

COMMUNICATIONS (FIJI) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the members of Communications (Fiji) Limited will be held at 10am on Friday, the 27th of May 2016, at 231 Waimanu Road, Suva to transact the following business:

AGENDA

General Business

Minutes of the Previous Meetings held on 12th of May 2015:

To receive, consider and adopt the minutes of the previous Annual general Meeting held on 12th May 2015 as correct record of the meeting. (Minutes were proposed by Pramesh Sharma and seconded by Elenoa and was accepted unanimously)

Ordinary business:

Item 1 Adoption of Financial Statements for the year ended 31st December 2015

To receive, consider and adopt the Audited financial position and Comprehensive Income Statement and the reports of the Directors and Auditors for the year ended 31st December 2015. (Financials were moved by Maganlal and seconded by Sufinaaz Dean and was accepted unanimously)

Item 2 Election of Directors

- (a) Mr Matt Wilson retires by rotation in accordance with Article 108 of the Articles of Association of the Company, and being eligible offers himself for re-appointment as a director of the company. (Matt Wilson indicated that he will be retiring at the end of 2016 before vacating the chair for re appointment as chairman. William Parkinson nominated Matt Wilson in the role again and was seconded by Pramesh Sharma)

Item 3 Appointment of Directors

- (b) To ratify appointment of Sufinaaz Dean on 21st March 2016 as a director of the company representing interest of Parkinson Holding Ltd. (Ms Sufinaaz Dean's appointment was moved by Pramesh Sharma and seconded by Elenoa. All the shareholders unanimously endorsed her appointment)

(Mr Vilash Chands' appointment was not on the AGM notice as he was appointed on the board post AGM notice. His appointment was also unanimously endorsed by the shareholders. Vilash chand replaced Shaenaz Voss)

Item 4 Appointment of Auditors

The board proposes that M/s. Ernst & Young, Chartered Accountants, be appointed auditors of the company for the year 2015 and that the board be authorized to fix their remuneration. (Auditors were unanimously reappointed. The shareholders gave authority to the board to decide on the fee)

Item 5 Declaration of Dividends

The board recommends to adopt the 2nd interim dividend of \$284,640 (8 cents per share) as final dividend for the year 2015 bringing the total dividends declared to 12cents. (Adoption of 2nd interim dividend as final dividend for 2015 was proposed by Mr Maganlal and seconded by Vijay Narayan. It was endorsed unanimously)

Other Business;

Any other business brought up in conformity with the Articles of Association of the company.

(Directors remuneration was discussed. A budget of \$60,000 was set for the remuneration including Directors and officers insurance. The fees was to be decided based on independent assessment by PWC)

By order of the Board of Directors,



Jyoti Khatri
Company Secretary

**Speech by Communications (Fiji) Limited Chairman, Matt Wilson,
at 2016 Annual General Meeting,
Friday, May 27, 2016**

Greetings to you on behalf of the board of directors of Communications (Fiji) Limited. We are here for the 31st annual meeting of the company and will shortly begin the formal agenda.

But let me now address you on some of the company's affairs and numerous related matters.

You will be familiar with last year's results. Announcements on the South Pacific Stock Exchange received fairly extensive media coverage and the 2015 annual report has been circulated.

So let me start by fast-forwarding to 2016.

We have been in business long enough to be wary about the vagaries of the market. That said, the CFL board can state that we believe we are on course in Fiji for what promises to be a record year. The economy is holding up well after the destruction caused by Cyclone Winston. All the experts are predicting there will be growth again this year. We can sense that ourselves from the positive attitude of advertisers and business people generally.

Radio advertising revenue for the first four months of the year, traditionally our weakest period, was at an all-time high and forward bookings look very positive.

The Total Event Company (TEC) subsidiary is making significant inroads into the expanding conference and events business. We expect this to gather pace as tourism numbers go up and private sector investment flows into new infrastructure and amenities.

I mention as examples of this important area of growth the construction by TEC of the exhibitor booths for the inaugural Tourism Fiji Wedding Expo and 109 booths for this year's Fijian Tourism Expo.

Our own Fiji Showcase has evolved over more than 25 years from a small "home and leisure" exhibition at the Suva Civic Centre to the largest trade and entertainment show in the South Pacific staged annually at the Vodafone Arena. This year's Showcase is shaping up to be the biggest ever, featuring 152 booths.

I wish to offer here an accolade to CFL's Fiji engineering team. As the nation reeled from the frightening force of Winston and other extreme weather earlier in the year, our engineers showed why they are the best. They kept us on air in the central division, and ensured our networks elsewhere resumed transmission well ahead of the competition. This has given a boost to listenership and our bottom line.

Last year the CFL engineers completed a major \$500,000 project to upgrade our transmission infrastructure and radio signal in many parts of the country. The project covered the Suva-Nausori corridor most densely populated area of the country. It took in Naitasiri, Rewa, Namosi and central Viti Levu; the Queens highway towards Sigatoka; population centres through Korovou towards Rakiraki, Kadavu, the Lau Group, Lomaiviti, Taveuni and numerous locations on Vanua Levu.

All this was good for listeners and advertisers and the government ministries and agencies that are required to communicate public and community information.

So now let us pay tribute to the engineers who help to keep CFL at the front of the radio broadcast market.

Back on the 2015 results, we can be pleased with what we achieved, despite some obstacles and setbacks.

The healthy state of the group balance sheet, which you have in the annual report, is illustrated by total assets of \$14,549,912 against liabilities of \$2,686,256. This created net assets of \$11,863,656. Our gearing ratio stood at 13 percent, a substantial improvement on 2014.

In Fiji, the prime driver of the outcome, the year started slowly. The company got a dose of Bollywood reality when we brought in the controversial actress Sunny Leone and her retinue for two concerts. Unfortunately her star power and much publicity did not translate into the level of ticket sales required. The substantial loss was an unwelcome challenge.

But we overcame this, and recovered lost ground by keeping a very hard focus on achieving acceptable earnings. In the second half of the year sales surged and we crossed the line strongly, turning in a profit after tax of \$1,725,197.

All things considered, it was quite an effort.

The result included earnings from 231 Waimanu Road Ltd, owner of this building. A long overdue valuation of the property, combined with leasing of temporarily vacant space on the top floor, produced an after tax share of profit of \$768,965.

PNG FM did not have an easy time. PNG's economy went through a considerable slow down related to falling commodity prices. This had a substantial impact in the commercial sector.

We cut costs but also faced an unavoidable rise in rental for our office accommodation.

Another factor affecting the result was the declining value of the PNG currency, the Kina.

As a consequence of these issues, operating profit dropped to FJD 973,656.

PNG's slump rolled over into 2016. It is attracting quite a lot of negative headlines and coverage. But we remain optimistic about the country's future based on the riches of its natural resources, its population numbers and strategic location.

In 2016 we are concentrating again on further fine-tuning PNG FM's management systems and developing the sales team. CFL's director of sales, Doris Southwick, is making visits to Port Moresby to assist with training and motivation. We are confident her efforts will produce results.

Paradise Cinemas Ltd (PCL) our joint venture with City Pharmacy Ltd, and Damodar Group Fiji Ltd, continued to register substantial losses. These are included in the 2015 annual report. Our shareholding of 43.87 per cent is held through PNG FM.

In a South Pacific Stock Exchange announcement in March, your board confirmed that we have decided to fully impair the PNG FM investment in PCL. We had flagged this possibility in the 2014 report. This means all obligations to PCL have been fully provided for as reflected in the consolidated results.

Shareholders should note that while the PCL investment is impaired, PNG FM remains exposed to its bank guarantee obligation. However as PNG FM is operating without any bank debt, it is more than capable of meeting this.

I finish on a personal note. You will see that I am offering myself for re-election.

If you intend to place your confidence in me again, I should tell you that I will be stepping down at the end of the year. I have told my board colleagues about this.

The reasons are tied directly to my personal plans. I was a founder of CFL with William and have served as a director from day one – that's more than 30 years. I have been privileged to be chair for the last five years.

CFL is a strong pillar of my 40-year business career. It is a very real part of my life.

But now, as I approach my mid-70s, I have decided it is time to concentrate on completing some long-delayed projects.

So in a sense I am saying farewell.

Thank you all - shareholders, directors and employees - and ni sa moce.
