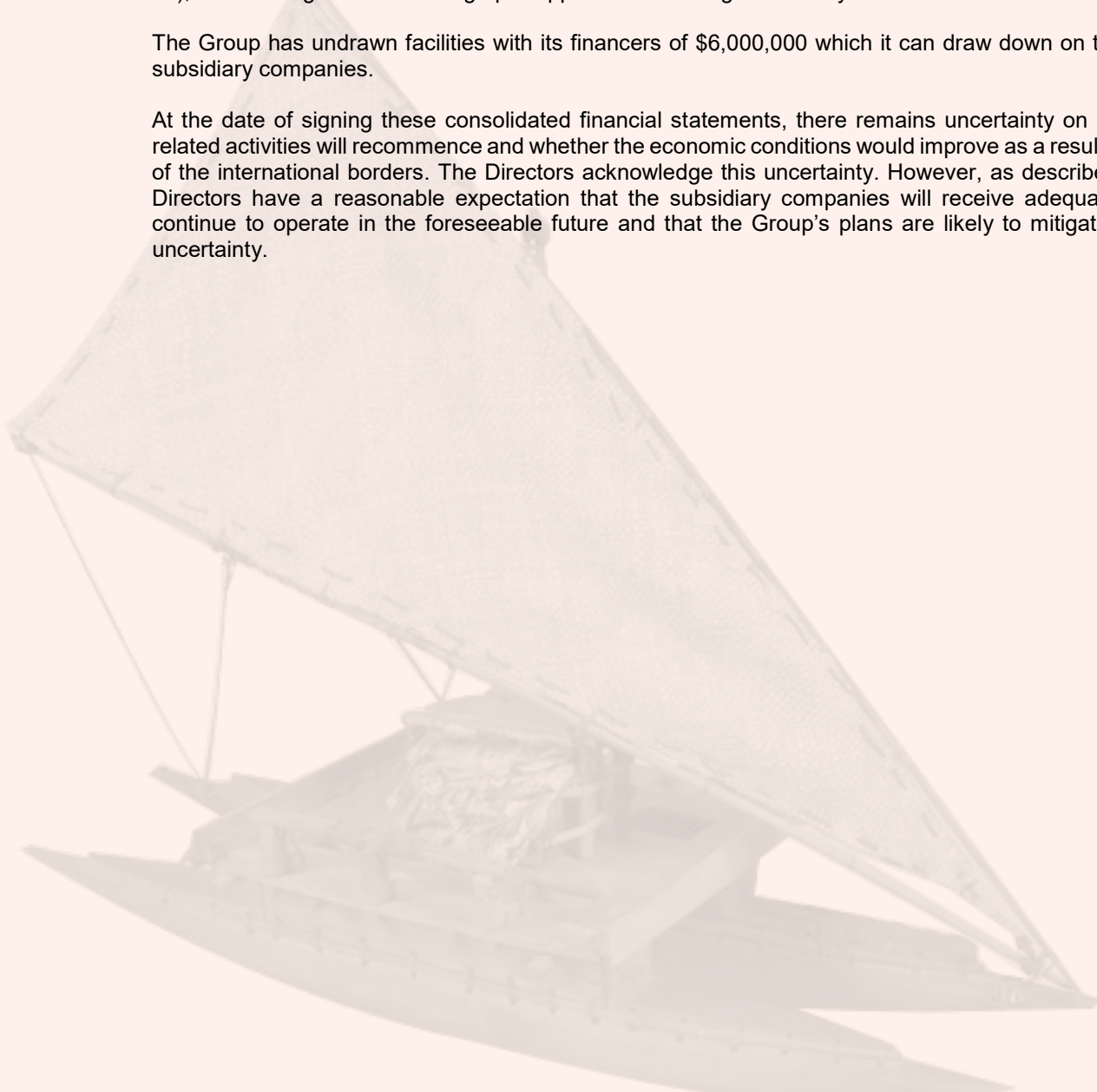
The Group has a history of successful refinancing with the financiers and is in continuous negotiations for ongoing support. The Group is of the opinion, that it would be able to further defer loan repayments on existing borrowings. Further, the Group is also of the opinion that the repayment amounts for both the subsidiary companies on expiry of moratorium are not significant to the Group's financial position. The effect of the subsidiary companies not being able to make the debt repayments is being counter-balanced by the Group's plans to maintain adequate cash flows by alternative means which amongst others includes sale of certain investments and assets. As a result, the Group expects to have sufficient financial resources available to satisfy the obligation when due, absent a refinancing and restructuring of debt.

In relation to the risk that the financiers would call upon the entire borrowings for South Sea Cruises Pte Limited and Life Cinema Pte Limited, the Group is of the opinion that the financiers would continue to provide support until such time as operations for both the subsidiary companies normalise. This is on the basis of the long association between the financiers and the Group and the history of successful refinancing including the most recent refinancing in August 2021. However, the Group is working on new sources of financing to mitigate the risk that financiers cease to provide support.

With regard to the Group's capital commitments of \$49,000,000 for the construction of FHL Tower (see Note 33), this is being financed through pre-approved borrowings which is yet to be drawn down.

The Group has undrawn facilities with its financiers of \$6,000,000 which it can draw down on to support the subsidiary companies.

At the date of signing these consolidated financial statements, there remains uncertainty on when tourism related activities will recommence and whether the economic conditions would improve as a result of reopening of the international borders. The Directors acknowledge this uncertainty. However, as described above, the Directors have a reasonable expectation that the subsidiary companies will receive adequate support to continue to operate in the foreseeable future and that the Group's plans are likely to mitigate the liquidity uncertainty.



NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, other than the change in accounting policies as described in note 3.26.

3.1 Principles of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 3.1(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 3.10). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii. Subsidiaries

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

iii. Non-controlling interest

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Principles of consolidation (continued)

iv. Loss of control

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

v. Transactions eliminated on consolidation

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

vi. Interests in equity accounted investees

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

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

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

3.2 Foreign operations

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

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

3.3 Cash and cash equivalents

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments

3.4.1 Recognition and initial measurement

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

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

3.4.2 Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Financial assets: Business model assessment

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

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

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

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

3.4.2 Classification and subsequent measurement (continued)

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Debt investments at FVOCI

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

Equity investments at FVOCI

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

3.4.3 Derecognition

Financial assets

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

Financial liabilities

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

3.4.4 Modifications of financial assets

If the terms of a financial asset are modified, the Company and the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (3.4.3)) and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company and the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower (see (3.4.6)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income (see (3.22)).

3.4.5 Offsetting

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

3.4.6 Impairment

Financial instruments

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

No impairment loss is recognised on equity investment.

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

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

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

3.4.6 Impairment (continued)

Financial instruments (continued)

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

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

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

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

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

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

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

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

Measurement of ECLs

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

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

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

Credit-impaired financial assets

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

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

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

3.4.6 Impairment (continued)

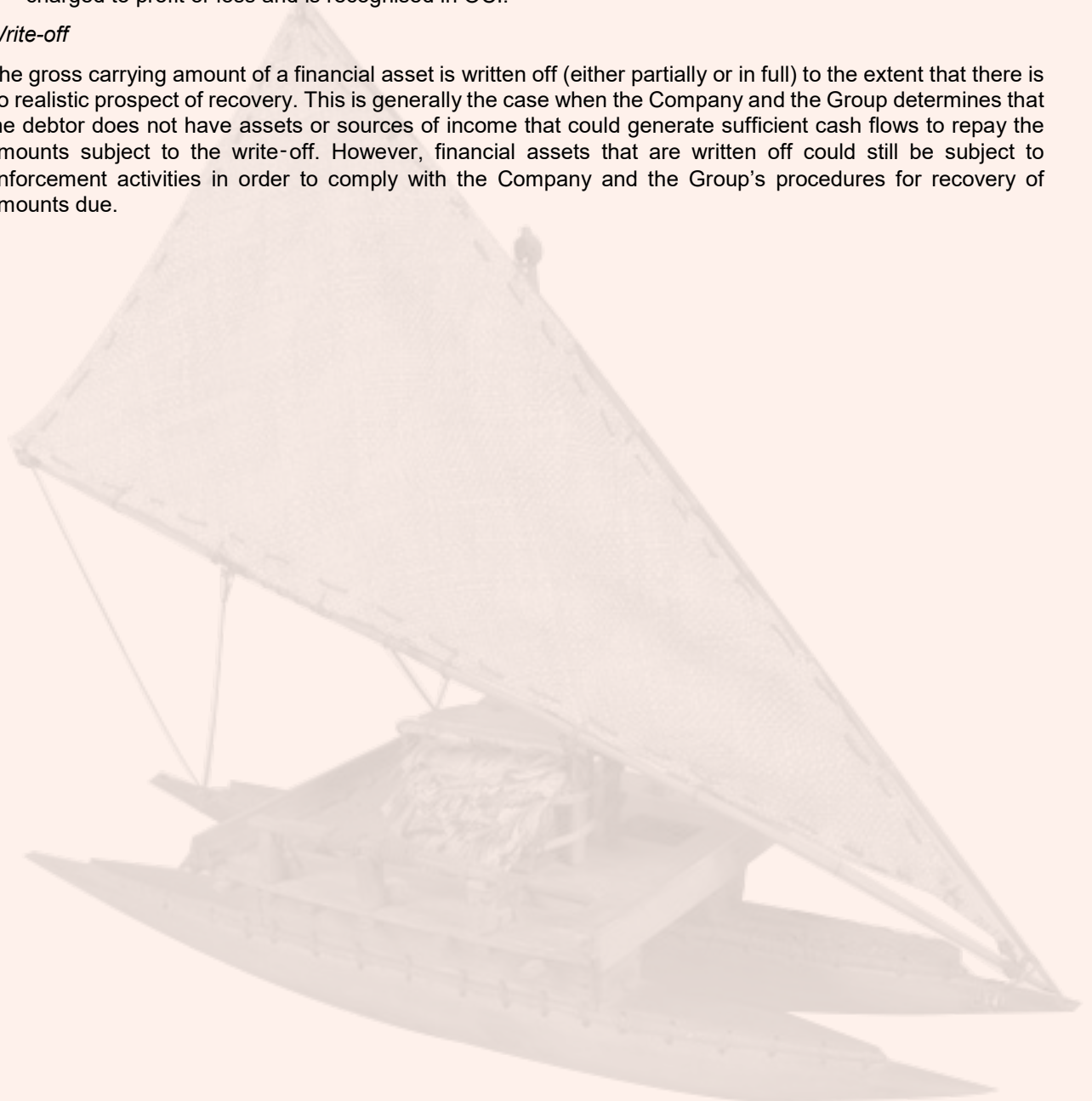
Presentation of allowance for ECL in the statement of financial position

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

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

Write-off

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



NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment

(i) *Owned assets*

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer note 3.10).

(ii) *Subsequent expenditure*

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in profit or loss during the financial period in which they are incurred.

(iii) *Depreciation and amortisation*

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

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

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

(iv) *Reclassification to investment property*

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment properties

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Rental income from investment property is accounted for as described in accounting policy 3.16.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve (see note 3.5(iv)) is transferred to retained earnings.

3.7 Assets held for sale and discontinued operations

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

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

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

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

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

3.8 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 actual cost of conversion, including a proportion of fixed and variable factory overheads, or standard cost, including an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory obsolescence is considered as part of determining the net realisable value, based on reviews of inventories.

3.9 Intangible assets

(a) Goodwill

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

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

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

(b) Management rights

Management rights represent the initial cost paid in acquiring the rights and interest in the Management Agreement between RB Patel Group Limited (a subsidiary of FHL Retailing Pte Limited) and RB Patel & Co., a New Zealand partnership. Management rights is carried at cost less accumulated amortisation (based on the contract period of the management right) and impairment losses. Amortisation is charged on a straight line basis over the period of the management agreement.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.11 Trade and other creditors

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

3.12 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.

3.13 Current and deferred income tax

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

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date in the respective countries, where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Current and deferred income tax (continued)

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 Company and 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.

3.14 Employee entitlements

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

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

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

3.15 Leases

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

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

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Leases (continued)

i. As a lessee

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

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

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

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

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

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

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

The Company and the Group presents right-of-use assets and lease liabilities as separate line items in the statement of financial position (see note 9).

Short-term leases and leases of low-value assets

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

ii. As a lessor

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

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

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Leases (continued)

ii. As a lessor (continued)

If an arrangement contains lease and non-lease components, the Company and the Group applies IFRS 15 to allocate the consideration in the contract. The Company and the Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

3.16 Revenue recognition

a. Significant accounting policy

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

No information is provided about remaining performance obligations at yearend that have an original expected duration of one year or less or where the Group recognises revenue based on the amount it has a right to invoice, as allowed by IFRS 15. The Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less, as allowed by IFRS 15.

b. Nature of goods and services

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

i. Construction

a) Sale of goods and services

The construction segment of the Group manufactures and sells cement, ready-mix concrete, concrete blocks, pavers, aggregates, concrete pipes, beams, power poles, other pre-stressed concrete products, tile adhesives and services as customs clearing agents. The segment recognises revenue when the customer takes possession of the good, when the goods leave the factory premises having been shipped to the customer or when the customer receives the service. Invoices are generated at that point in time. Invoices are usually payable within 30 days. For customers that prepay, the amount received is recognised as contract liability and revenue is recognised as the segment satisfies its respective performance obligation for the product or service. There is no significant financing component in respect of contract liabilities.

b) Construction services

The construction segment includes the design and building of ready-made homes. The segment enters into individual contracts with each of its customers. Construction of a dwelling is deemed to represent a single performance obligation to the customer, which is a performance obligation satisfied over time. The performance obligation is satisfied progressively over the construction period, with performance being measured by reference to regular engineer's reports (which represents an output method for measuring progress). The customer controls the asset as it is being created and the segment's service is being performed. Depiction of the transfer or the control of the goods or service to the customer is recognised using the output method. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as contract assets.

ii. Property

The property segment of the Group generates revenue from rental of investment properties and recognises rental income in accordance with note 3.15(ii).

iii. Finance

The finance segment of the Group generates interest from loans and advances to customers and recognises interest income in accordance with note 3.22.

iv. Tourism

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue recognition (continued)

b. Nature of goods and services (continued)

iv. Tourism (continued)

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

v. Media

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

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue recognition (continued)

b. Nature of goods and services (continued)

v. Media (continued)

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Advertising	Advertising is based on the purchase orders received from the customers. Advertising slots have various prices based on the length and timing of the advertisement. The advertising schedule is agreed with the customer and entered into the system. Invoices are raised at month end and only includes the revenue for the advertisements that were aired during the month. Invoices are usually payable within 30 days.
Sponsorship	Sponsorship is based on purchase orders received from the customers. The value of the purchase order is divided by the number of sponsored program episodes to determine the amount of revenue per episode. Invoice is raised at month end and only includes the revenue for the number of sponsored episodes that were aired during the month. Invoices are usually payable within 30 days.

vi. Retail

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

vii. Investment

The investment segment of the Group generates revenue from equity investments in the form of dividends and management fees. Dividend income is recognised in accordance with note 3.4. Management fees is recognised over time as services are rendered to group entities.

3.17 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.

3.18 Provisions

Provisions are recognised when the Company and 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.

3.19 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 Company by the weighted average number of ordinary shares outstanding during the financial year. If the number of ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.

3.20 Rounding

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

3.21 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Finance income and finance costs

The Company and the Group's finance income and finance costs include:

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

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

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

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

3.23 Fair value measurement

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

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

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

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

3.24 Contract liabilities

Contract liabilities arise where a customer has paid an amount of consideration prior to the Group performing by transferring the related good or service to the customer. Generally, the contract liability balance at the beginning of the period will be recognised as revenue during the year. The yearend contract liability balance represents advanced consideration received from customers. Revenue is recognised once the related service has been provided or possession of the goods has transferred to the customer.

3.25 Comparative figures

Certain amounts have been restated, as explained in note 3.26. In addition, where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**3.26 Restatement of comparatives
Inventory measurement**

In previous years, subsidiary company, Basic Industries Pte Limited, valued inventories at actual cost including a proportion of overheads. During the year, the subsidiary company reviewed the accuracy of allocation of overheads costs based on components and a standard costing approach and determined that costs of inventory in prior year would have been more appropriately recorded applying this methodology.

The effect of this change has resulted in a decrease of \$1,834,000 (2019 and prior: \$1,272,000 and 2020: \$562,000) in inventories, \$1,467,000 decrease in retained earnings and \$367,000 increase in deferred tax asset as at 30 June 2020.

Other restatements

During the year the Group also discovered the following relating to comparatives:

- a) Basic Industries Pte Limited
 - i. trade payables of \$558,000 had not been recognized as at 30 June 2020;
 - ii. other receivables of \$122,000 had been incorrectly recognized twice as at 30 June 2020; and
 - iii. repairs and maintenance expense of \$181,000 had been incorrectly capitalised in the 2019 financial statements.

Further to the above, during 2020 the Group had identified an understatement of trade and other payables of \$2,619,000 due to unrecorded liabilities at 30 June 2019. However, the error could not be corrected retrospectively in 2020 as information distinguishing unrecorded liabilities for 2020 from prior periods was not available to the subsidiary company after reasonable effort was made to retrieve the necessary information. As a result, \$2,619,000 was recognised as trade and other payables with the contra being recognised to raw materials and consumable used.

During 2021, the subsidiary company identified additional information following which the Group reassessed the expense recognised in 2020 of \$2,619,000 between the comparative year ended 30 June 2020 and prior years. The Group identified that raw materials and consumable used for the year ended 30 June 2020 was overstated by \$2,619,000 with a related tax effect of \$524,000. The net impact of \$2,095,000 was identified as an adjustment against opening retaining earnings at 1 July 2019. The retained earnings at 30 June 2020 was not impacted by this adjustment.

- b) Fiji Television Limited
 - i. allowance for expected credit loss was understated by \$2,351,000 due to potential uncollectable and overstated debtors not being provided for at 30 June 2020 (2019 and prior: \$1,505,000 and 2020: \$846,000);
 - ii. trade and other receivables were overstated by \$790,000 due to deposits being continued to be recognised as a receivable at 30 June 2020 even though these deposits had already been refunded to Fiji Television Limited in prior years (2019 and prior: \$268,000 and 2020: \$522,000);
 - iii. prepayments were overstated by \$781,000 as at 30 June 2020 due to expenses not being recognised when incurred (2019 and prior: \$119,000 and 2020: \$662,000); and
 - iv. trade and other payables were understated by \$1,851,000 as at 30 June 2020 due to unrecorded liabilities (2019 and prior: \$884,000 and 2020: \$967,000).
- c) Pacific Cement Pte Limited
 - i. unusable clinker of \$1,920,000 were incorrectly recognised as inventories at 30 June 2020 following the annual inventory count. There is no tax effect as a result of this adjustment as the subsidiary company continues to record losses with the carried forward tax losses not being recognised as a deferred tax asset.

In addition, consolidated deferred tax assets for 2020 has been offset by \$2,983,000 with the contra being recorded to deferred tax liabilities. The Group noted that the individual group entities meet the offsetting criteria under IFRS which allows offsetting of deferred tax assets and liabilities.

See Note 36 for a summary of the impact on the Group's financial statements

4. 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 non-current other receivable.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT

5.1 Risk Management Framework

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

The Company and the Group's risk management policies are established to identify and analyse the risks faced by the Company and 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 Company and the Group's activities. The Company and the Group, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the Company and 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 Company and the Group to a decline in revenue. To minimise this risk, the Company and the Group implements appropriate strategies to ensure that products and prices remain attractive. The Company and the Group operates predominantly in Fiji, and changes to governments and the policies they implement affect the economic situation and ultimately the revenues of the Company and the Group. To address this, the Company and the Group reviews its pricing and product range regularly and tries to respond appropriately to these changes. Other developments such as international travel restrictions resulting from the COVID-19 pandemic may also expose the Group to reduced revenue. To address this, the Company and the Group monitors developments and responds quickly to fluid developments.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(a) Market risk (continued)

(i) Foreign exchange risk

The Company and 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 2.4 and 3.21)

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

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Company and the Group and classified on the statements of financial position as FVOCI. To manage its price risk arising from investment in equity securities, the Company and the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The Group's equity investments in other entities that are publicly traded are quoted on the South Pacific Stock Exchange.

Sensitivity analysis

The table below sets out the effect on equity of a reasonably possible increase in the individual equity market prices of listed equities of 5% at 30 June 2021 and 2020. 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	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Impact on equity	856	828	14,580	16,079

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 for re-priced bonds.

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

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

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

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

Financial instrument	Group		Company	
	2021	Restated* 2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Deposits with financial institutions	9,012	1,182	-	-
Government securities	4,950	5,050	-	-
Cash and cash equivalents	33,735	32,787	154	154
Loans and advances	160,761	179,146	9,975	6,871
	208,458	218,165	10,129	7,025
Financial liabilities				
Bank overdraft	32,728	27,885	7,932	9,982
Bank loans	94,693	97,302	41,124	40,052
Fixed term deposits and short term borrowings (unsecured)	152,659	165,175	10,253	10,440
	280,080	290,362	59,309	60,474

*See Note 3.26

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

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Bank overdraft	32,728	27,885	7,932	9,982
Bank loans	94,693	97,302	41,124	40,052
	127,421	125,187	49,056	50,034

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 2020.

	Group		Company	
	Equity	Profit or loss before tax	Equity	Profit or loss before tax
	\$'000	\$'000	\$'000	\$'000
30 June 2021				
Variable rate instruments	1,274	1,274	491	491
30 June 2020				
Variable rate instruments	1,252	1,252	500	500

There are no uncertainties related to interest rate cash flows during the period of borrowing for those financial instruments which are at fixed interest. The interest rate for financial instruments at fixed interest ranges from 1.55% to 7.25%

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk

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

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

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

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

	Group	Restated*
	2021	2020
	\$'000	\$'000
Impairment loss on loans, advances and receivables	6,939	12,426

*See Note 3.26

Expected credit loss assessment for trade receivables

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

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

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 30 June 2020 and 2021:

	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
30 June 2021			
Current (not past due)	5,669	(106)	No
1 – 30 days past due	787	(21)	No
31 – 60 days past due	2,289	(105)	No
61 – 90 days past due	2,316	(283)	No
Over 120 days past due	2,841	(429)	Yes
Debts individually assessed	6,015	(10,060)	
	19,917	(11,004)	
30 June 2020			
Current (not past due)	5,767	(155)	No
1 – 30 days past due	1,904	(115)	No
31 – 60 days past due	1,605	(230)	No
61 – 90 days past due	2,822	(1,404)	No
Over 120 days past due	5,115	(4,935)	Yes
Debts individually assessed	3,327	(3,068)	
	20,540	(9,907)	

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are either based on actual and forecast GDP or inflation rates.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Impact of COVID-19

In response to COVID-19 and the Group's expectations of economic impacts, the loss rates utilised in the Group's calculation of ECL have been revised. At reporting date, the expected impacts of COVID-19 have been captured via incorporating an economic overlay in the revised loss rates. The economic overlay reflects the uncertainty given the unprecedented impacts of COVID-19. The economic overlay was determined based on an evaluation of the Groups customer base, the industries in which those customers operate in and the magnitude of the impact of COVID-19 to those industries. Notwithstanding the economic overlay, the fundamental ECL model mechanics and methodology underpinning the Group's calculation of ECL have remained consistent with prior periods.

The impacts of COVID-19 have resulted in significant estimation uncertainty in relation to the measurement of the Group's ECL for trade receivables. The impacts of COVID-19 on consumers and businesses as well as the government stimulus packages deployed are unprecedented, accordingly significant adjustments to the ECL could occur in future periods as the full effects of COVID-19 are better understood.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year is disclosed in note 13.

Cash and cash equivalents

The Group held cash and cash equivalents of \$33.735 million at 30 June 2021 (2020: \$32.787 million). The Company held cash and cash equivalents of \$0.154 million at 30 June 2021 (2020: \$0.154 million). The cash and cash equivalents are held with banks, which are rated B to AA-, based on Standards and Poor's (S&P) ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company and the Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

The Company and the Group did not recognise an impairment allowance against cash and cash equivalents as at 30 June 2021 (2020: nil).

Debt investment securities

The Group held debt investment securities of \$13,962,000 at 30 June 2021 (2020: \$6,232,000). The debt investment securities are held with banks, credit institutions and the Fiji Government. Debt investment securities held with banks and the Fiji Government are rated B to AA-, based on S&P ratings. In relation to debt investment securities held with credit institutions the Group monitors changes in credit risk by reviewing available press and regulatory information.

Impairment on debt investment securities held with banks and credit institutions has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. Impairment on debt investment securities held with the Fiji Government has been measured on the 12-month expected loss basis.

The Group did not recognise an impairment allowance against debt investment securities as at 30 June 2021 (2020: nil).

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below:

Details relating to loans and advances for Merchant Finance Pte Limited (“MFL”) are set out below:

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment.

See accounting policy in Note 3.4.6.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, MFL considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on MFL’s historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

Credit risk grades

MFL allocates each exposure to a credit risk grade based on certain data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades standard and special mention is smaller than the difference between credit risk grades special mention, substandard, doubtful and loss.

Customer accounts are graded internally and all existing customers are categorised as excellent, good, satisfactory or limited. Further the individual accounts/customer groups are classified as Standard, Special Mention, Sub Standard, Doubtful and Loss for credit risk management purposes.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage and compliance with covenants;
- Payment record – this includes overdue status as well as a range of variables about payment ratios;
- Utilisation of the granted limit;
- Requests for and granting of forbearance; and
- Existing and forecast changes in business, financial and economic conditions.

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. MFL collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading.

MFL employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For all exposures, the key macro-economic indicator used is GDP growth, based on publications by the Reserve Bank of Fiji.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Generating the term structure of PD (continued)

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative modelling, the loans and advances are 30 days past due.

Using its expert credit judgement and, where possible, relevant historical experience, MFL may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. Renegotiation of loans to customers in financial difficulties is a qualitative indicator of a significant increase in credit risk.

As a backstop, MFL considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

MFL monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 3.4.4.

MFL renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under MFL's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both personal and motor loans are subject to the forbearance policy. The Audit Committee regularly reviews reports on forbearance activities.

For loans and advances modified as part of MFL's forbearance policy, the estimate of PD reflects whether the modification has improved or restored MFL's ability to collect interest and principal and MFL's previous experience of similar forbearance action. As part of this process, MFL evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 3.4.6) in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Definition of default

MFL considers loans and advances to be in default when:

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

In assessing whether a borrower is in default, MFL considers indicators that are:

- qualitative – e.g. breaches of covenant;
- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to MFL; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether loans and advances are in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

MFL incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Audit Committee and consideration of a variety of external actual and forecast information, MFL formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by Reserve Bank of Fiji.

The base case represents a most-likely outcome and is aligned with information used by MFL for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, MFL carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

MFL has identified and documented key drivers of credit risk and credit losses for each portfolio of loans and advances and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 30 June 2021 included the following ranges of key indicator for the years ending 30 June 2021 and 2022 and 2023.

	2021	2022	2023
GDP (contraction)/growth	(4.1%)	6.2%	8.0%

Predicted relationship between the key indicator and default and loss rates on loans and advances have been developed based on analysing historical data over the past 5 years.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. MFL estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD model considers the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to individual loans and advances. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. MFL derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of loans and advances is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for loans and advances for which credit risk has not significantly increased, MFL measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, MFL considers a longer period. The maximum contractual period extends to the date at which MFL has the right to require repayment of an advance or terminate a loan commitment.

Loans and advances are grouped on the basis of shared risk characteristics that include loan purpose and credit risk grading. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance for loans and advances. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 3.4.6.

	12- month ECL (\$'000)	Lifetime ECL not credit- impaired (\$'000)	Lifetime ECL credit- impaired (\$'000)	Total (\$'000)
Loans and advances to customers at amortised cost				
Balance at 1 July 2020	2,242	6,944	8,796	17,982
Transfer to 12 months ECL	996	(824)	(172)	-
Transfer to lifetime ECL not credit impaired	(405)	976	(571)	-
Transfer to lifetime ECL credit impaired	(222)	(3,564)	3,786	-
Net remeasurement of loss allowance	(1,699)	(956)	6,677	4,022
New loans and advances originated or purchased	744	471	897	2,112
Loans and advances that have been derecognised	(292)	(1,262)	(3,444)	(4,998)
Balance at 30 June 2021	1,364	1,785	15,969	19,118
Off-balance sheet position				
Undrawn loans	25	-	-	25
Balance at 30 June 2021	25	-	-	25
Total expected credit losses	1,389	1,785	15,969	19,143

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Loss allowance (continued)

	12-month ECL (\$'000)	Lifetime ECL not credit-impaired (\$'000)	Lifetime ECL credit-impaired (\$'000)	Total (\$'000)
Loans and advances to customers at amortised cost				
Balance at 1 July 2019	1,252	2,312	4,998	8,562
Transfer to 12 months ECL	50	(48)	(2)	-
Transfer to lifetime ECL not credit impaired	(2,607)	2,686	(79)	-
Transfer to lifetime ECL credit impaired	(1,637)	(2,272)	3,909	-
Net remeasurement of loss allowance	4,114	3,804	1,454	9,372
New loans and advances originated or purchased	1,437	1,185	453	3,075
Loans and advances that have been derecognised	(367)	(723)	(1,289)	(2,379)
Write-off	-	-	(648)	(648)
Balance at 30 June 2020	2,242	6,944	8,796	17,982

The loss allowance in these table includes ECL on loan commitments because MFL cannot separately identify the ECL on the loan commitment component from those on loans and advances.

Credit-impaired loans and advances

See accounting policy in Note 3.4.6.

Credit-impaired loans and advances are graded doubtful to loss in MFL's internal credit risk grading system.

Collateral held and other credit enhancements

MFL holds collateral and other credit enhancements against its credit exposures. The following table sets out the principal types of collateral held against different portfolios of loans and advances.

	Percentage of exposure that is subject to collateral requirements		Principal type of collateral
	30 June 2021	30 June 2020	
Loans and advances to customers			
Motor vehicle	100	100	Motor vehicles
Personal loans	100	100	Property and equipment

As at 30 June 2021, the net carrying amount of credit-impaired loans and advances to customers amounted to \$54.295 million (2020: \$36.711 million) and the value of identifiable collateral (mainly properties and motor vehicles) held against those loans and advances amounted to \$99.926 million (2020: \$49.524 million).

Credit quality analysis

The following table sets out the information about the credit quality of loans and advances. Unless specifically indicated, the amounts in the table represents gross carrying amount.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Credit quality analysis (continued)

Explanation of the terms: 12-months ECL, lifetime ECL and credit-impaired are included in Note 3.4.6.

	2021			
	12 months ECL \$'000	Lifetime ECL not credit impaired \$'000	Lifetime ECL credit impaired \$'000	Total \$'000
Loans and advances to customers				
Grade - Standard	41,710	2,571	1,862	46,143
Grade - Special mention	4,702	14,327	8,007	27,036
Grade - Substandard	7,530	15,745	6,990	30,265
Grade - Doubtful	500	3,412	49,176	53,088
Grade - Loss	-	-	4,229	4,229
	<u>54,442</u>	<u>36,055</u>	<u>70,264</u>	<u>160,761</u>
Loss allowance	(1,364)	(1,785)	(15,969)	(19,118)
Carrying amount	53,078	34,270	54,295	141,643

	2020			
	12 months ECL \$'000	Lifetime ECL not credit impaired \$'000	Lifetime ECL credit impaired \$'000	Total \$'000
Loans and advances to customers				
Grade - Standard	37,636	-	-	37,636
Grade - Special mention	-	69,892	-	69,892
Grade - Substandard	-	26,111	-	26,111
Grade - Doubtful	-	-	41,251	41,251
Grade - Loss	-	-	4,256	4,256
	<u>37,636</u>	<u>96,003</u>	<u>45,507</u>	<u>179,146</u>
Loss allowance	(2,242)	(6,944)	(8,796)	(17,982)
Carrying amount	35,394	89,059	36,711	161,164

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk Management Framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Credit quality analysis (continued)

Financial assets under stage 2 are closely monitored to ensure that they do not deteriorate further. Security inspections are undertaken on these accounts to verify the value of the collateral pledged. These assets are monitored by specialist collection teams on a daily basis and further monitored by management at each month end. Where necessary management restructures these loans to enhance recovery.

In order to manage credit risk, MFL closely monitors existing customers in ensuring a debt service ratio greater than 1 and loan to value ratio of 85% is maintained, and ensuring that all new customers go through comprehensive credit screening.

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

- Mortgages over residential and commercial properties.
- Hire Purchase Agreements and Bill of Sale over vehicles and machinery
- Charges over business assets such as premises, inventory and accounts receivable.
- Charges over financial instruments such as debt securities and equities and term deposits.

Longer-term finance and lending to corporate entities are generally secured. In addition, in order to further minimise the potential for credit loss, MFL seeks additional collateral from the counterparty if the credit risk has increased significantly.

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

If an account goes into arrears, a credit review is performed and the collateral value is reassessed by MFL's in-house credit officers or independent valuers.

Credit risk concentration

Credit risk concentration is determined based on the industry for which the loan is given. An analysis of concentrations of credit risk from loans and advances and loan commitments is shown below

Industry	Loans and advances	
	2021 (%)	2020 (%)
Agriculture	9.25	9.54
Building and construction	18.46	19.29
Manufacturing	2.97	3.11
Mining and quarrying	0.13	0.28
Private individuals	12.09	10.41
Professional and business services	5.65	5.27
Transport, communication and storage	32.98	37.58
Wholesale, retail, hotels and restaurants	13.20	8.65
Others	5.27	5.87
Total	100.00	100.00

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk management framework (continued)

(b) Credit risk (continued)

Details relating to MFL are set out below: (continued)

Amounts arising from ECL (continued)

Impact of COVID-19

In response to COVID-19 and the Group's expectations of economic impacts, the key conditions and assumptions utilised in the Group's calculation of ECL have been revised. The economic scenarios and forward-looking macroeconomic assumptions underpinning the collective provision calculation are outlined in the table below. At reporting date, the expected impacts of COVID-19 have been captured via the modelled outcome as well as a separate economic overlay reflecting the considerable uncertainty remaining in the modelled outcome given the unprecedented impacts of COVID-19. Notwithstanding that credit model inputs and assumptions, including forward-looking macroeconomic assumptions, were revised in response to the COVID-19 pandemic, the fundamental credit model mechanics and methodology underpinning the Group's calculation of ECL have remained consistent with prior periods.

The Group is focused on supporting customers who are experiencing financial difficulties as a result of the COVID-19 global pandemic and has offered a range of industry-wide financial assistance measures including temporary loan repayment deferrals (principal and interest). In accordance with regulatory and industry guidance, temporary loan deferrals have been offered on a 3-month basis, with an option to extend for a further 3 months post a customer check-in to reassess the customer's circumstances.

As per industry guidance, a payment deferral request does not automatically result in a significant increase in credit risk (SICR) which transitions an exposure from stage 1 (12-month ECL) to stage 2 (lifetime ECL). For June 2021 the SICR assessment reflects the loan's risk grading at the time of the deferral. For all exposures an assessment is made of the proportion of each portfolio expected to be SICR given the state of the economy and, to the extent this proportion exceeds the observed proportion, which is SICR, an extra provision is established to ensure this proportion receives a lifetime ECL. This approach ensures the volume of exposures in stage 2 reflects a forward-looking view of the economy and not just what is observable in customer data (such as arrears) at the reporting date. Refer to note 3.4.6 for further information in relation to the Group's accounting policy for determining a SICR event.

At reporting date, the gross carrying value of loans and advances that are subject to a COVID-19 financial assistance package total \$72.635 million (2020: \$77.447 million). Refer to note 3.4.4 for the Group's accounting policy with respect to determining a loan modification.

The impacts of COVID-19 have resulted in significant estimation uncertainty in relation to the measurement of the Group's ECL for loans and advances. The impacts of COVID-19 on consumers and businesses as well as the government stimulus packages deployed are unprecedented, accordingly significant adjustments to the ECL could occur in future periods as the full effects of COVID-19 are better understood.

Reported ECL

The ECL at reporting date of \$19.143 million incorporates a base case (i.e. best estimate scenario) which reflects a sharp deterioration in forecast macroeconomic conditions driven by the significant restrictions and lockdowns that have been imposed since March 2020, followed by a fairly protracted recovery, beginning in 2022 ('reverse J' shaped recovery). Key macroeconomic indicators incorporated in the best estimate are outlined in below. The economic scenarios used as at 30 June 2021 included the following ranges of key indicator for the years ending 30 June 2021, 2022 and 2023.

	2021	2022	2023
GDP (contraction)/growth	(4.1%)	6.2%	8.0%

A separate economic overlay of 20% (2020: 20%) has been included to reflect the considerable uncertainty remaining in the modelled outcome given the unprecedented impacts of COVID-19.

The ECL calculation relies on multiple variables and is inherently non-linear and portfolio-dependent, signifying no single analysis can fully demonstrate the sensitivity of the ECL to fluctuations in macroeconomic variables. If the best estimate does not eventuate, rather more adverse economic indicators are experienced, akin to an 'L shaped' economic recovery (i.e. a slow rate of recovery and sustained negative GDP change), compared to the current 'reverse J' shaped recovery inherent in the Reported ECL, the actual ECL could be higher.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk management framework (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations arising from its financial liabilities. Prudent and careful management of the Group's liquidity position is essential in order to ensure that adequate funds are available to meet the Group's ongoing financial obligations. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business of the Group, management aims at maintaining flexibility in funding by keeping committed credit lines available.

A summary of the contractual maturity analysis of the Group's borrowings and other non-derivative financial liabilities as at 30 June is set out below on an undiscounted basis including estimated interest payments:

Group	Contractual cash flows					
	Carrying amount	Total	On demand	Up to 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2021						
Bank overdraft	32,728	32,728	32,728	-	-	-
Secured bank loans	94,693	110,202	23,508	15,621	41,131	29,942
Deposits from customers and term borrowings	152,659	164,666	-	107,747	56,919	-
Payables	42,061	42,061	-	42,061	-	-
	322,141	349,657	56,236	165,429	98,050	29,942
30 June 2020						
Bank overdraft	27,885	27,885	27,885	-	-	-
Secured bank loans	97,302	111,396	-	25,267	61,168	24,961
Deposits from customers and term borrowings	165,175	182,535	-	103,624	76,340	2,571
Payables – restated*	33,682	33,682	-	33,682	-	-
	324,044	355,498	27,885	162,573	137,508	27,532
*See Note 3.26						
Company	Contractual cash flows					
Non-derivative financial liabilities	Carrying amount	Total	On demand	Up to 1 year	1-5 years	More than 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2021						
Bank overdraft	7,932	7,932	7,932	-	-	-
Secured bank loans	41,124	48,509	-	7,471	27,869	13,169
Deposits from customers and term borrowings	10,253	10,698	2,000	411	8,287	-
Payables	442	442	-	442	-	-
	59,751	67,581	9,932	8,324	36,156	13,169
30 June 2020						
Bank overdraft	9,982	9,982	9,982	-	-	-
Secured bank loans	40,052	45,611	-	8,276	31,651	5,684
Deposits from customers and term borrowings	10,440	11,333	2,000	437	8,896	-
Payables	371	371	-	371	-	-
	60,845	67,297	11,982	9,084	40,547	5,684

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (continued)

5.1 Risk management framework (continued)

(d) Liquidity risk (continued)

Additional details relating to MFL are set out below:

In order to comply with the Reserve Bank's requirements and the Banking Act 1995, MFL must hold as liquid deposits an amount equivalent to 10% of its total borrowed funds. The MFL Board ensures that the investment standalone is sufficient to meet the Unimpaired Liquid Assets Ratio requirements which are covered entirely by long term bonds.

The daily liquidity position is monitored. For MFL, the key measure used for managing liquidity risk is the ratio of net liquid assets to deposits from customers. Monthly maturity mismatch reports are prepared and analysed. Maturity reports of term deposits are actioned via pre-analysis (calling customer to determine the status of investment) and MFL Board Asset and Liability Committee (ALCO) is kept informed.

MFL further addresses its liquidity risk via a letter of comfort from the Company pledging its support and assistance as required to ensure that MFL maintains capital and liquidity levels to enable it at all times to meet its obligations as and when due. MFL also has a finance facility of \$4 million with ANZ which is unutilised as at yearend.

MFL's liquidity exposure is measured by calculating its Net Liquidity Gap and by comparing current ratios with targets. MFL Board/ ALCO monitors MFL's liquidity position by reviewing the Net Liquidity Gap expressed as a percentage of liabilities:

	<u>Less than 1 month</u>	<u>1 to <3 months</u>	<u>3 to <6 months</u>	<u>6 to <12 months</u>	<u>Over 12 months</u>
Net Liquidity Gap as a % of Rate Sensitive Assets (not to exceed)	-5%	-7%	-10%	-20%	40%

Apart from the above, MFL uses the following as a benchmark in monitoring its liquidity position.

<u>Ratio</u>	<u>Target</u>	<u>Tolerance Range</u>
Cash Reserve	Minimum 8%	Not to fall below 5%
Liquid Assets/Total Deposits Ratio	20-25%	Not to fall below 20%
Liquid Asset/Total Assets Ratio	10-20%	Not to fall below 10%
Loans/Deposit Ratio	120-135%	Not to exceed 135%
Loans/Adjusted Deposit Ratio	100-120%	Not to exceed 120%
Unimpaired Liquid Assets Ratio	Minimum 12%	Not to fall below 10%

The Cash Reserve ratio is calculated by expressing cash reserves (comprising of cash book balance and short term deposits) as a percentage of total deposits. Other ratios are calculated according to RBF guidelines on liquidity risk management for credit institutions. The loans to deposit ratio and unimpaired liquid assets ratio are monitored daily whilst other ratios are monitored monthly. Any variance in the above ratios are actioned immediately by management.

During the year the loans to deposit ratio went below the set threshold and the liquid assets to total deposit and liquid asset to total assets ratios went above the set threshold due to excess liquidity in the market and a decrease in the loan portfolio. MFL has implemented strategies to decrease the term deposit portfolio to realign the ratios with the set thresholds. Additionally, MFL has access to an overdraft facility of \$4m which was unutilised as at yearend.

Other than the above, the other targets were met.

5.2 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.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 FINANCIAL RISK MANAGEMENT (continued)

5.2 Capital risk management (continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

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

	2021	Restated*
	\$'000	2020
	\$'000	\$'000
Total Borrowings (excluding deposits from customers)	127,421	125,187
Less: Cash and cash equivalents (Note 10)	33,735	32,787
Net debt	93,686	92,400
Total capital (Total equity plus net debt)	359,825	380,311
Gearing ratio	26%	24%

*See Note 3.26

Additional details relating to MFL are set out below:

MFL is subject to externally imposed capital requirements by the Reserve Bank of Fiji. MFL's objectives when managing capital are:

- To comply with the capital requirements set by the Reserve Bank of Fiji;
- To safeguard MFL's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of the business.

Capital adequacy and the use of regulatory capital are monitored daily by MFL's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Fiji, for supervisory purposes.

The Reserve Bank of Fiji requires MFL to (a) hold at least 10% of its total holdings in liquid assets and (b) maintain a ratio of total regulatory capital to risk-weighted assets at or above 15%. MFL complied with these requirements during the year.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. PROFIT/ (LOSS)

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(Loss)/ profit before income tax has been determined after:					
(a) Crediting as other income					
Net gain on disposal of property, plant and equipment		85	147	-	-
Management fees*		104	102	-	-
Rental income		88	82	-	-
Miscellaneous income		984	669	203	270
		<u>1,261</u>	<u>1,000</u>	<u>203</u>	<u>270</u>

* Management fees for the Company is classified as operating revenue on the Statement of Profit and Loss and Other Comprehensive Income.

(b) Charging as expense

Other operating expenses includes:

Auditors' remuneration:

- audit fees – KPMG		246	265	74	85
- other auditors		122	144	-	-
- other services – KPMG		-	-	-	-
- other auditors		108	214	55	72
Directors' emoluments					
- for services as directors		478	520	198	170
- for other services		27	97	27	97
FNPF contributions		1,078	2,315	59	187
Marketing and promotion		740	2,909	18	11
Rent and other related expenses		1,189	2,167	113	114
Repairs and maintenance		2,502	3,465	-	4
Change in fair value of investment properties	18	(52)	(602)	-	-
Management fee		1,314	1,404	-	-

7. NET FINANCE COSTS

Interest income under the effective interest method		<u>379</u>	<u>556</u>	<u>474</u>	<u>428</u>
Total interest income arising from financial assets measured at amortised cost		<u>379</u>	<u>556</u>	<u>474</u>	<u>428</u>
Exchange gain		-	131	-	-
Finance income – other		-	131	-	-

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. NET FINANCE COSTS (Continued)

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Financial liabilities measured at amortised cost – interest expense on:				
- borrowings	(4,842)	(5,559)	(2,206)	(2,577)
- lease liabilities	(1,064)	(1,136)	(8)	(17)
Exchange loss	(63)	(10)	-	-
Finance costs - other	(5,969)	(6,705)	(2,214)	(2,594)
Net finance costs recognised in profit or loss	(5,590)	(6,018)	(1,740)	(2,166)

8. 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:

		Restated*		
(Loss)/ profit before income tax	(15,959)	7,688	8,398	14,995
Prima facie tax (benefit)/ expense at 10% (2020:10%)	(1,596)	769	840	1,500
Add/ (deduct):				
Impact of difference in tax rate	(1,645)	821	-	-
Dividends received	(168)	(115)	(1,018)	(1,834)
Exempt income	-	(385)	-	-
Other permanent differences	1,865	(478)	583	504
Impact of equity accounted profit	(794)	(593)	-	-
Tax losses not brought to account or expired	3,346	1,773	132	-
Temporary difference not recognised	542	(114)	-	-
Under/(over) provision in prior year	88	(32)	(25)	-
Income tax expense	1,638	1,646	512	170
Total income tax expense is made up of:				
Current tax expense	2,623	4,524	-	-
Deferred tax (benefit)/expense	(1,073)	(2,846)	537	170
Under/(over) provision in prior year	88	(32)	(25)	-
Income tax expense	1,638	1,646	512	170

*See Note 3.26

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. INCOME TAX (continued)

	Group		Company	
	2021	Restated* 2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
(b) Current tax asset				
Balance at beginning of year	3,060	1,109	325	340
Income tax paid	2,095	6,115	-	4
Current tax expense	(2,623)	(4,524)	-	-
Transfer of balance from VAT account	354	328	-	(19)
Over provision in prior years	(88)	32	25	-
	<u>2,798</u>	<u>3,060</u>	<u>350</u>	<u>325</u>
Balance at end of year				
(c) Deferred tax assets and liabilities				
<u>Deferred tax assets</u>				
Property, plant & equipment	37	26	12	12
Annual leave	167	173	7	3
Doubtful debts	5,224	4,931	2	2
Provision for obsolescence	1,055	181	-	-
Lease liabilities	2,057	1,852	85	15
Others	98	178	-	-
Unrealised foreign exchange gain	-	(2)	-	-
Carried forward tax losses	3,926	2,072	-	538
	<u>12,564</u>	<u>9,411</u>	<u>106</u>	<u>570</u>
Set-off of tax	(4,441)	(2,983)	(85)	(12)
	<u>8,123</u>	<u>6,428</u>	<u>21</u>	<u>558</u>
<u>Deferred tax liabilities</u>				
Property, plant & equipment	13,089	11,307	-	-
Cyclone reserve deposit	78	88	-	-
Right of use assets	1,958	1,650	85	12
Fair value on revaluation	1,109	1,109	-	-
	<u>16,234</u>	<u>14,154</u>	<u>85</u>	<u>12</u>
Set-off of tax	(4,441)	(2,983)	(85)	(12)
	<u>11,793</u>	<u>11,171</u>	<u>-</u>	<u>-</u>

*See Note 3.26

As at 30 June 2021, group entities had unrecouped income tax losses of approximately \$23.920 million (2020: \$9.636 million) available to offset against future years' taxable income. The benefit at 20% and 10% (2020: 20%) tax rate amounting to approximately \$4.1 million (2020: \$1.9 million) has not been brought to account as realisation is not considered to be probable. Under the existing income tax laws, assessed tax losses can be carried forward for 8 years in succession for losses incurred from 1 January 2019. For losses incurred before 1 January 2019, assessed tax losses may only be carried forward for 4 years in succession. The benefit will only be obtained if:

- the group entities 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;
- the group entities continue to comply with the conditions for deductibility imposed by the law; and
- no change in tax legislation adversely affect the group entities in realising the benefit from the deductions for the losses.

Tax losses relate to group entities which are taxed at 20% and 10%. Tax losses carried forward expire as follows:

Tax losses year	Gross amount \$'000	Tax effect \$'000	Expiry date
2020	19,436	3,346	2029
2019	4,820	964	2028
2018	3,241	648	2022*
2017	1,575	315	2021
	<u>29,072</u>	<u>5,273</u>	

* The apportionment of tax losses from 1 January 2019 to 30 June 2019 can be carried forward for 8 years and will expire in 2027.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. INCOME TAX (continued)

(c) Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year

Group

	1 July 2020 \$'000	Recognised in other comprehensive income \$'000	Recognised in profit or loss \$'000	30 June 2021 \$'000
<i>Deferred tax assets</i>				
Property, plant & equipment	26	-	11	37
Annual leave	173	-	(6)	167
Doubtful debts	4,931	-	293	5,224
Others	178	-	(80)	98
Provision for obsolescence	181	-	874	1,055
Unrealised foreign exchange gain	(2)	-	2	-
Carried forward tax losses	2,072	-	1,854	3,926
Lease liabilities	1,852	-	205	2,057
	<u>9,411</u>	<u>-</u>	<u>3,153</u>	<u>12,564</u>
<i>Deferred tax liabilities</i>				
Property, plant & equipment	11,307	-	1,782	13,089
Cyclone reserve deposit	88	-	(10)	78
Fair value on revaluation (recognised directly in equity)	1,109	-	-	1,109
Right of use assets	1,650	-	308	1,958
	<u>14,154</u>	<u>-</u>	<u>2,080</u>	<u>16,234</u>
	1 July 2019 \$'000	Recognised in other comprehensive income \$'000	Recognised in profit or loss \$'000	30 June 2020 \$'000
<i>Deferred tax assets</i>				
Property, plant & equipment	36	-	(10)	26
Annual leave	304	-	(131)	173
Doubtful debts	2,556	-	2,375	4,931
Others	204	-	(26)	178
Provision for obsolescence	165	-	16	181
Unrealised foreign exchange gain	(16)	-	14	(2)
Carried forward tax losses	1,394	-	678	2,072
Lease liabilities	2,764	-	(912)	1,852
	<u>7,407</u>	<u>-</u>	<u>2,004</u>	<u>9,411</u>
<i>Deferred tax liabilities</i>				
Property, plant & equipment	11,248	-	59	11,307
Cyclone reserve deposit	142	-	(54)	88
Fair value on revaluation (recognised directly in equity)	1,254	(145)	-	1,109
Right of use assets	2,497	-	(847)	1,650
	<u>15,141</u>	<u>(145)</u>	<u>(842)</u>	<u>14,154</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. INCOME TAX (continued)

(c) Deferred tax assets and liabilities (continued)

Company

	1 July 2020 \$'000	Recognised in profit or loss \$'000	30 June 2021 \$'000
<i>Deferred tax assets</i>			
Property, plant & equipment	12	-	12
Annual leave	3	4	7
Doubtful debts	2	-	2
Carried forward tax losses	538	(538)	-
Lease liabilities	15	70	85
	<u>570</u>	<u>(464)</u>	<u>106</u>

Deferred tax liabilities

Right of use assets	12	73	85
	<u>12</u>	<u>73</u>	<u>85</u>

	1 July 2019 \$'000	Recognised in profit or loss \$'000	30 June 2020 \$'000
<i>Deferred tax assets</i>			
Property, plant & equipment	12	-	12
Annual leave	57	(54)	3
Doubtful debts	2	-	2
Carried forward tax losses	652	(114)	538
Lease liabilities	30	(15)	15
	<u>753</u>	<u>(183)</u>	<u>570</u>

Deferred tax liabilities

Right of use assets	25	(13)	12
	<u>25</u>	<u>(13)</u>	<u>12</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. LEASES

(a) As a lessee

The Group leases various assets including land and buildings, coaches and jetty. Information about leases for which the Group is a lessee is presented below:

Right-of-use assets

	Jetty \$'000	Land and buildings \$'000	Coaches \$'000	Total \$'000
Group				
Balance at 1 July 2019	950	17,126	2,103	20,179
Additions	-	1,286	-	1,286
Disposals	(107)	-	-	(107)
Re-measurements	-	27	-	27
Depreciation charge for the year	(180)	(2,644)	(423)	(3,247)
Balance at 30 June 2020	663	15,795	1,680	18,138
Balance at 1 July 2020	663	15,795	1,680	18,138
Additions	-	2,616	-	2,616
Disposals	-	(389)	-	(389)
Re-measurements	419	293	-	712
Impairment charge (see note 16(g))	-	(2,198)	-	(2,198)
Depreciation charge for the year	(175)	(2,733)	(420)	(3,328)
Balance at 30 June 2021	907	13,384	1,260	15,551
Company				
Balance at 1 July 2019	-	272	-	272
Depreciation charge for the year	-	(147)	-	(147)
Balance at 30 June 2020	-	125	-	125
Balance at 1 July 2020	-	125	-	125
Additions	-	852	-	852
Depreciation charge for the year	-	(124)	-	(124)
Balance at 30 June 2021	-	853	-	853

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. LEASES (continued)

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Lease liabilities				
Maturity analysis – contractual undiscounted cash flows				
Less than one year	3,278	5,607	166	156
One to five years	7,667	10,432	665	37
More than five years	18,662	18,112	209	-
Total undiscounted lease liabilities at 30 June	29,607	34,151	1,040	193
Lease liabilities included in the statement of financial position				
Current	2,248	2,613	114	150
Non-current	12,753	14,031	739	-
	15,001	16,644	853	150
Amounts recognised in profit or loss				
Interest on lease liabilities	1,064	1,136	8	17
Variable lease payments not included in the measurement of lease liabilities	130	413	1	1
Expenses relating to short-term leases	491	61	-	-
Rent concessions due to COVID19*	(1,015)	(1,186)	-	-
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	4,224	2,852	159	165

* This relates to rental concessions received for leases due to COVID 19. Under the amendments issued by the IASB, rental discount and waivers as a result of COVID 19 are to be treated as a negative variable lease payment. Refer to note 2.2 for further details.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. LEASES (continued)

(a) As a lessee (continued)

i. Real estate leases

The Group leases land and buildings for its office space, retail stores, terminal check-in booth, sales booths and engineering and stores workshop. The Group also leases land for island day trips (South Sea Island and Malamala). The leases typically run for a period of two to twenty years except for land leased for island day trips which is typically for twenty-five years and certain land leases which are for ninety-nine years. Some leases include an option to renew the lease for an additional period in accordance with the lease contracts after the end of initial lease term. Some leases provide for additional rent payments that are based on changes in the consumer price index.

Variable lease payments based on passenger numbers

Land leases for island day trips contain variable lease payments that are based on the number of passengers that would have landed on the Island and depending on the package type that the guest would have purchased available at the Islands. These payment terms are common for cruise service providers in Fiji.

ii. Other leases

The Group leases coaches for guest services from resorts and airports, with lease terms of three to five years and jetty for berthing of the vessels, with lease terms of two to nine years. Some leases include an option to renew the lease for an additional period in accordance with the lease contracts after the end of initial lease term. The Group also leases IT equipment with contract terms of five years.

Variable lease payments based on passenger numbers and additional services

Coach leases contain variable lease payments that are based on the number of passengers, charters depending on the point of pick-up or drop-off, additional runs to those contracted and monthly fuel prices. Lease for jetty contains variable lease payments for passenger levy which is based on the number of passengers on board the vessels from and to Port Denarau Marina. These payment terms are common for cruises service providers in Fiji.

iii. Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options, and reassesses this if there is a significant event or significant change in circumstances within its control.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. DIVIDENDS PAID

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Dividend paid at 0.41 cents (2020: 2 cents)	1,249	7,525	1,249	7,525
	<u>1,249</u>	<u>7,525</u>	<u>1,249</u>	<u>7,525</u>

11. CASH AND CASH EQUIVALENTS

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

Cash on hand and at bank	23,164	28,787	154	154
Term deposits	10,571	4,000	-	-
	33,735	32,787	154	154
Bank overdrafts (Note 27)	(32,728)	(27,885)	(7,932)	(9,982)
	<u>1,007</u>	<u>4,902</u>	<u>(7,778)</u>	<u>(9,828)</u>

b) Financing facilities

Facilities available to the Group include bank overdrafts. Financing facilities of \$62,552,000 were available to the Group as at 30 June 2021 (2020: \$56,252,000) of which \$32,728,000 (2020: \$27,885,000) was utilised. Financing facilities of \$20,000,000 were available to the Company as at 30 June 2021 (2020: \$20,000,000) of which \$7,932,000 (2020: \$9,982,000) was utilised. See also note 27.

12. DEBT SECURITIES

Current investments

Deposits with financial institutions	8,453	46	-	-
	<u>8,453</u>	<u>46</u>	<u>-</u>	<u>-</u>

Non-current investments

Government bonds	5,050	5,050	-	-
Deposit with financial institutions	459	1,136	-	-
	<u>5,509</u>	<u>6,186</u>	<u>-</u>	<u>-</u>
Total	<u>13,962</u>	<u>6,232</u>	<u>-</u>	<u>-</u>

Maturity analysis

Not longer than 3 months	8,000	-	-	-
Longer than 3 months and not longer than 12 months	453	46	-	-
Longer than 1 year and not longer than 5 years	4,709	5,386	-	-
Longer than 5 years	800	800	-	-
	<u>13,962</u>	<u>6,232</u>	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 \$'000	2020 \$'000 Restated*	2021 \$'000	2020 \$'000
Current					
Trade receivables		19,917	20,540	-	-
Allowance for expected credit loss		(11,004)	(9,907)	-	-
		<u>8,913</u>	<u>10,633</u>	<u>-</u>	<u>-</u>
Other receivables – third parties		4,524	5,988	62	69
– related parties		2,170	1,100	13,679	36,663
Loans and advances – related parties		-	-	1,503	276
Allowance for expected credit loss		(14)	(14)	(14)	(14)
		<u>15,593</u>	<u>17,707</u>	<u>15,230</u>	<u>36,994</u>
Non-current					
Loans and advances – related parties		-	2,014	10,630	8,097
Other receivables – third parties		7,244	7,392	-	-
– related parties		-	-	30,553	5,304
		<u>7,244</u>	<u>9,406</u>	<u>41,183</u>	<u>13,401</u>
TOTAL		<u>22,837</u>	<u>27,113</u>	<u>56,413</u>	<u>50,395</u>
Allowance for expected credit loss					
Balance at beginning of year		9,921	5,006	14	14
Additional allowance recognised		1,161	4,942	-	-
Bad debts written off		(64)	(27)	-	-
Balance at end of year		<u>11,018</u>	<u>9,921</u>	<u>14</u>	<u>14</u>

* See Note 3.26

Allowance for expected credit loss relates to receivables only. Allowance for expected credit loss on loans and advances are disclosed in note 14.

14. LOANS AND ADVANCES

Loans and advances at amortised cost		160,761	179,146	-	-
ECL allowance	5.1(b)	<u>(19,143)</u>	<u>(17,982)</u>	<u>-</u>	<u>-</u>
		<u>141,618</u>	<u>161,164</u>	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND ADVANCES (continued)

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Maturity analysis</u>				
Not longer than 3 months	7,291	8,318	-	-
Longer than 3 months and not longer than 12 months	11,902	11,800	-	-
Longer than 1 year and not longer than 5 years	150,134	181,987	-	-
Longer than 5 years	32,722	26,423	-	-
	<u>202,049</u>	<u>228,528</u>	<u>-</u>	<u>-</u>
Loan impairment expense				
Increase in impairment	5,778	10,068	-	-
Amounts written off directly to profit or loss	-	292	-	-
Transfer from credit loss reserve (see note 29)	-	(2,876)	-	-
	<u>5,778</u>	<u>7,484</u>	<u>-</u>	<u>-</u>

15. INVENTORIES

		Restated*		
Raw materials, spares, stores and supplies	14,567	9,961	-	-
Finished goods	21,517	28,866	-	-
Goods in transit	1,290	860	-	-
Provision for obsolescence	(2,883)	(910)	-	-
	<u>34,491</u>	<u>38,777</u>	<u>-</u>	<u>-</u>

* See Note 3.26

Write-downs of inventories to net realisable value is presented in 'changes in inventories of finished goods and work in progress'.

During the year \$3,328,000 of inventories were written off.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. PROPERTY, PLANT AND EQUIPMENT

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

	Group		Company	
	2021 \$'000	2020 \$'000 Restated*	2021 \$'000	2020 \$'000
Freehold land				
- at cost	7,064	7,064	-	-
Island properties				
- at directors' valuation	11,150	11,150	-	-
Leasehold land, improvements and buildings				
- at cost	92,280	92,197	-	-
Accumulated depreciation	(16,358)	(14,536)	-	-
	75,922	77,661	-	-
Plant and equipment				
- at cost	196,927	195,413	1,456	1,436
Accumulated depreciation	(140,436)	(129,205)	(1,038)	(855)
Allowance for impairment	(9,073)	(5,530)	-	-
	47,418	60,678	418	581
Capital works in progress – at cost	8,490	8,202	13	13
	150,044	164,755	431	594

(b) Reconciliation of property, plant and equipment

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

Group	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2020 – restated*	7,064	11,150	77,661	60,678	8,202	164,755
Additions	-	-	-	660	1,811	2,471
Disposals	-	-	(1)	(10)	(531)	(542)
Transfers to intangible assets	-	-	-	-	(44)	(44)
Transfers from capital work in progress	-	-	84	864	(948)	-
Impairment charge	-	-	-	(3,543)	-	(3,543)
Depreciation	-	-	(1,822)	(11,231)	-	(13,053)
Carrying amount at 30 June 2021	7,064	11,150	75,922	47,418	8,490	150,044

* See Note 3.26

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Company

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2020	-	-	-	581	13	594
Additions	-	-	-	20	-	20
Depreciation	-	-	-	(183)	-	(183)
Carrying amount at 30 June 2021	-	-	-	418	13	431

Group

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress- Restated* \$'000	Total \$'000
Carrying amount at 1 July 2019 – restated*	7,064	12,600	66,427	66,012	3,952	156,055
Revaluations	-	(1,450)	-	-	-	(1,450)
Additions	-	-	476	3,940	8,192	12,608
Disposals	-	-	-	(78)	(64)	(142)
Transfers from intangible assets	-	-	-	49	-	49
Transfers from investment properties	-	-	11,000	-	-	11,000
Transfers from capital work in progress	-	-	1,600	2,278	(3,878)	-
Impairment charge	-	-	-	(525)	-	(525)
Depreciation	-	-	(1,842)	(10,998)	-	(12,840)
Carrying amount at 30 June 2020 – restated*	7,064	11,150	77,661	60,678	8,202	164,755

* See Note 3.26

Company

	Freehold land \$'000	Island properties \$'000	Leasehold land, improvements and buildings \$'000	Plant and equipment \$'000	Capital works in progress \$'000	Total \$'000
Carrying amount at 1 July 2019	-	-	-	126	-	126
Additions	-	-	-	620	13	633
Disposals	-	-	-	(8)	-	(8)
Depreciation	-	-	-	(157)	-	(157)
Carrying amount at 30 June 2020	-	-	-	581	13	594

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. PROPERTY, PLANT AND EQUIPMENT (continued)

- (c) The depreciation policy is set out in Note 3.5.
- (d) See note 27 for items charged as security.
- (e) In 2020, the island property in Nanuya Lailai Island – Yasawa, was revalued by the Directors of Blue Lagoon Cruises Pte Limited based on an independent valuation by Professional Valuations Pte Limited dated 30 June 2020. The valuation had resulted in a decrease of \$1.45 million (\$1.305 million net of tax). The revaluation had been categorised as a Level 2 fair value based on the inputs to the valuation technique used. The following table shows the valuation technique used, as well as the significant unobservable inputs used.

<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Inter-relationship between key unobservable inputs and fair value measurement</i>
Market approach using recent sales data and market values	Adjustment factor of 10% to market selling prices due to impacts of COVID-19	The estimated fair value would increase (decrease) if the adjustment factor were lower (higher).

An independent valuation has not been undertaken during the year ended 30 June 2021 as the Directors believe that the circumstances have not changed materially to impact the fair value determined at 30 June 2020.

The carrying amount that would have been recognised had the island properties been carried under the cost model is \$108,000.

- (f) For group purposes, investment properties are transferred to property, plant and equipment when they are occupied by group entities. There is impact on profit or loss of this transfer as investment properties are held at fair value. Upon transfer the change in fair value of investment properties that are occupied by group entities are reversed and depreciation charge is recorded.
- (g) Measures implemented to contain the spread of COVID-19 has significantly affected economic activity and the business operations of the Group. As a result, COVID19 was considered a triggering event and impairment tests were performed across the Group to determine whether non-financial assets of the Group were impaired.

For Life Cinema Pte Limited, the recoverable amount of the CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be higher than its recoverable amount of \$0 and an impairment loss of \$5,845,000 (2020: \$525,000) was recognised. The impairment loss was allocated to property, plant and equipment, right of use assets and intangible assets on a pro-rata basis.

The key assumptions used in the estimation of value in use calculation were as follows:

Terminal value growth rate - 2%

Discount rate - 12.7%

Following the impairment loss recognised, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

17. OTHER ASSETS

	Group		Company	
	2021	2020	2021	2020
Prepayments	\$'000	\$'000	\$'000	\$'000
	1,634	3,199	26	26

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. INVESTMENT PROPERTIES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Valuation				
Opening balance	37,400	39,228	-	-
Acquisitions	182	-	-	-
Transfer from work in progress	14,024	9,774	-	-
Transfer to property, plant and equipment	-	(11,000)	-	-
Change in fair value	(52)	(602)	-	-
Closing balance	51,554	37,400	-	-
Work in progress				
Opening balance	24,758	14,726	-	-
Acquisitions	15,344	19,806	-	-
Capitalised	(14,024)	(9,774)	-	-
Closing balance	26,078	24,758	-	-
Carrying amount				
Opening balance	62,158	53,954	-	-
Closing balance	77,632	62,158	-	-

Investment properties occupied by the Group are transferred to property, plant and equipment on consolidation. Changes in fair values are recognised as gains or losses in profit or loss and included in 'other income' or 'other expenses' as appropriate. All gains or losses are unrealised.

See note 27 for items charged as security.

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property annually. The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Sales (Direct Comparison) whereby the comparable developments are compared to the subject properties on a common denominator with equated adjustments made to allow for differences and comparability. This approach considers the sale price levels of similar and comparable properties in the localities.	<p>Adjustments for:</p> <ul style="list-style-type: none"> tenure: (2021: (20%) – 10%; 2020: (20%) – 15%) location (2021: 5% – 20%; 2020: (10%) – 10%) size [land and improvement] (2021: (45%) - 20%; 2020: (45%) – 40%) time (2021: 2.5% - 22.5%; 2020: 15% - 25%) improvement condition: (2021: 15% - 40%; 2020: (17.5%) - 20%) impact of COVID19: (2021: (10%); 2020: nil) 	<p>The estimated fair value would increase (decrease) if adjustments for:</p> <ul style="list-style-type: none"> tenure was higher (lower); location was higher (lower); size was higher (lower); time was higher (lower); improvement condition was higher (lower); impact of COVID 19 was lower (higher);

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. INVESTMENT PROPERTIES (continued)

<p>Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacancy rate and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.</p>	<ul style="list-style-type: none"> • Expected market rental growth (2021: (2.5%) - 7.5%). • Vacancy rate: (2021: 3 – 5%) • Risk-adjusted discount rate: (2021: 7%) • Capitalisation rate: (2021: 8%) • Period of cash flows: (2021: 6 years) 	<p>The estimated fair value would increase (decrease) if adjustments for:</p> <ul style="list-style-type: none"> • expected market rental growth were higher (lower); • the vacancy rate were lower (higher); • the risk-adjusted discount rate were lower (higher) • the capitalisation rate were lower (higher) • period of cash flow were higher (lower)
<p>Income capitalization: The valuation model considers the estimated net rental income from the property after allowing for outgoings from management, ground rental, insurance, repairs and maintenance and other related property outgoings. The potential income derived from the property is directly related to the capital value.</p>	<ul style="list-style-type: none"> • Annual rental income • Outgoings • Capitalisation rate: (2021: 7.5 – 9.5%; 2020: 9%) 	<p>The estimated fair value would increase (decrease) if adjustments for:</p> <ul style="list-style-type: none"> • annual rental income was higher (lower) • outgoing was lower (higher) • capitalisation rate was lower (higher)

Due to the economic disruption caused by COVID-19, the Group had granted short term rent holiday or deferral of lease payments to tenants that had been significantly hit by the pandemic. The highly uncertain economic outlook for the period may have a material adverse effect on the tenants' operations, the viability of their business and their ability to meet their rental obligations. This uncertainty is factored into the valuation of investment property, specifically in estimating rent payments from existing tenants, the vacancy rates, expected market rental growth rates and the discount rate, all of which are significant inputs into the fair value determination.

As at 30 June 2021, the valuer has factored in the potential impact of COVID-19 by adjusting the estimated comparable sale value by 10% and adjusting the capitalisation rate where the discounted cash flow and income capitalisation approaches were used.

The 30 June 2021 valuation contains a 'material valuation uncertainty' clause due to the market disruption caused by COVID-19, which resulted in a reduction in transactional evidence and market yields. This clause does not invalidate the valuation but implies that there is substantially more uncertainty than under normal market conditions. Accordingly, the valuer cannot attach as much weight as usual to previous market evidence for comparison purposes, and there is an increased risk that the price realised in an actual transaction would differ from the value conclusion. As a result of this increased uncertainty, the assumptions may be revised significantly in 2022.

Capitalisation of Borrowing Costs

Borrowing costs amounting to \$1,100,551 (2020: \$767,523) in relation to construction of buildings were capitalised to investment properties during the year.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. INTANGIBLE ASSETS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Goodwill on consolidation	62,620	62,620	-	-
Provision for impairment on goodwill	(6,912)	(6,912)	-	-
Management rights	3,877	4,377	-	-
Software	619	780	-	-
Total intangible assets	60,204	60,865	-	-
Movements during the year are as follows:				
Opening net book amount	60,865	61,450	-	-
Additions	94	90	-	-
Transfers from/ (to) property, plant and equipment	44	(49)	-	-
Transfers from work in progress	-	33	-	-
Impairment charge (see note 16(g))	(104)	-	-	-
Amortisation of software	(195)	(159)	-	-
Amortisation of management rights	(500)	(500)	-	-
Total intangible assets	60,204	60,865	-	-

The accounting policy on intangible assets is set out in Note 3.9 and impairment loss on goodwill is recognised in profit or loss.



NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. INTANGIBLE ASSETS - continued

(a) FHL Retailing Pte Limited

Impairment test for goodwill

Goodwill of \$12.112m has been tested for impairment by reviewing the underlying net assets supporting the investment in subsidiary which holds the Group's 51% investment in RB Patel Group Limited.

Management value the investment in RB Patel Group Limited at fair value less estimated costs to sell which is significantly above cost and therefore have concluded that goodwill is not impaired. Fair value for RB Patel Group Limited has been determined based on quoted price of shares traded on the South Pacific Stock Exchange at 30 June 2021 of \$3.38 (2020: \$3.48) less estimated cost to sell. A decrease in RB Patel Group Limited's share price by more than \$2.80 would result in impairment. The fair value measurement was categorised as a Level 1 fair value based on quoted prices. The carrying amount of the cash generating unit (CGU) in 2021 was determined to be lower than its recoverable amount of \$253.423 million (2020: \$260.921 million).

(b) South Sea Cruises Pte Limited

Impairment test for goodwill

Goodwill of \$41.099m 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 from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of \$85,372,000 (2020: \$86,022,000). The key assumptions used in the estimation of value in use were as follows:

	2021
Discount rate	12.80%
Terminal value growth rate	2.50%
Budgeted EBITDA growth rate (average of next five years)	7.00%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 15.22% (2020: 13.59%).

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 nominal gross domestic product (GDP) rates for Fiji.

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 taking into account an estimate of the impact of COVID-19 as at reporting date.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. INTANGIBLE ASSETS (continued)

(b) South Sea Cruises Pte Limited - continued

Impairment test for goodwill - continued

Management has identified that a reasonably possible change in the key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount
Discount rate	0.85%
Terminal value growth rate	1.28%
Budgeted EBITDA growth rate (average of next five years)	3.31%

Impact of COVID-19

The following factors were considered by the Group when determining the impact of COVID-19:

- travel bans and the associated impact on visitor arrivals.
- duration of travel restrictions, shutdown of border and expected gradual opening up of the international borders.
- flow on impact on the CGU of a sharp deterioration in economic conditions driven by significant restrictions and lockdowns.

Due to the travel restrictions the operations of the CGU has been suspended from 23 March 2020. The Group expects operations to recommence from April 2022. This is based on the expectation that Australia and New Zealand, Fiji's two largest tourist market, will open up their borders in the first quarter of 2022. As a result, the Group has forecasted a significant reduction in EBITDA for 2022 when compared to 2020. For the following 2 years the Group envisages a protracted recovery ('reverse J' shaped recovery) with a steady growth from there-on.

(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 59.4% investment in Fiji Television Limited. The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using the multiple of earnings valuation method. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. The key assumptions used in the estimation of the recoverable amount included the future maintainable earning and earnings multiple.

The future maintainable earning was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Earnings multiple was determined based on an analysis of multiples for comparable listed companies adjusted for country and size risk.

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

In 2020, the fair value less cost of disposal was measured using the quoted price of shares traded on the South Pacific Stock Exchange. There has been a change in valuation technique in 2021 due to suspension of trading of Fiji Television Limited's shares on the South Pacific Stock Exchange from February 2021.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. EQUITY SECURITIES

Equity securities are valued in accordance with Note 3.4 of the financial statements.

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(a) Listed/ quoted securities				
- Amalgamated Telecom Holdings Limited	3,814	4,213	-	-
- Fijian Holdings Unit Trust	8,105	7,335	7,134	7,284
- Pacific Green Industries Limited	1,123	1,123	-	-
- Fiji Care Insurance	481	318	-	-
- Kinetic Growth Fund	224	224	-	-
- Vision Investment Limited	251	220	-	-
- Flour Mills of Fiji Limited	3,130	3,133	2,713	2,765
	<u>17,128</u>	<u>16,566</u>	<u>9,847</u>	<u>10,049</u>
(b) Unlisted securities				
Shares in subsidiary companies				
- Basic Industries Pte Limited	-	-	23,716	17,627
- FHL Retailing Pte Limited	-	-	254,771	261,841
RB Patel Group Limited*				
- FHL Stockbrokers Pte Limited	-	-	779	817
- Pacific Cement Pte Limited	-	-	4,200	3,175
- FHL Fund Management Pte Limited	-	-	6,027	6,027
- FHL Properties Pte Limited	-	-	42,964	38,323
- Merchant Finance Pte Limited	-	-	34,000	34,000
- South Sea Cruises Pte Limited	-	-	55,500	55,500
Blue Lagoon Cruises Holding Pte Limited*				
Blue Lagoon Cruises Pte Limited*				
- FHL Media Pte Limited	-	-	40,267	52,619
Fiji Television Limited*				
Life Cinema Pte Limited*				
- Serendib Investment Pte Limited	-	-	4,693	2,065
	<u>-</u>	<u>-</u>	<u>466,917</u>	<u>471,994</u>
Shares in other companies				
- Goodman Fielder International (Fiji) Pte Limited	2,200	2,200	2,200	2,200
- South Pacific Stock Exchange	15	15	-	-
- Fiji Gas Company Pte Limited	2,328	2,328	-	-
- Asian Paints (South Pacific) Pte Limited	3,500	3,500	3,500	3,500
- Marsh Pte Limited	-	-	8,636	8,636
- Newworld Pte Limited	-	-	10,200	10,200
- Golden Manufacturers Pte Limited	-	-	18,562	10,000
- Pernix Fiji Pte Limited	-	-	2,625	2,160
- Ritam Investment Pte Limited	-	-	1,750	6,440
- Motibhai and Company Pte Limited	58	58	-	-
	<u>8,101</u>	<u>8,101</u>	<u>47,473</u>	<u>43,136</u>
Total investments	<u>25,229</u>	<u>24,667</u>	<u>524,237</u>	<u>525,179</u>

* The results of these subsidiaries have been consolidated in the carrying value of FHL Retailing Pte Limited, South Sea Cruises Pte Limited and FHL Media Pte Limited respectively.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. EQUITY SECURITIES (continued)

(b) Unlisted securities (continued)

Equity securities designated as at FVOCI

The Company and the Group has designated the investments shown above as equity securities as at FVOCI because these equity securities represent investments that the Company and the Group intends to hold for the long-term for strategic purposes.

Dividend income recognised during the year is disclosed in Note 21.

No strategic investments were disposed of during 2021, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(c) Valuation of financial instruments

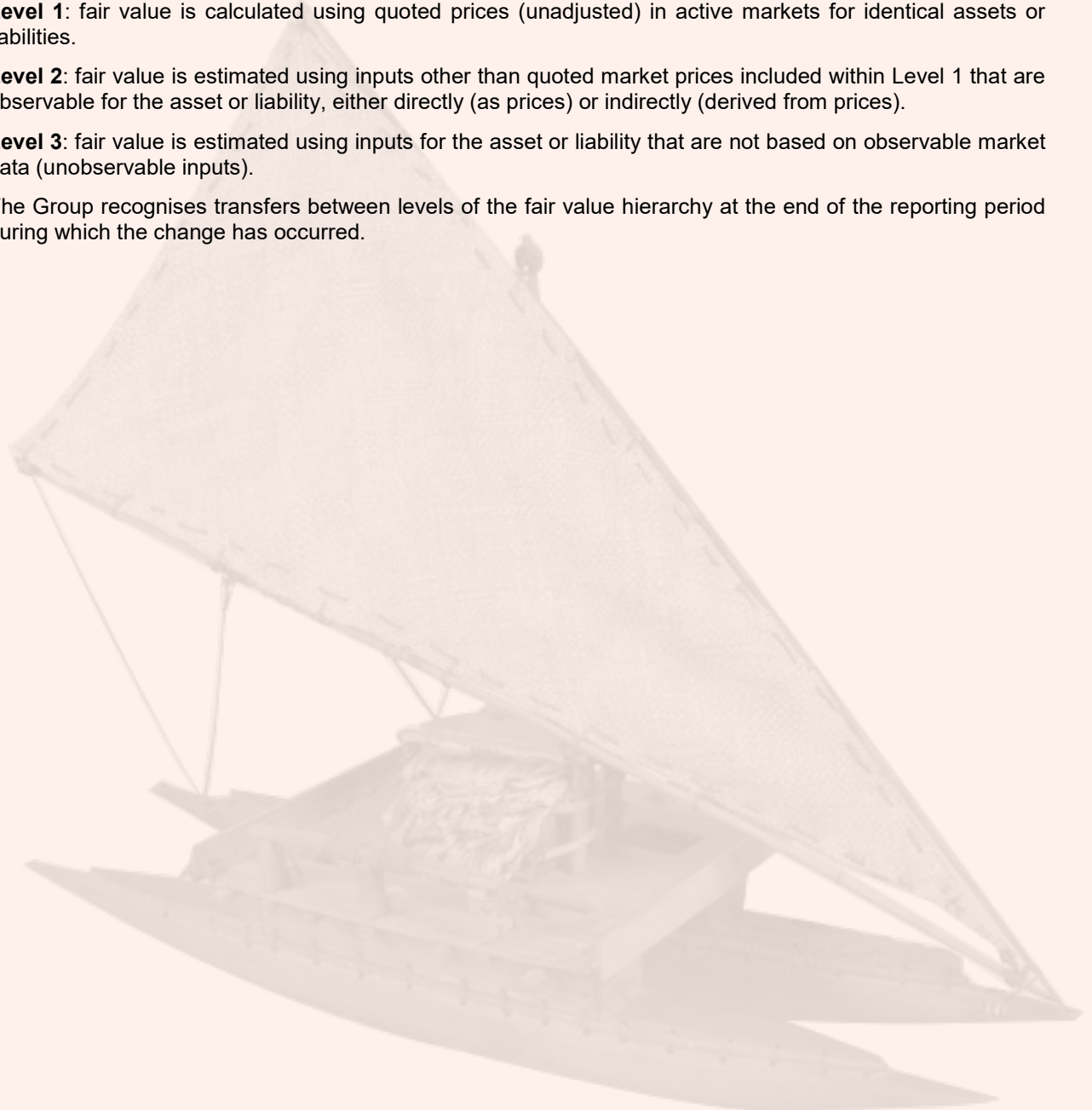
The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value is estimated using inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. EQUITY SECURITIES (continued)	(c) Valuation of financial instruments (continued)	Carrying amount					Fair value				
		Amortised cost \$'000	FVOCI – debt instruments \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
Group											
30 June 2021											
Financial assets measured at fair value											
	Listed equities	-	-	17,128	-	17,128	17,128	-	-	-	17,128
	Unlisted equities	-	-	8,101	-	8,101	-	2,328	5,773	-	8,101
		-	-	25,229	-	25,229					
Financial assets not measured at fair value											
	Government bonds	5,050	-	-	-	5,050	-	5,692	-	-	5,692
		5,050	-	-	-	5,050					
30 June 2020											
Financial assets measured at fair value											
	Listed equities	-	-	16,566	-	16,566	16,566	-	-	-	16,566
	Unlisted equities	-	-	8,101	-	8,101	-	2,328	5,773	-	8,101
		-	-	24,667	-	24,667					
Financial assets not measured at fair value											
	Government bonds	5,050	-	-	-	5,050	-	5,583	-	-	5,583
		5,050	-	-	-	5,050					

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. EQUITY SECURITIES (continued)	(c) Valuation of financial instruments (continued)	Carrying amount				Fair value			
		Amortised cost \$'000	FVOCI – debt instruments \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company									
30 June 2021									
Financial assets measured at fair value									
	Listed equities	-	-	9,847	-	9,847	-	-	9,847
	Unlisted equities	-	-	514,390	-	-	-	514,390	514,390
		-	-	524,237	-	-	-	524,237	
30 June 2020									
Financial assets measured at fair value									
	Listed equities	-	-	10,049	-	10,049	-	-	10,049
	Unlisted equities	-	-	515,130	-	-	-	515,130	515,130
		-	-	525,179	-	-	-	525,179	

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. EQUITY SECURITIES (continued)

(c) Valuation of financial instruments - continued

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities	<p><i>Dividends capitalisation technique:</i> The valuation model is based on the future maintainable dividends and capitalisation rates.</p> <p><i>Market comparison technique:</i> 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><i>Net tangible assets:</i> The valuation model is based on the recoverable amount of the net tangible assets of the business encompassing the equity security.</p>	<ul style="list-style-type: none"> Capitalisation rates (2021: 8-12.5%; 2020: 8-12.5%) Adjusted market multiple (2021: 7.2-9%; 2020: 7.9-8.6%) Forecasted earnings Recoverable amount of the net tangible assets 	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	<i>Market comparison</i> - The fair value of the long term investment securities is based on market prices published by the Reserve Bank of Fiji.	Not applicable	Not applicable

Fair value of assets included in Level 3 are based on Directors' valuations. During the year ended 30 June 2021, there were no transfers in and out of fair value hierarchy levels mentioned above. There was no material movement between the opening and closing balances in Level 3 of the fair value hierarchy. The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair value.

	Group \$'000	Company \$'000
Balance at 1 July 2019	5,770	353,813
Gain included in OCI		
- Net change in fair value	3	161,318
Balance at 30 June 2020	<u>5,773</u>	<u>515,131</u>
Balance at 1 July 2020	5,773	515,131
Gain included in OCI		
- Net change in fair value	-	(742)
Balance at 30 June 2021	<u>5,773</u>	<u>514,389</u>

Sensitivity analysis

For the fair values of equity securities, a reasonably possible change of 10% at the reporting date to one of the significant unobservable inputs, holding other inputs constant would have the following effects:

	OCI, net of tax	
	Increase \$'000	Decrease \$'000
Capitalisation rates	(6,250)	6,250
Adjusted market multiple	7,592	(7,592)

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. DETAILS OF INVESTMENTS

Name of company (a) Listed/ quoted securities	Place of incorporation/ principal country of operation	Ownership interest		Dividend income for the Company	
		2021 %	2020 %	2021 \$'000	2020 \$'000
Fijian Holdings Unit Trust	Fiji	6.31	6.31	172	251
Flour Mills of Fiji Limited	Fiji	4.3	4.3	39	26
				<u>211</u>	<u>277</u>
(b) Unlisted securities					
Subsidiary companies:					
Basic Industries Pte Limited	Fiji	51.1	51.1	-	1,533
Serendib Investments Pte Limited	Fiji	75.0	75.0	-	-
South Sea Cruises Pte Limited	Fiji	100.0	100.0	-	1,600
- Blue Lagoon Cruises Holdings Pte Limited	Fiji	100.0	100.0	-	-
- Blue Lagoon Cruises Pte Limited	Fiji	96.1	96.1	-	-
Awesome Tourism Investment Pte Limited	Fiji	100.00	100.00	-	-
Pacific Property Holding Pte Limited	Fiji	100.00	100.00	-	-
Basic Holdings Pte Limited	Fiji	51.00	51.00	-	-
FHL Logistics Pte Limited	Fiji	100.0	100.0	-	-
FHL Retailing Pte Limited	Fiji	100.0	100.0	3,030	2,500
- RB Patel Group Limited	Fiji	54.3	54.3	-	-
FHL Stockbrokers Pte Limited	Fiji	100.0	100.0	-	100
Pacific Cement Pte Limited	Fiji	50.3	50.3	-	-
FHL Fund Management Limited	Fiji	100.0	100.0	450	800
FHL Properties Pte Limited	Fiji	100.0	100.0	-	4,500
FHL Media Pte Limited	Fiji	100.0	100.0	400	1,500
- Fiji Television Limited	Fiji	59.4	59.4	-	-
- Life Cinema Pte Limited	Fiji	71.6	71.6	-	-
Merchant Finance Pte Limited	Fiji	80.0	80.0	1,500	1,500
				<u>5,380</u>	<u>14,033</u>
Other companies					
Asian Paints (South Pacific) Pte Limited	Fiji	8.9	8.9	981	299
Goodman Fielder International (Fiji) Pte Limited	Fiji	10.0	10.0	176	176
Golden Manufacturers Pte Limited	Fiji	30.0	30.0	1,650	1,650
Pernix (Fiji) Pte Limited	Fiji	21.0	21.0	-	105
Marsh Pte Limited	Fiji	25.0	25.0	750	725
New World Pte Limited	Fiji	20.3	20.3	1,035	1,121
Ritam Investments Pte Limited	Fiji	30.0	30.0	-	-
				<u>4,592</u>	<u>4,076</u>
				<u>10,183</u>	<u>18,386</u>

22. NON-CONTROLLING INTERESTS

The Group has a number of subsidiaries which it controls but which also have significant non-controlling interests.

The table set out below shows the interest that non-controlling interests have in each subsidiary that is material to the reporting entity.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. NON-CONTROLLING INTERESTS - continued

	Basic Industries Pte Limited	Pacific Cement Pte Limited	Serendib Investment Pte Limited	Merchant Finance Pte Limited	RB Patel Group Limited	Fiji Television Limited	Life Cinema Pte Limited	Blue Lagoon Cruises Pte Limited	Basic Holdings Pte Limited	Intra-group eliminations	Total
30 June 2021											
NCI percentage	48.99%	49.75%	25.00%	20.00%	45.67%	40.62%	28.37%	3.90%	49.00%		
Non-current assets	22,794	6,744	8,829	148,579	82,040	4,594	3,249	17,257	2		
Current assets	22,322	11,292	978	46,032	16,390	7,689	130	6,069	2,235		
Non-current liabilities	(10,679)	(1,190)	(4,750)	(48,516)	(22,668)	(1,022)	(5,262)	(2,059)	-		
Current liabilities	(24,650)	(14,887)	(4,055)	(108,449)	(20,241)	(4,446)	(6,421)	(6)	-		
Net assets	9,787	1,959	1,002	37,646	55,521	6,815	(8,304)	21,261	2,237	(1,461)	39,782
Net assets attributable to NCI	4,795	975	251	7,529	25,356	2,768	(2,356)	829	1,096		
Revenue	38,517	22,460	1,984	17,249	135,499	4,417	871	-	246		
Profit/(loss)	(9,049)	(3,865)	(2,304)	4,526	8,571	(2,348)	(7,088)	(432)	8		
Other comprehensive loss	-	-	-	-	-	(2)	-	-	-		
Total comprehensive income/(loss)	(9,049)	(3,865)	(2,304)	4,526	8,571	(2,350)	(7,088)	(432)	8		
Profit/(loss) allocated to NCI	(4,433)	(1,923)	(576)	905	3,914	(954)	(2,011)	(17)	4	3	(5,088)
Other comprehensive loss allocated to NCI	-	-	-	-	-	(1)	-	-	-	-	(1)
Cash flows from/(used in) operating activities	1,452	2,369	(1,598)	9,782	14,006	306	(510)	(38)	29		
Cash flows (used in)/from investing activities	(1,078)	3	(532)	(205)	(7,764)	18	416	-	(3)		
Cash flows (used in)/from financing activities (dividends to NCI: \$2.293 million)	(2,089)	(1,921)	1,906	(10,446)	(5,294)	(225)	(19)	-	-		
Net (decrease)/increase in cash and cash equivalents	(1,715)	451	(224)	(869)	948	99	(113)	(38)	26		

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. NON-CONTROLLING INTERESTS - continued	30 June 2020										Total
	Basic Industries Limited- Restated*	Pacific Cement Pte Limited- Restated*	Serendib Investment Pte Limited	Merchant Finance Pte Limited	RB Patel Group Limited	Fiji Television Limited- Restated*	Life Cinema Pte Limited	Blue Lagoon Cruises Pte Limited	Basic Holdings Pte Limited	Intra- group eliminations	
NCI percentage	48.99%	49.75%	25.00%	20.00%	45.67%	40.62%	28.37%	3.90%	49.00%		
Non-current assets	22,476	7,079	9,011	159,054	77,851	5,750	10,053	17,670	-		
Current assets	31,002	11,137	1,084	47,862	16,891	7,868	600	6,201	2,488		
Non-current liabilities	(2,997)	(350)	(3,920)	(63,989)	(24,500)	(1,156)	(10,840)	(2,066)	-		
Current liabilities	(31,645)	(12,043)	(2,870)	(107,933)	(19,093)	(3,296)	(1,029)	(112)	(258)		
Net assets	18,836	5,823	3,305	34,994	51,149	9,166	(1,216)	21,693	2,230	(1,462)	
Net assets attributable to NCI	9,228	2,897	826	6,999	23,360	3,723	(345)	846	1,093	47,165	
Revenue	57,545	27,017	1,492	16,570	139,606	8,656	3,820	2,410	2,604		
Profit/(loss)	(3,620)	(6,220)	(2,397)	2,639	9,681	(2,734)	(1,226)	1,562	2,230		
Other comprehensive loss	-	-	-	(2,876)	-	(2)	-	(1,305)	-		
Total comprehensive income/(loss)	(3,620)	(6,220)	(2,397)	(237)	9,681	(2,736)	(1,226)	257	2,230		
Profit/(loss) allocated to NCI	(1,773)	(3,094)	(599)	528	4,421	(1,111)	(348)	61	1,093	1	
Other comprehensive loss allocated to NCI	-	-	-	(575)	-	(1)	-	(51)	-	(627)	
Cash flows from/(used in) operating activities	2,628	105	(1,846)	19,776	13,805	821	16	(90)	24		
Cash flows (used in) investing activities	(2,330)	(469)	(2,326)	(323)	(7,380)	(284)	(4)	-	-		
Cash flows (used in)/from financing activities (dividends to NCI: \$4.118 million)	(1,116)	1,536	3,475	(5,614)	(1,575)	(650)	67	140	-		
Net (decrease)/increase in cash and cash equivalents	(818)	1,172	(697)	13,839	4,850	(113)	79	50	24		

*See Note 3.26

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. INVESTMENTS IN ASSOCIATES

The Group's share of profit after tax in its equity accounted investees for the year was \$7.147 million (2020: \$5.340 million). Other comprehensive income in the equity accounted investees is \$nil (2020: \$nil). As a result, the Group's share of total comprehensive income is equal to its share of profit. The Group has interests in the following associates which are considered individually immaterial:

Marsh Pte Limited
Golden Manufacturers Pte Limited
Pernix (Fiji) Pte Limited
New World Pte Limited
Ritam Investments Pte Limited

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	Assets \$'000	Liabilities \$'000	Revenue \$'000	Expenses \$'000	Profit/(loss) \$'000
2021	271,771 =====	127,123 =====	336,690 =====	307,185 =====	29,505 =====
2020	249,413 =====	124,195 =====	318,741 =====	295,346 =====	23,395 =====

Reconciliation of the carrying value of investments in associates:

	Group	
	2021 \$'000	2020 \$'000
Opening balance	38,964	30,784
Additions	-	6,440
Equity accounted earnings of associates (net of tax) from continuing operations	7,147	5,340
Dividends from associates	(3,436)	(3,600)
Impairment loss recognised	(5,797)	-
Closing balance	<u>36,878</u>	<u>38,964</u>

During 2021, the Group identified indicators of impairment for its equity accounted investments in Pernix (Fiji) Pte Limited and Ritam Investments Pte Limited. Accordingly, the Group estimated the recoverable amount of both the investments.

The recoverable amount for investments in Ritam Investments Pte Limited was estimated based on a recent comparable sale transaction. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. The carrying amount of the investment was determined to be higher than its recoverable amount of \$1,750,000 and an impairment loss of \$3,461,000 was recognised.

The recoverable amount for investments in Pernix (Fiji) Pte Limited was estimated based on the recoverable amount of the net tangible assets of the business encompassing the equity security. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. The carrying amount of the investment was determined to be higher than its recoverable amount of \$2,600,000 and an impairment loss of \$2,336,000 was recognised.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. PAYABLES AND PROVISIONS

	Group		Company	
	2021 \$'000	2020 \$'000 Restated*	2021 \$'000	2020 \$'000
Current				
Trade creditors	24,670	20,484	-	-
Provisions**	2,632	-	-	-
Accruals and other creditors	14,243	12,910	442	371
	<u>41,545</u>	<u>33,394</u>	<u>442</u>	<u>371</u>
Non-current				
Trade creditors	516	288	-	-
TOTAL	<u>42,061</u>	<u>33,682</u>	<u>442</u>	<u>371</u>

* See Note 3.26

** The Group is defending certain product claims and has estimated a provision of \$2.632 million based on the terms and conditions of the underlying agreements, the type of supply, the period of claims and the supporting documents in relation to the supply. The expected outflows, if any, relating to the above provisions is expected to be within the next financial year.



NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. EMPLOYEE ENTITLEMENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Annual leave	796	699	41	37
Bonus and gratuity	265	283	32	40
	<u>1,061</u>	<u>982</u>	<u>73</u>	<u>77</u>
Non-current				
Bonus and gratuity	25	31	-	-
	<u>25</u>	<u>31</u>	<u>-</u>	<u>-</u>
	<u>1,086</u>	<u>1,013</u>	<u>73</u>	<u>77</u>

26. DIVIDENDS PAYABLE

Dividends	<u>4,918</u>	<u>4,180</u>	<u>-</u>	<u>-</u>
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This amount represents provision for dividends by group entities to their minority shareholders.

27. BORROWINGS

Current				
Bank overdrafts secured (Note 11)	32,728	27,885	7,932	9,982
Term loans secured	37,419	20,884	5,667	6,597
Fixed term deposits and term borrowings* (unsecured) – third parties	98,068	95,342	-	-
– related parties	3,018	2,917	2,000	2,000
	<u>171,233</u>	<u>147,028</u>	<u>15,599</u>	<u>18,579</u>
Non-current				
Term loans secured	57,274	76,418	35,457	33,455
Fixed term deposits and term borrowings* (unsecured) – third parties	47,423	62,766	-	-
(unsecured) – related parties	4,150	4,150	8,253	8,440
	<u>108,847</u>	<u>143,334</u>	<u>43,710</u>	<u>41,895</u>
TOTAL	<u>280,080</u>	<u>290,362</u>	<u>59,309</u>	<u>60,474</u>

* Fixed term deposits and term borrowings relate to customer deposits with Merchant Finance Pte Limited and Fijian Holdings Unit Trust.

The bank overdraft, stand by facilities, and term loans of the group entities are secured as follows.

- Fijian Holdings Limited – the term loan of \$41,124,000 (2020: \$40,052,000) and bank overdraft of \$7,932,000 (2020: \$9,982,000) with Australia and New Zealand Banking Group Limited (“ANZ Bank”, “ANZ”) are secured by scrip lien over shares in Basic Industries Pte Limited, Merchant Finance Pte Limited, South Sea Cruises Pte Limited, Golden Manufacturers Pte Limited, FHL Media Pte Limited, Pernix (Fiji) Pte Limited, scrip lien given by FHL Retailing Pte Limited over shares in RB Patel Group Limited, scrip lien given by FHL Trustees Limited, over shares in Pernix (Fiji) Pte Limited, naked deposit given by FHL Fund Management Limited over 1 ordinary share in South Sea Cruises Pte Limited, and first registered charge (mortgage debenture) given by the Company 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).

Overdraft facilities of \$20,000,000 were available to the Company as at 30 June 2021 (2020: \$20,000,000) of which \$7,932,000 (2020: \$9,982,000) was utilised. The overdraft facilities attract interest at a rate of 4.65% per annum.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. **BORROWINGS - continued**

The following table provides repayment details for the term loan:

Term loan	30 June 2021	Repayment details
	\$'000	
Loan 1	15,925	Monthly principal and interest repayments of \$327,000. Interest to be charged at the rate of 4.65% per annum.
Loan 2	2,389	Monthly principal and interest repayments of \$86,000. Interest to be charged at the rate of 4.65% per annum.
Loan 3	5,136	Monthly principal and interest repayments of \$62,000. Interest to be charged at the rate of 4.65% per annum.
Loan 4	17,674	Monthly principal and interest repayments of \$226,000. Interest to be charged at the rate of 4.65% per annum.

ii. South Sea Cruises Pte Limited – the term loan of \$17,833,000 (2020: \$17,341,000), insurance premium funding facility of \$286,000 (2020: \$140,000) and bank overdraft of \$7,390,000 (2020: \$3,306,000) with ANZ Bank are secured as follows:

- First charge registered mortgage debenture by South Sea Cruises Pte Limited dated 26 August 2005 being a fixed and floating charge over all present and future assets, undertakings and unpaid or uncalled capital.
- First charge ships mortgage and deed of covenant over MV Dau Saru Cakau, MV Yasawa Flyer II, MV Ocean Dreaming, MV Cougar II, MV Panther and MV Tiger V.
- Master finance lease agreement dated 22 May 2009 between ANZ and the company.
- First charge registered mortgage over the property situated at Malamala Island comprising the Malamala Beach Club being the land described in iTaukei sublease number 820719.
- Deed of postponement between ANZ, Fijian Holdings Limited and South Sea Cruises Pte Limited on the repayment of loan by South Sea Cruises Pte Limited to Fijian Holdings Limited
- Corporate guarantee and indemnity unlimited as to amount plus interest, costs and other amounts given by Fijian Holdings Limited in favour of ANZ.
- First charge registered mortgage debenture by Blue Lagoon Cruises Pte Limited dated 16 December 2013 being a fixed and floating charge over all present and future assets, undertakings and unpaid or uncalled capital of Blue Lagoon Cruises Pte Limited.
- First charge ships mortgage and deed of covenant over MV Fiji Princess.
- First charge registered mortgage over the property situated at Nanuya Lailai Island being the land described in Crown Grant Folio Number 1248.

Overdraft facilities of \$9,000,000 were available to the company as at 30 June 2021 (2020: \$5,200,000) of which \$7,390,000 (2020: \$3,306,000) was utilised. The overdraft facilities attract interest at a rate of 4.65% per annum.

Monthly principal and interest repayments on the insurance premium funding facility is \$77,000 at a rate of 4.65% per annum. The following table provides repayment details for the term loan:

Term loan	30 June 2021	Repayment details - after 31 March 2022
	\$'000	
Loan 1	2,895	Monthly principal and interest repayments of \$328,000. Interest to be charged at the rate of 4.65% per annum.
Loan 2	4,247	Monthly principal and interest repayments of \$92,000. Interest to be charged at the rate of 4.65% per annum.
Loan 3	4,005	Monthly principal and interest repayments of \$87,000. Interest to be charged at the rate of 4.65% per annum.
Loan 4	3,210	Monthly principal and interest repayments of \$49,000. Interest to be charged at the rate of 4.65% per annum.
Loan 5	3,476	Monthly principal and interest repayments of \$55,000. Interest to be charged at the rate of 4.65% per annum.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. **BORROWINGS - continued**

iii. RB Patel Group Limited – the term loan of \$15,570,000 (2020: \$15,836,000) and bank overdraft of \$1,205,000 (2020: \$1,406,000) (together with letter of credit and guarantee facilities) from ANZ Bank is secured by:

- Registered first mortgage debenture given by the company over all its present and future assets and undertakings and its uncalled and unpaid capital, stamped to \$31.027 million.
- Registered first 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 ANZ Bank, Westpac Banking Corporation (“Westpac Bank”) and the company, regarding sharing of securities in the ratio 50/50 with maximum debt of \$7 million each.

The term loan of \$3,082,000 (2020: \$3,230,000) and bank overdraft of \$1,790,000 (2020: \$2,409,000) (together with letter of credit and guarantee facilities) from Westpac Bank 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 Bank, ANZ Bank 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. 2843) situated at the corner of Kings & Adi Davila Roads, Nakasi, Nausori, (CL No. 4825) situated at Clarke Street, Suva and (NL No. 15761) situated at Nasekula Road, Labasa.

Overdraft facilities from ANZ Bank and Westpac Bank of \$11,802,000 were available to the company as at 30 June 2021 (2020: \$11,802,000) of which \$2,995,000 (2020: \$3,815,000) was utilised. The overdraft facilities attract interest at a rate of 4.65% per annum.

The following table provides repayment details for the term loan:

Term loan	30 June 2021	Repayment details
	\$'000	
Loan 1	4,215	Monthly principal and interest repayments of \$60,000. Interest to be charged at the rate of 4.65% per annum.
Loan 2	9,237	Monthly principal and interest repayments of \$80,000. Interest to be charged at the rate of 4.65% per annum. Repayments will commence on completion of construction of the three level building at JetPoint Complex in Martintar Nadi.
Loan 3	2,118	Monthly principal and interest repayments of \$60,000. Interest to be charged at the rate of 4.65% per annum. Repayments will commence on completion of construction of the two level building at HarbourPoint Complex in Lami.
Loan 4	3,082	Monthly principal and interest repayments of \$50,000. Interest to be charged at the rate of 4.65% per annum.

iv. Basic Industries Pte Limited – the finance lease of \$1,409,000 (2020: \$3,375,000) and bank overdraft of \$10,128,000 (2020: \$7,379,000) with ANZ Bank is secured by a registered first mortgage debenture over all assets and undertakings of Basic Industries Pte Limited including its uncalled and unpaid capital and letter of comfort given by Fijian Holdings Limited in support of facilities amounting in aggregate to \$12.995m held on account of Basic Industries Pte Limited.

Overdraft facilities of \$10,000,000 were available to the company as at 30 June 2021 (2020: \$10,000,000) of which \$10,128,000 (2020: \$7,379,000) was utilised. The overdraft facilities attract interest at a rate of 4.65% per annum.

Basic Industries Pte Limited leases vehicles and equipment with lease terms of 3 to 5 years. At the end of the lease, the respective vehicle and/or equipment is owned by Basic Industries Pte Limited. The finance lease is secured as follows:

- first registered mortgage debenture over all the assets of the company including its uncalled and unpaid capital;
- master lease agreement between Basic Industries Pte Ltd and ANZ Bank; and
- letter of comfort given by Fijian Holdings Limited in support of facilities amounting in aggregate to \$12.995m held on account of Basic Industries Pte Limited.

Monthly principal and interest repayments on the finance lease is \$124,000 at a rate of 4.65% per annum.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. BORROWINGS - continued

- v. Life Cinema Pte Limited – the term loan of \$5,389,000 (2020: \$5,448,000) and bank overdraft of \$351,000 (2020: \$256,000) with ANZ Bank is subject to interest at 4.65%, is repayable by monthly instalments of \$51,071 (inclusive of interest) and is secured by:
- First registered mortgage debenture over the company's assets and undertakings including its called and uncalled capital.
 - Letter of Undertaking given by Fijian Holdings Limited for the entire indebtedness of \$5,389,000 to ANZ Bank.

Overdraft facilities of \$250,000 were available to the company as at 30 June 2021 (2020: \$250,000) of which \$351,000 (2020: \$256,000) was utilised. The overdraft facilities attract interest at a rate of 4.65% per annum.

Monthly principal and interest repayments on the term loan of \$55,000 at a rate of 4.65% per annum will commence from 1 January 2022.

- vi. Pacific Cement Pte Limited - the trade loan of \$3,431,000 (2020: \$5,072,000), finance lease of \$250,000 (2020: \$381,000) and bank overdraft of \$1,224,000 (2020: \$1,507,000) with ANZ Bank is secured by a first registered mortgage debenture, dated 30 June 2004, over all of Pacific Cement Pte Limited's assets and undertakings, stamped at \$9.1 million and a first registered mortgage over Customary/Native Lot 2 Lovu & Vatamai off Naikabula Road, Lautoka.

Overdraft facilities of \$4,500,000 were available to the company as at 30 June 2021 (2020: \$3,000,000) of which \$1,224,000 (2020: \$1,507,000) was utilised. The overdraft facilities attract interest at a rate of 4.50% per annum.

The trade loan facility repayable within 180 days of drawing date was withdrawn by ANZ Bank on 1 August 2021. The finance lease facility obtained to facilitate various financing requirements including heavy machineries and vehicles was withdrawn by ANZ Bank on 1 August 2021.

- vii. FHL Properties Pte Limited – the term loan of \$1,991,000 (2020: \$2,951,000) and bank overdraft of \$800,000 (2020: \$nil) with ANZ Bank are secured as follows:
- First registered mortgage debenture over the assets and undertakings of the company;
 - First registered mortgage over Certificate of Title number 19239 on property known as "Vanua House";
 - First registered mortgage over Certificate of Title number 4098, being property known as "Ratu Sukuna House";
 - First registered Mortgage over Certificate of Title No.12609, being property known as "Ra Marama House";
 - First Registered Mortgage over Freehold, at the corner of Gordon and Gorrie streets, over Certificate of Title number 7767; and
 - First Registered Mortgage over Freehold, off Momi Bay Road, over Certificate of Title number 23603.

Overdraft facilities of \$1,000,000 were available to the company as at 30 June 2021 (2020: \$nil) of which \$800,000 (2020: \$nil) was utilised. The overdraft facilities attract interest at a rate of 4.65% per annum.

The company entered into a loan agreement with ANZ Bank as follows for which no drawdowns were made during the current financial year:

- \$49,000,000 to assist with funding the cost for the construction of a 17 storey modern commercial building (FHL Tower), at a variable interest rate of 5.15%. Interest is to be capitalized for the first 18 months from date of first drawdown. Thereafter, interest only payments for 18 months the principal and interest repayments; and \$2,000,000 business overdraft to assist with funding the VAT component of the FHL Tower project, at a variable interest rate of 5.15% and repayable at demand.; and

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. BORROWINGS (continued)

The following table provides repayment details for the term loan:

Term loan	30 June 2021	Repayment details
	\$'000	
Loan 1	1,302	Monthly principal and interest repayments of \$28,000. Interest to be charged at the rate of 4.65% per annum.
Loan 2	689	Monthly principal and interest repayments of \$51,000. Interest to be charged at the rate of 4.65% per annum.

viii. Merchant Finance Pte Limited - The company has a Standby Overdraft Facility of \$4,000,000 (2020: \$4,000,000) with ANZ Bank. The facility is secured by a registered equitable mortgage over all the company's assets and uncalled capital. As at year end, the facility remained unutilised (2020: \$ Nil).

ix. Serendib Investments Pte Limited – the term loan of \$4,328,000 (2020: \$3,476,000) and bank overdraft of \$1,908,000 (2020: \$1,640,000) with HFC Bank are secured by:

- First registered mortgage debenture over all assets and undertakings of the company including uncalled and unpaid premiums
- Limited guarantee provided by Fijian Holdings Limited

Overdraft facilities of \$2,000,000 were available to the company as at 30 June 2021 (2020: \$2,000,000) of which \$1,908,000 (2020: \$1,640,000) was utilised. The overdraft facilities attract interest at a rate of 5% per annum.

Monthly principal and interest repayments on the term loan of \$93,000 at a rate of 5.00% per annum will commence from 1 January 2022.

The Group did not have any defaults of principal or interest or other breaches with respect to its borrowings during the years ended 30 June 2021 and 2020 except for South Sea Cruises Pte Limited and Life Cinema Pte Limited for the year ended 30 June 2021. For South Sea Cruises Pte Limited and Life Cinema Pte Limited, the 'material adverse change' clauses were breached as a result of COVID19 related restrictions and the resultant material adverse effects on both the entities. As a result, the entire borrowings for South Sea Cruises Pte Limited and Life Cinema Pte Limited of \$23,508,000 have been classified as current at yearend as the loans are not subject to an unconditional right of the entities at the reporting date to defer settlement of the liabilities for at least 12 months after the yearend. The breaches have not been remedied subsequent to yearend.

Relief assistance received by subsidiary company, South Sea Cruises Pte Limited, due to COVID 19

On 22 April 2020, ANZ increased the subsidiary company's overdraft facility limit from \$1,500,000 to \$5,200,000 and on 16 October 2020 this was further increased to \$6,500,000. On 4 March 2021, the overdraft facility limit was extended to \$9,000,000 up until 30 June 2021. This was subsequently extended to the end of 31 July 2021 at \$9,000,000. Monthly repayments of principal and interest on all borrowings (except repayment on insurance premium funding facility) with ANZ were temporarily ceased from 22 April 2020 to 21 February 2021 (temporary period). During the temporary period only interest was charged and capitalised into the loan balance. Effective 22 February 2021 to 30 June 2021 the subsidiary company was required to make interest only payments for all loan accounts with ANZ.

On 30 August 2021, ANZ extended its assistance to the subsidiary company through to 31 March 2022. This assistance comprises of an increase in overdraft facility limit to \$13,650,000 and interest only repayments on loans till 31 March 2022.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. BORROWINGS (continued)

Reconciliation of movement of liabilities to cash flows from financing activities

Group	Term loan (secured) \$'000	Lease liabilities \$'000	Total \$'000
Balance at 30 June 2019	80,029	17,866	97,895
Changes from financing cash flows			
Proceeds from loans and borrowings	40,215	-	40,215
Repayment of borrowings	(22,942)	-	(22,942)
Payment of lease liabilities	-	(1,242)	(1,242)
Total changes from financing cash flows	17,273	(1,242)	16,031
Other changes			
Liability-related			
New lease liabilities	-	1,286	1,286
Remeasurements	-	27	27
Disposals	-	(107)	(107)
Rent concessions due to COVID19	-	(1,186)	(1,186)
Interest expense	5,559	1,136	6,695
Interest paid	(5,559)	(1,136)	(6,695)
Total liability-related other changes	-	20	20
Balance at 30 June 2020	97,302	16,644	113,946
Changes from financing cash flows			
Proceeds from loans and borrowings	18,213	-	18,213
Repayment of borrowings	(21,315)	-	(21,315)
Payment of lease liabilities	-	(2,539)	(2,539)
Total changes from financing cash flows	(3,102)	(2,539)	(5,641)
Other changes			
Liability-related			
New lease liabilities	-	2,616	2,616
Remeasurements	-	712	712
Disposals	-	(1,735)	(1,735)
Rent concessions due to COVID19	-	(1,015)	(1,015)
Interest expense	4,842	1,064	5,906
Interest paid	(4,349)	(746)	(5,095)
Total liability-related other changes	493	896	1,389
Balance at 30 June 2021	94,693	15,001	109,694

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. BORROWINGS (continued)

Reconciliation of movement of liabilities to cash flows from financing activities

Company	Term loan (secured) \$'000	Lease liabilities \$'000	Total \$'000
Balance at 30 June 2019	26,500	297	26,797
Changes from financing cash flows			
Proceeds from loans and borrowings	19,333	-	19,333
Repayment of borrowings	(5,781)	-	(5,781)
Payment of lease liabilities	-	(147)	(147)
Total changes from financing cash flows	13,552	(147)	13,405
Other changes			
Liability-related			
Interest expense	2,476	17	2,493
Interest paid	(2,476)	(17)	(2,493)
Total liability-related other changes	-	-	-
Balance at 30 June 2020	40,052	150	40,202
Changes from financing cash flows			
Proceeds from loans and borrowings	5,300	-	5,300
Repayment of borrowings	(4,228)	-	(4,228)
Payment of lease liabilities	-	(150)	(150)
Total changes from financing cash flows	1,072	(150)	922
Other changes			
Liability-related			
New lease liabilities	-	853	853
Interest expense	1,924	8	1,932
Interest paid	(1,924)	(8)	(1,932)
Total liability-related other changes	-	853	853
Balance at 30 June 2021	41,124	853	41,977

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. SHARE CAPITAL

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Issued and fully paid				
Issued and paid up capital	30,465	30,465	30,465	30,465
	<u>30,465</u>	<u>30,465</u>	<u>30,465</u>	<u>30,465</u>

Shares have no par value.

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

29. RESERVES

Fair value reserve

Fair value reserve consists of subsequent changes in the fair value of investments in equity instruments that are not held for trading.

Credit loss reserve

The credit loss reserve related to Merchant Finance Pte Limited in accordance with the requirements of the Reserve Bank of Fiji.

The Credit Loss Reserve was initially established to comply with Reserve Bank of Fiji requirements of maintaining prudent levels for possible losses inherent in the loan portfolio which are not associated with any facility or amount. These were maintained for credit facilities outstanding which are not subject to individually assessed provision. Following the implementation of IFRS 9, management believe that such credit loss for non-specific losses is already covered as part of the ECL model, including management overlay component. Accordingly, the credit loss reserve was derecognized during 2020, through other comprehensive income, with a corresponding adjustment to profit or loss. The credit loss reserve had been established gross of tax, which following the transfer through OCI, had been brought to account by recognizing an appropriate deferred tax impact.

Other equity reserve

Other equity reserve relates principally to acquisition of minority interest shareholdings in Blue Lagoon Cruises Pte 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 Pte Limited in 2013 was accounted for as a common control transaction as at the time of this transaction both FHL Media Pte Limited and the Company were controlled by the same shareholder group. As a common control transaction, the acquisition did not reflect the fair value of assets and liabilities acquired or recording of additional goodwill at the time of the acquisition of FHL Media Pte Limited. The acquisition balance sheet of FHL Media Pte Limited reflected the carrying values for assets and liabilities acquired from FHL Media Pte Limited's consolidated accounting records. The difference between the fair value of the consideration given and the carrying value of the assets and liabilities acquired was recognised as a common control reserve in the consolidated financial statements. Upon disposal of all interests in FHL Media Pte Limited by the Group, this reserve will be transferred to retained earnings.

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. RESERVES - continued	Asset Revaluation Reserve \$'000	Credit Loss Reserve \$'000	Common Control Reserve \$'000	Fair Value Reserve \$'000	Foreign Currency Translation Reserve \$'000	Other Equity Reserve \$'000	Total \$'000
Group							
Balance at 30 June 2019	10,371	2,425	9,926	18,945	(235)	(2,765)	38,667
Foreign currency movement	-	-	-	-	(1)	-	(1)
Decrease in non-controlling interests	-	-	-	-	-	(3,202)	(3,202)
Increase in non-controlling interests	-	-	-	-	-	650	650
Credit loss reserve derecognised	-	(2,425)	-	-	-	-	(2,425)
Fair value movements	(1,254)	-	-	(2,943)	-	-	(4,197)
Balance at 30 June 2020	9,117	-	9,926	16,002	(236)	(5,317)	29,492
Foreign currency movement	-	-	-	-	(1)	-	(1)
Fair value movements	-	-	-	(630)	-	-	(630)
Balance at 30 June 2021	9,117	-	9,926	15,372	(237)	(5,317)	28,861
Company							
Balance at 30 June 2019	-	-	-	173,119	-	-	173,119
Fair value movements	-	-	-	150,810	-	-	150,810
Balance at 30 June 2020	-	-	-	323,929	-	-	323,929
Fair value movements	-	-	-	(1,114)	-	-	(1,114)
Balance at 30 June 2021	-	-	-	322,815	-	-	322,815

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. LEASE COMMITMENTS

Short term lease commitments

The Group has a number of leases with less than 12 months of lease term for which no right of use assets and liabilities have been recognised. The future aggregated minimum lease payments under these leases are as follows:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Not later than 1 year	96	70	-	-
	<u>96</u>	<u>70</u>	<u>-</u>	<u>-</u>

Operating lease commitments – where a group company is the lessor

The group leases certain properties at varying terms and conditions. The future minimum lease payments receivable under these leases are as follows:

Not later than 1 year	5,411	6,375	-	-
Later than 1 year but not later than 5 years	7,028	8,581	-	-
Later than 5 years	3,571	1,870	-	-
	<u>16,010</u>	<u>16,826</u>	<u>-</u>	<u>-</u>

Amounts recognised in profit or loss

During 2021, investment property rentals of \$6.228 million (2020: \$6.990 million) were included in 'Operating revenue'. Direct operating expenses (including repairs and maintenance), were as follows:

Income-generating property	1,175	890	-	-
	<u>1,175</u>	<u>890</u>	<u>-</u>	<u>-</u>

31. EARNINGS PER SHARE

The calculation of earnings per share at 30 June 2021 was based on the loss attributable to ordinary shareholders of \$12.385 million (2020: profit of \$6.864 million) and a weighted average number of ordinary shares outstanding of 304.647 million (2020: 304.647 million), calculated as follows:

	Group	
	2021	2020
	\$'000	\$'000
		Restated*
(Loss)/ profit after income tax attributable to members of the Company	(12,509)	6,864
Weighted average number of shares outstanding ('000)	<u>304,647</u>	<u>304,647</u>
Basic and diluted earnings per share	<u>(\$0.04)</u>	<u>\$0.02</u>

*See Note 3.26

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. CONTINGENT LIABILITIES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-performance guarantees given by the bank on behalf of group entities	2,712	2,187	-	-
Non-performance guarantees given by the bank on behalf of the Company	270	312	270	270

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

The Company has provided a letter of support to certain subsidiary companies, South Sea Cruises Pte Limited, FHL Properties Pte Limited, Life Cinema Pte Limited and Serendib Investment Pte Limited, undertaking that in the next 12 months it will provide sufficient financial assistance as and when it is needed to enable the subsidiaries companies to continue operations and meet their financial obligations.

The Company has provided a corporate guarantee limited to 30% of the borrowings for Ritam Investments Pte Limited which amounted to \$25,763,000 at 30 June 2021.

One of the Group's subsidiaries, South Sea Cruises Pte Limited, is currently a second defendant in a case involving the Land Tenure of Malamala Island. The matter was struck out by the High Court on 18th November 2016 against the first defendant. The Plaintiff filed an appeal on 23rd January 2017 against this decision which was successful. As at 30 June 2021 the matter remains continuous. The subsidiary company's legal defence has put forth a Summons for Further and Better Particulars for some of the allegations against it and are awaiting a ruling on the same.

33. CAPITAL COMMITMENTS

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

Approved and contracted*	53,018	57,247	577	-
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* \$49,000,000 relates to construction of the FHL Tower and \$2,550,000 relates to purchase of new machines, building maintenance and electrical upgrade for Serendib Investments Pte Limited.

Commitments in respect of loans and approved credit commitments offered but not yet advanced as at balance date amounted to approximately \$2.690 million (2020: \$3.650 million).

34. RELATED PARTY INFORMATION

Directors

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

Yogesh Karan – Acting Chairman
Sakiusa Raivoce
Anthony Whitton
Litiana Loabuka
Kalpana Lal
Mereia Volavola – Appointed 15 August 2020
Savendra Dayal – Appointed 15 August 2020
Eseta Nadakuitavuki – Appointed 15 August 2020

Amounts paid to the directors during the year are disclosed in Note 6(b).

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. RELATED PARTY INFORMATION (continued)

Identity of related parties

All material ownership interests in related parties are disclosed in Note 20. The Group also has related party transactions within the Group which are eliminated upon consolidation.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the Group:

Name	Title
Fijian Holdings Limited	
Jaoji Koroi	Group Chief Executive Officer (appointed 08/03/2021)
Abilash Ram	Group Manager Finance and Investments / Acting GCEO (01/07/2020 - 08/03/2021)
Saleshni Warran	Manager Audit, Risk and Compliance (resigned 19/03/2021)
Lui Lanyon	Assistant Manager Human Resources
Sitiveni Koya	Company Secretary (role change 19/10/2020)
Mereoni Matavou	Company Secretary (appointed 19/10/2020)
Asish Kumar	Manager IT
Fiji Television Limited	
Karen Lobendahn	Chief Executive Officer (resigned 11/09/2020)
Sitiveni Halofaki	General Manager (appointed 13/11/2020)
South Sea Cruises Pte Limited	
Brad Rutherford	Chief Executive Officer
Basic Industries Pte Limited	
Mosese Volavola	Chief Executive Officer
Pacific Cement Pte Limited	
Sowani Tuidrola	Chief Executive Officer (resigned 30/04/2021)
Tevita Ravulo	Factory Manager (appointed 01/03/2021)
Merchant Finance Pte Limited	
Rowena Fong	Chief Executive Officer
RB Patel Group Limited	
Deepak Rathod	Chief Operating Officer
Serendib Investment Pte Limited	
Pradeep Mendis	Manager Operations

The aggregate compensation of key management personnel of the Group comprising only short-term benefits amounted to \$1.880 million (2020: \$2.438 million).

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. RELATED PARTY INFORMATION (continued)

Transactions with related parties (continued)

During the year, the Group entered into various transactions with related parties. 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 were as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Merchant Finance Pte Limited	-	-	691	666
FHL Retailing Pte Limited	-	-	720	720
FHL Fund Management Pte Limited	-	-	168	168
FHL Properties Pte Limited	-	-	264	264
Pacific Cement Pte Limited	-	-	102	102
FHL Media Pte Limited	-	-	48	48
	-	-	1,993	1,968

Dividend income

Dividends received during the year have been disclosed in Note 21.

Interest income

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

Blue Lagoon Cruises Holding Pte Limited	-	-	15	15
South Sea Cruises Pte Limited	-	-	301	334
Basic Industries Pte Limited	-	-	3	8
FHL Properties Pte Limited	-	-	155	71
	-	-	474	428

Interest expense

The Company also obtained loans and advances from its subsidiary companies during the year. Interest expense paid by the Company during the year is as follows:

FHL Media Pte Limited	-	-	212	275
FHL Retailing Pte Limited	-	-	73	12
	-	-	285	287

Amounts receivable from/payable to related parties

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

Loans and advances receivable

FHL Properties Pte Limited	-	-	4,136	1,172
South Sea Cruises Pte Limited	-	-	5,467	5,166
Cloud Investment Pte Limited	-	-	794	1,237
Pacific Property Pte Limited	-	-	100	100
Ritam Investment Pte Limited	-	-	461	165
Serendib Investment Pte Limited	-	-	803	-
Basic Industries Pte Limited	-	-	-	177
Blue Lagoon Cruises Holding Pte Limited	-	-	372	356
	-	-	12,133	8,373

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. RELATED PARTY INFORMATION (continued)

Transactions with related parties (continued)

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Other receivables				
Basic Industries Pte Limited	-	-	4,706	4,678
Pacific Cement Pte Limited	-	-	905	886
FHL Fund Management Pte Limited	-	-	1	365
FHL Properties Pte Limited	-	-	21,512	18,179
Golden Manufacturers Pte Limited	-	-	1,050	900
South Sea Cruises Pte Limited	-	-	9,250	9,250
Merchant Finance Pte Limited	-	-	566	23
Pernix Pte Limited	-	-	210	210
Basic Holdings Pte Limited	-	-	105	104
FHL Media Pte Limited	-	-	4	-
FHL Stockbrokers Pte Limited	-	-	-	100
Pernix PNG	-	-	5,304	5,304
Marsh Pte Limited	-	-	30	30
New World Pte Limited	-	-	431	-
Fiji Television Limited	-	-	1	-
FHL Retailing Pte Limited	-	-	157	1,938
	-	-	44,232	41,967
Loans payable				
Fijian Holdings Unit Trust	-	-	6,150	6,150
FHL Media Pte Limited	-	-	4,103	4,290
	-	-	4,103	4,290

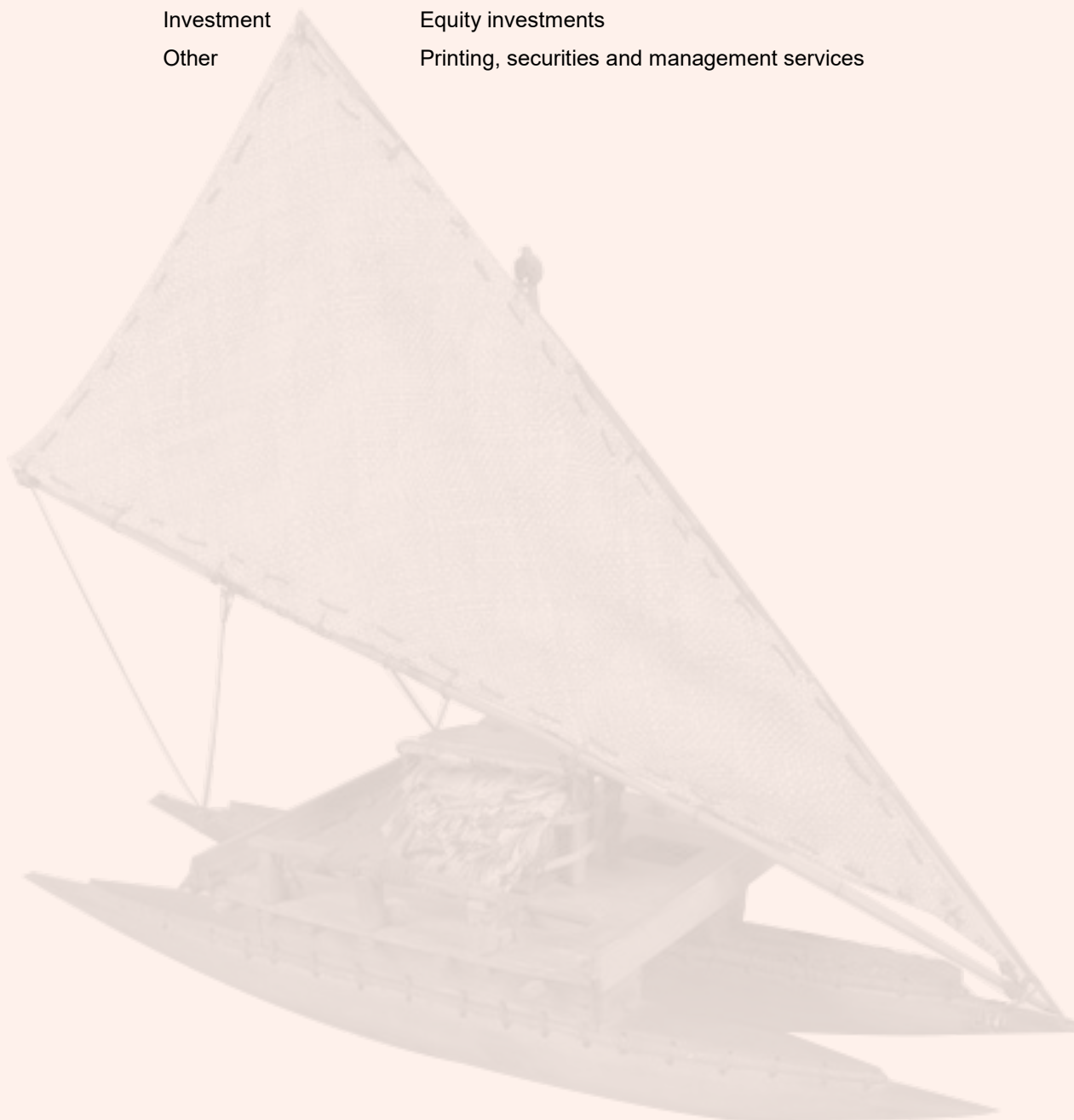
NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. SEGMENT INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Construction	Sales of cement, concrete and concrete products
Property	Owners and administrators of properties, and rental of property
Finance	Asset and loan financing, and acceptance of term deposits
Tourism	Provision of sea transportation services and boat charters
Media	Television and communications
Retail	Retailing and wholesaling of general merchandise
Investment	Equity investments
Other	Printing, securities and management services



NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. SEGMENT INFORMATION - continued
Primary Reporting - Business Segments

2021

	<u>Construction</u> <u>\$000</u>	<u>Property</u> <u>\$000</u>	<u>Finance</u> <u>\$000</u>	<u>Tourism</u> <u>\$000</u>	<u>Media</u> <u>\$000</u>	<u>Retail</u> <u>\$000</u>	<u>Investment</u> <u>\$000</u>	<u>Other</u> <u>\$000</u>	<u>Inter</u> <u>Segment</u> <u>\$000</u>	<u>Total</u> <u>Group</u> <u>\$000</u>
External Operating										
Revenue										
Sale of goods	60,767	-	-	-	-	132,526	-	-	(5,621)	187,672
Rendering of services	-	-	-	836	4,955	-	1,993	2,226	(2,061)	7,949
Revenue from contracts with customers	60,767	-	-	836	4,955	132,526	1,993	2,226	(7,682)	195,621
Rental income	-	4,084	-	-	-	2,857	-	-	(713)	6,228
Interest income	-	-	23,449	-	-	-	-	-	-	23,449
Fee income	-	-	732	-	-	-	-	-	-	732
Interest expense	-	-	(7,142)	-	-	-	-	-	-	(7,142)
Other	-	-	-	-	-	-	10,183	9,400	(16,217)	3,366
Total operating revenue/ net interest income	(14,923)	6,059	5,677	(8,830)	(9,060)	9,486	8,398	1,987	(14,753)	222,254
Profit/(loss) before tax										(15,959)
Income tax										
(expense)/benefit	2,009	(1,463)	(1,150)	962	67	(915)	(512)	(636)	-	(1,638)
Other material non-cash items:										
- Impairment losses on non-financial assets	-	-	-	3,461	5,845	-	-	2,336	-	11,642
- Impairment losses on loans, advances and receivables	1,678	-	5,778	(442)	(75)	1,727	-	-	(1,727)	6,939
Depreciation and amortisation	5,758	118	880	4,058	2,121	1,929	307	1,209	696	17,076
Share of profit of equity-accounted investees	-	-	-	(1,391)	-	2,639	-	5,899	-	7,147
Total assets	63,025	80,230	194,841	76,454	46,981	97,943	582,485	152,173	(669,396)	624,736
Equity-accounted investees	-	-	-	1,750	-	10,975	-	24,153	-	36,878
Capital expenditure	385	8,879	180	123	51	7,775	20	591	(7)	17,997
Total liabilities	51,279	37,201	157,195	57,951	15,324	42,423	60,677	13,254	(76,707)	358,597

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. SEGMENT INFORMATION - continued
2020

	<u>Construction- Restated* \$000</u>	<u>Property \$000</u>	<u>Finance \$000</u>	<u>Tourism \$000</u>	<u>Media- Restated* \$000</u>	<u>Retail \$000</u>	<u>Investment \$000</u>	<u>Other \$000</u>	<u>Inter Segment \$000</u>	<u>Total Group \$000</u>
External Operating Revenue										
Sale of goods	86,530	-	-	-	12,047	135,771	1,968	4,092	(15,672)	206,629
Rendering of services	-	-	-	37,687	-	-	-	-	(6,948)	48,846
Revenue from contracts with customers	86,530	-	-	37,687	12,047	135,771	1,968	4,092	(22,620)	255,475
Rental income	-	4,229	-	-	3,682	-	-	-	(921)	6,990
Interest income	-	-	24,543	-	-	-	-	-	-	24,543
Fee income	-	-	672	-	-	-	-	-	-	672
Interest expense	-	-	(8,612)	-	-	-	-	-	171	(8,441)
Other	-	-	-	-	-	-	18,386	11,026	(18,887)	10,525
Total operating revenue/ net interest income										
Profit/(loss) before tax	(10,715)	3,035	2,619	3,214	(3,338)	10,728	14,995	5,456	(18,306)	289,764
Income tax										7,688
Other material non-cash items:	875	47	20	(524)	(78)	(1,048)	(170)	(768)	-	(1,646)
- Impairment losses on non-financial assets	-	-	-	-	525	-	-	-	-	525
- Impairment losses on loans, advances and receivables	3,271	4	7,484	491	1,041	129	-	6	-	12,426
Depreciation and amortisation	4,538	141	871	7,468	2,305	2,437	304	1,144	(2,462)	16,746
Share of profit of equity-accounted investees	-	-	-	162	-	2,017	-	3,161	-	5,340
Total assets	71,694	66,983	206,786	81,970	56,246	94,643	577,357	158,325	(665,697)	648,307
Equity-accounted investees	-	-	-	6,602	-	9,370	-	22,992	-	38,964
Capital expenditure	2,798	13,085	361	3,291	19	8,002	633	2,866	1,359	32,414
Total liabilities	47,035	28,550	171,792	55,619	14,443	43,494	61,072	13,742	(75,351)	360,396

* See Note 3.26.

The Group operates in Fiji and in PNG with the PNG operations not being material and therefore do not require separate segment disclosures. The fee income above relates to financial assets not measured at FVTPL. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. RESTATEMENT

See Note 3.26 for a background on the restatement of the financial statements.

The following tables summarise the impacts on the Group's consolidated financial statements.

**Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2020**

	As previously reported	Adjustments Inventory re- measurement adjustment	Other adjustments	As restated
	\$'000	\$'000	\$'000	\$'000
Revenue				
Operating revenue	290,184	-	(420)	289,764
Total revenue	291,184	-	(420)	290,764
Expenses				
Changes in inventories of finished goods and work in progress	(110,451)	-	(1,631)	(112,082)
Raw materials and consumables used	(47,635)	(562)	140	(48,057)
Impairment loss on loans, advances and receivables	(11,580)	-	(846)	(12,426)
Other operating expenses	(41,070)	-	(100)	(41,170)
Total expenses	(279,398)	(562)	(2,437)	(282,397)
Operating profit	11,786	(562)	(2,857)	8,367
Profit before income tax	11,108	(562)	(2,857)	7,689
Income tax expense	(1,346)	112	(412)	(1,646)
Profit after tax	9,762	(450)	(3,269)	6,043
Total comprehensive income/ (expense)	2,512	(450)	(3,269)	(1,207)

NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. RESTATEMENT (continued)

Consolidated statement of financial position
As at 30 June 2020

	As previously reported	Adjustments Inventory re- measurement adjustment	Other adjustments	As restated
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Inventories	42,531	(1,834)	(1,920)	38,777
Trade and other receivables	31,157	-	(4,044)	27,113
Property, plant and equipment	164,936	-	(181)	164,755
Deferred tax assets	8,872	367	(2,811)	6,428
Total assets	658,730	(1,467)	(8,956)	648,307
CURRENT LIABILITIES				
Payables and provisions	31,272	-	2,410	33,682
Deferred tax liabilities	14,154	-	(2,983)	11,171
Total liabilities	360,969	-	(573)	360,396
Net assets	297,761	(1,467)	(8,383)	287,911
EQUITY				
Retained earnings	186,352	(748)	(4,815)	180,789
Non-controlling interest	51,452	(719)	(3,568)	47,165
Total equity	297,761	(1,467)	(8,383)	287,911

As at 1 July 2019

	As previously reported	Adjustments Inventory re- measurement adjustment	Other adjustments	As restated
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Inventories	42,301	(1,272)	-	41,029
Trade and other receivables	38,294	-	(2,015)	36,279
Property, plant and equipment	159,490	-	(181)	159,309
Deferred tax assets	6,568	254	585	7,407
Total assets	640,960	(1,018)	(1,611)	638,331
CURRENT LIABILITIES				
Payables	27,237	-	3,503	30,740
Total liabilities	330,977	-	3,503	334,480
Net assets	309,983	(1,018)	(5,114)	303,851
EQUITY				
Retained earnings	184,879	(519)	(2,910)	181,450
Non-controlling interest	55,972	(499)	(2,204)	53,269
Total equity	309,983	(1,018)	(5,114)	303,851

The impact on the Group's basic or diluted earnings per share is a reduction from \$0.03 to \$0.02.

There is no impact on the Group's total operating, investing or financing cash flows for the year ended 30 June 2020 as a result of these adjustments.

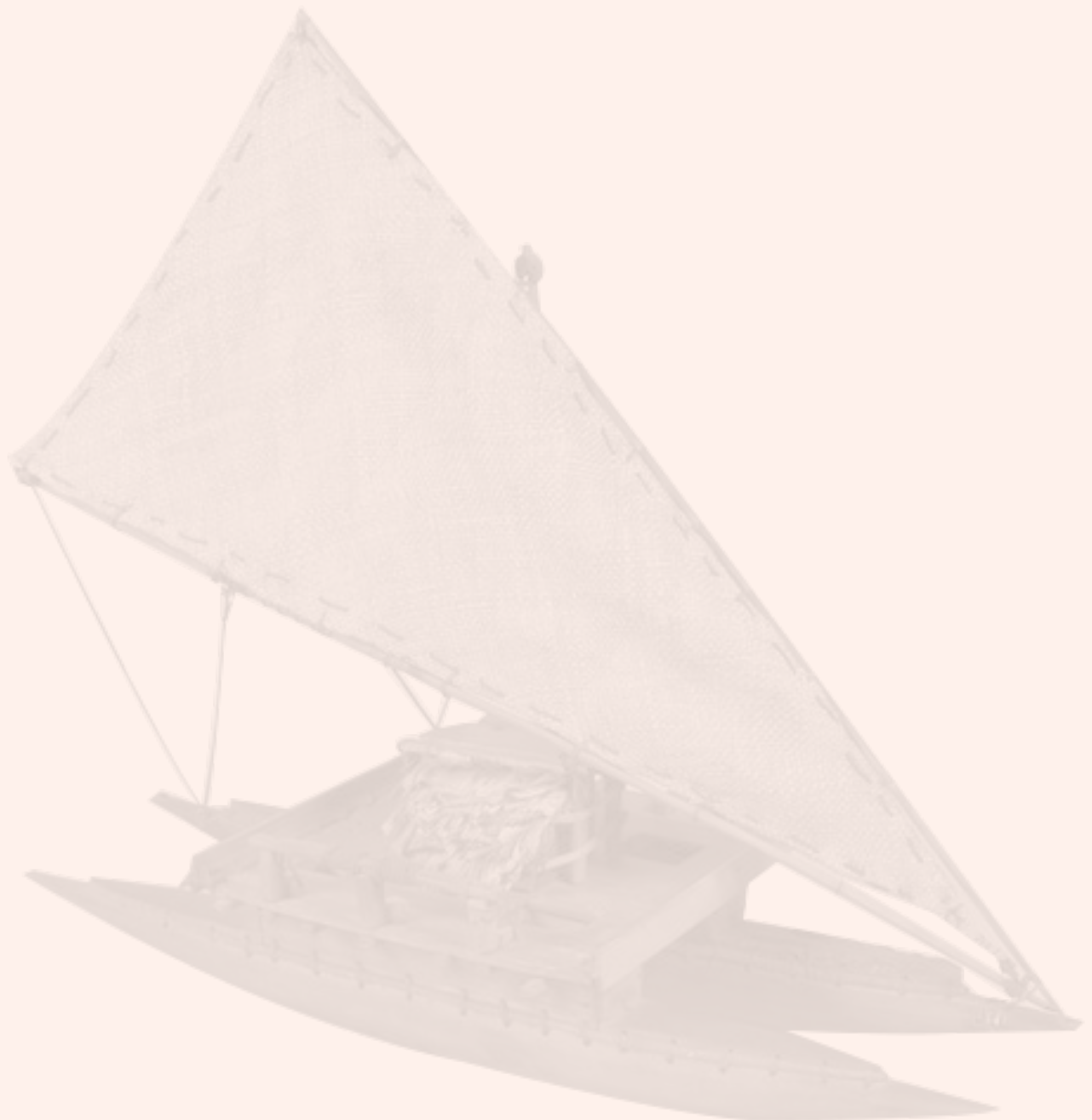
NOTES TO AND FORMING PART OF THE

CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. EVENTS SUBSEQUENT TO BALANCE DATE

The recent announcement by the Government on the lifting of restrictions on trading for businesses and reduction of curfew hours and opening of containment zones and international borders provides some confidence in the improvement of the Group's and the Company's financial performance.

Except for the above, 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.



LISTING REQUIREMENTS

SOUTH PACIFIC STOCK EXCHANGE

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

- a) Statement of interest of each Director in the share capital of the Company or in a related Corporation as at 30 June 2021 included

	<u>Beneficially</u>		<u>Non-beneficially</u>	
	<u>Additions</u>	<u>Holding</u>	<u>Additions</u>	<u>Holding</u>
Sakiusa Raivoce	-	1,351,326	-	-

- b) Distribution of Shareholding

<u>No. of Shareholders</u>	<u>Shareholding</u>	<u>Total Percentage Holding</u>
169	0 - 500 shares	0.01
577	501 - 5,000 shares	0.49
318	5,001 - 10,000 shares	0.77
224	10,001 - 20,000 shares	1.01
78	20,001 - 30,000 shares	0.63
52	30,001 - 40,000 shares	0.58
42	40,001 - 50,000 shares	0.62
69	50,001 - 100,000 shares	1.61
128	100,001 - 1,000,000 shares	14.30
19	Over 1,000,000 shares	79.98
1,676		100.00%

- c) Top 20 shareholders

	<u>Name</u>	<u>No. of shares</u>
1	iTaukei Affairs Board	107,800,400
2	iTaukei Trust Fund Board	100,000,000
3	iTaukei Land Trust Board	8,846,660
4	Cakaudrove Provincial Holdings Company Limited	3,001,521
5	Ratu Sir K Mara Education Trust Fund	3,000,000
	Cicia Plantation Co-Operative Society Ltd	3,000,000
6	Tailevu Dairy Farmers Co-Operative Society Ltd	2,200,000
7	Macuata Provincial Council	2,109,940
8	Vanua Ko Lovoni Investment Ltd	1,798,050
9	Bua Provincial Council	1,623,570
10	Duavata Holdings Ltd	1,410,000
11	Sakiusa & Anaseini Raivoce	1,351,326
12	iTaukei Land Trust Board ATF Mataqali Serau, Nabiti, Dreketi, Macuata	1,170,609
13	Serua Provincial Council	1,166,860
14	Mualevu Koro Investment Ltd	1,087,540
15	Kadavu Provincial Council	1,037,738
16	Lomati Village Investment Limited	1,023,019
17	Moala Tikina Council	1,010,050
18	Inoke Luveni	1,008,393
19	Dogotuki Tikina Council	1,000,000
	Mavana Investment Ltd	1,000,000
	Nabukebuke Holdings Ltd	1,000,000
	Naqarani Holdings Ltd	1,000,000
20	Kiri Verewale Richmond	992,403

LISTING REQUIREMENTS

SOUTH PACIFIC STOCK EXCHANGE (CONTINUED)

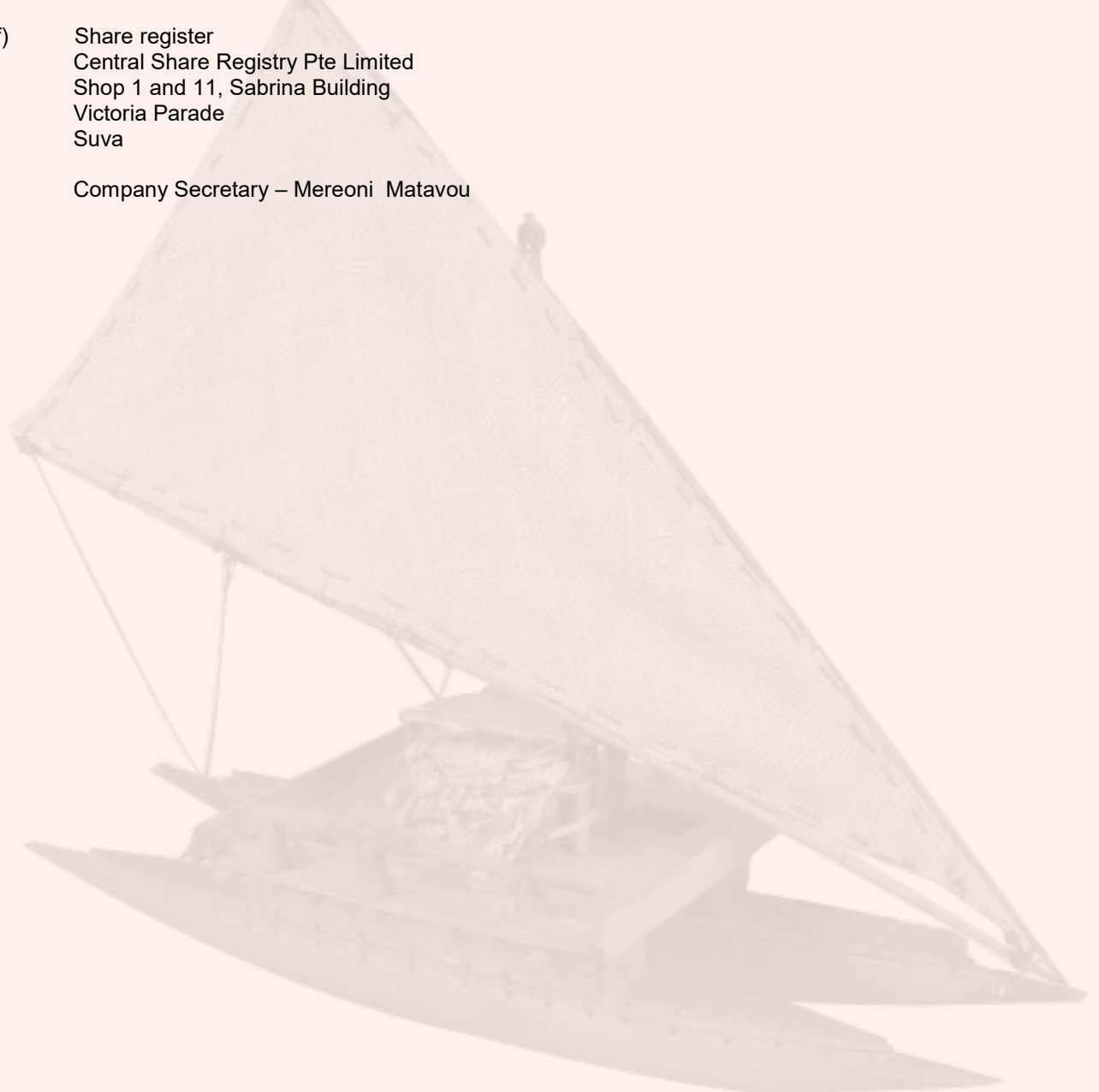
- d) Share price details:
Highest share price during the year was \$1.19
Lowest share price during the year was \$0.50
Share price at year end was \$0.62

- e) Attendance at Board Meetings:

<u>Name</u>	<u>No of meeting</u>	<u>No attended</u>
Yogesh Karan	4	4
Sakiusa Raivoce	4	4
Litiana Loabuka	4	3
Kalpana Lal	4	3
Anthony Whitton	4	4
Savendra Dayal (Appointed 15 August 2020)	4	4
Mereia Volavola (Appointed 15 August 2020)	4	4
Eseta Nadakuitavuki (Appointed 15 August 2020)	4	4

- f) Share register
Central Share Registry Pte Limited
Shop 1 and 11, Sabrina Building
Victoria Parade
Suva

Company Secretary – Mereoni Matavou



LISTING REQUIREMENTS

SOUTH PACIFIC STOCK EXCHANGE (CONTINUED)

g) Disclosure under Section 51.2

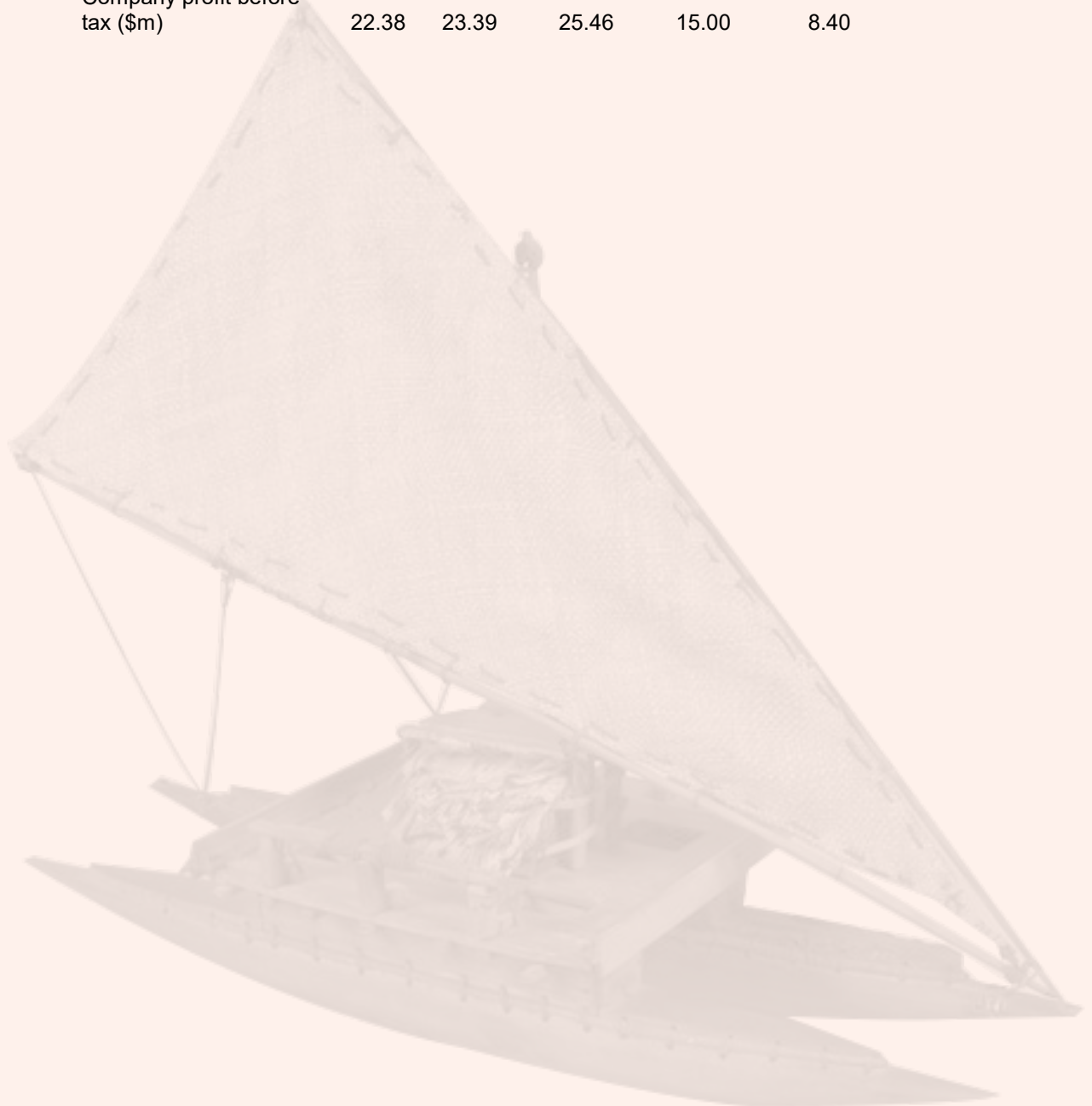
	FHL Fund Management Pte Limited \$'000	South Sea Cruises Limited \$'000	FHL Properties Limited \$'000	FHL Stock-brokers Pte Limited \$'000	FHL Retailing Pte Limited \$'000	Basic Industries Pte Limited \$'000	Pacific Cement Limited \$'000	Serendib Investment Pte Limited \$'000	FHL Logistics Pte Limited \$'000	Merchant Finance Pte Limited \$'000	FHL Media Pte Limited \$'000	Basic Holdings Pte Limited \$'000	Awesome Tourism Pte Limited \$'000	Pacific Property Holding Limited \$'000
Turnover	2,432	836	4,084	53	142,298	38,308	22,460	1,980	-	17,038	4,955	246	-	-
Other income	43	77	4,491	8	116	209	-	4	-	211	616	-	-	-
	2,475	913	8,575	61	142,414	38,517	22,460	1,984	-	17,249	5,571	246	-	-
Depreciation	(244)	(4,058)	(118)	(3)	(2,430)	(3,657)	(735)	(461)	-	(880)	(2,121)	(1)	-	-
Interest income/(expense)	2	(1,734)	(349)	30	(781)	(182)	(570)	(357)	-	(87)	(36)	-	-	-
Other expenses	(1,235)	(3,951)	(2,048)	(121)	(126,635)	(45,594)	(25,163)	(3,228)	-	(10,605)	(12,304)	(222)	(21)	-
Income tax expense	(196)	962	(1,463)	6	(1,106)	1,867	143	(242)	-	(1,151)	67	(15)	-	-
Profit/(loss) after tax	802	(7,868)	4,597	(27)	11,462	(9,049)	(3,865)	(2,304)	-	4,526	(8,823)	8	(21)	-
Assets	2,850	91,625	80,191	875	220,420	45,116	18,036	9,807	1	194,611	46,948	2,237	944	200
Liabilities	502	60,694	37,162	90	43,843	35,329	16,077	8,805	918	156,965	15,120	-	965	200
Shareholders' equity	2,348	30,931	43,029	785	176,577	9,787	1,959	1,002	(917)	37,646	31,828	2,237	(21)	-

LISTING REQUIREMENTS

SOUTH PACIFIC STOCK EXCHANGE (CONTINUED)

h) 5 Year Comparative

Year	2017	2018	2019 - Restated	2020 - Restated	2021
Dividend payment (\$m)	7.34	7.43	7.46	7.53	1.25
Earnings per share (¢)	7	8	9	2	(4)
Group total assets (\$m)	525.06	572.25	638.33	651.29	629.18
Group shareholders fund (\$m)	250.37	277.98	303.85	287.91	266.14
Group operating revenue (\$m)	297.35	306.91	325.58	289.76	222.25
Company operating revenue (\$m)	26.90	27.90	30.66	20.35	12.18
Group profit/(loss) before tax (\$m)	37.22	42.99	45.44	7.69	(15.96)
Company profit before tax (\$m)	22.38	23.39	25.46	15.00	8.40



PROXY FORM

[Pursuant to Section 157 and 158 of Companies Act 2015]

Proxy Form

Name of the Member: _____
Registered Address: _____
SIN: _____

I/We, being the member(s) of Fijian Holdings Limited having _____ shares hereby appoint:

1. Name _____, of _____ or failing that;

2. Name _____, of _____

as my/our proxy to attend and vote on a show of hands and poll on my/our behalf at the General Meeting of the Company, to be held on Friday, 26th November 2021 at 10:00am at FMF Gymnasium, Laucala Bay Road, Suva and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Resolutions	*Optional [Mark X]		
		For	Against	Abstain
	Ordinary Business			
1.	Consideration of Financial Statements			
2.	Confirmation of No Dividend			
3a)	Re-election of Mrs. Litiana Loabuka as an Independent Director			
3b)	Election of Mr. Ilimotama Cawi as an Independent Director			
3c)	Re-appointment of Mr. Yogesh Karan as a Director			
3d)	Appointment of Mr. Alifereti Kikau as a Director			
4.	Appointment of Auditors			
5.	Special Business : (add if applicable)			

Signed this _____ day of _____ 2021.

Signature of Member(s) _____

Notes:

1. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For'/'Against'/'Abstain' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority to conduct a poll.
3. If a representative of the corporation is to attend the meeting, "Appointment of *Corporate Representative*" should be filled in. If the Corporate Representative wishes to appoint a Proxy, this Form must be duly filled in.
4. This Proxy Form must be received by the Company at Fijian Holdings Limited, Level 7, Ra Marama, 91 Gordon Street, Suva or Share Registry at Central Share Registry Pte Limited, Shop 1 and 11, Sabrina Building Victoria Parade Suva or 330 5020 or email to Mereoni.Matavou@fijianholdings.com.fj on 24th November before 10:00 am being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after the cut-off time will not be valid for the scheduled meeting.

Appointment of Corporate Representative

APPOINTMENT OF CORPORATE REPRESENTATIVE

[Pursuant to Section 160 of Companies Act 2015]

This form may be used by a company or other body corporate which is a security holder or which has been appointed as a proxy by a security holder.

Insert the name of the body corporate making the appointment

Hereby appoints

Insert the name of the appointee. Please note that multiple representatives can be appointed but only one representative may exercise the body corporate's powers at any one time.

to act as its representative at all meetings **OR** the meeting to be held on

_____ (Date)

Of

SIGNATURES- THIS MUST BE COMPLETED

	<i>Director</i>	<i>Sole director & Sole Secretary</i>
Common Seal (if applicable)		
	<i>Director /Company Secretary</i>	<i>Date</i>
		/ /

Information

In order to be effective, the form must be received by the Company Secretary of Fijian Holdings Limited within the time limit (if any) specified in the relevant company's Articles of Association for receipt of Corporate Representative Appointments. The original of the form will be retained by the company.

A body corporate may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of a company's members, creditors or debenture holders. The appointment maybe by reference to a position held provided that the appointment identifies the position.

The appointment must be executed in accordance with the body corporate's Articles of Association and (if applicable) Section 53 of the Companies Act 2015. An appointment maybe a standing one, which will continue until revoked.

If more than one representative is appointed, only one representative may exercise the body corporate's power at any one time.

Registered Office:

Fijian Holdings Ltd

Level 7

Ra Marama

91 Gordon St

P.O Box 2110

Government Buildings

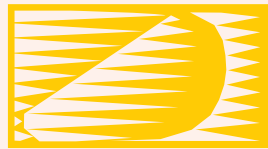
Suva

Fiji

Phone: 679 3305017

Fax: 3305020

Website: www.fijianholdings.com.fj



FIJIAN
HOLDINGS
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